

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**

**State of Minnesota**

**S.F. No. 317 - Relating to Local Regulation of the Game of Texas  
Hold'em**

**Author:** Senator Dave Kleis

**Prepared by:** Daniel P. McGowan, Senate Counsel (651/296-4397)



**Date:** March 18, 2005

---

The proposed legislation in its current form amends the lawful gambling local regulation section to provide that an organization that wants to conduct a Texas hold'em tournament must obtain a permit from the city or county if the city or county so requires, and the permit must be reasonably related to the cost of administering and enforcing the permit program. The bill also creates a specific provision in the criminal code to include Texas hold'em as one of the social skill games that is not regulated by other provisions of the criminal code.

**Section 3** provides an effective date of the day following final enactment.

DPM:vs

1                                   A bill for an act  
2           relating to crime prevention and public safety;  
3           gambling; legalizing the game of Texas hold'em under  
4           certain conditions; amending Minnesota Statutes 2004,  
5           sections 349.213, subdivision 1; 609.761, subdivision  
6           3.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8           Section 1. Minnesota Statutes 2004, section 349.213,  
9           subdivision 1, is amended to read:

10           Subdivision 1. [LOCAL REGULATION.] (a) A statutory or home  
11           rule city or county has the authority to adopt more stringent  
12           regulation of lawful gambling within its jurisdiction, including  
13           the prohibition of lawful gambling, and may require a permit for  
14           the conduct of gambling exempt from licensing under section  
15           349.166 or social skill games under section 609.761, subdivision  
16           3. The fee for a permit issued under this subdivision may not  
17           exceed \$100 must be reasonably related to the cost incurred by  
18           the city or county in administering and enforcing the permit.  
19           An organization that wants to conduct a Texas hold'em tournament  
20           or contest must obtain a permit from the city or county if the  
21           city or county so requires.

22           (b) The authority granted by this subdivision does not  
23           include the authority to require a license or permit to conduct  
24           gambling by organizations or sales by distributors licensed by  
25           the board. The authority granted by this subdivision does not  
26           include the authority to require an organization to make

1 specific expenditures of more than ten percent per year from its  
2 net profits derived from lawful gambling. For the purposes of  
3 this subdivision, net profits are gross profits less amounts  
4 expended for allowable expenses and paid in taxes assessed on  
5 lawful gambling. A statutory or home rule charter city or a  
6 county may not require an organization conducting lawful  
7 gambling within its jurisdiction to make an expenditure to the  
8 city or county as a condition to operate within that city or  
9 county, except as authorized under section 349.16, subdivision  
10 8, or 297E.02; provided, however, that an ordinance requirement  
11 that such organizations must contribute ten percent per year of  
12 their net profits derived from lawful gambling conducted at  
13 premises within the city's or county's jurisdiction to a fund  
14 administered and regulated by the responsible local unit of  
15 government without cost to such fund, for disbursement by the  
16 responsible local unit of government of the receipts for (i)  
17 lawful purposes, or (ii) police, fire, and other emergency or  
18 public safety-related services, equipment, and training,  
19 excluding pension obligations, is not considered an expenditure  
20 to the city or county nor a tax under section 297E.02, and is  
21 valid and lawful. A city or county making expenditures  
22 authorized under this paragraph must by March 15 of each year  
23 file a report with the board, on a form the board prescribes,  
24 that lists all such revenues collected and expenditures for the  
25 previous calendar year.

26       **(b)** (c) A statutory or home rule city or county may by  
27 ordinance require that a licensed organization conducting lawful  
28 gambling within its jurisdiction expend all or a portion of its  
29 expenditures for lawful purposes on lawful purposes conducted or  
30 located within the city's or county's trade area. Such an  
31 ordinance must be limited to lawful purpose expenditures of  
32 gross profits derived from lawful gambling conducted at premises  
33 within the city's or county's jurisdiction, must define the  
34 city's or county's trade area, and must specify the percentage  
35 of lawful purpose expenditures which must be expended within the  
36 trade area. A trade area defined by a city under this

1 subdivision must include each city and township contiguous to  
2 the defining city.

3 ~~(c)~~ (d) A more stringent regulation or prohibition of  
4 lawful gambling adopted by a political subdivision under this  
5 subdivision must apply equally to all forms of lawful gambling  
6 within the jurisdiction of the political subdivision, except a  
7 political subdivision may prohibit the use of paddlewheels.

8 Sec. 2. Minnesota Statutes 2004, section 609.761,  
9 subdivision 3, is amended to read:

10 Subd. 3. [SOCIAL SKILL GAME.] Sections 609.755 and 609.76  
11 do not prohibit tournaments or contests that satisfy all of the  
12 following requirements:

13 (1) the tournament or contest consists of the card games of  
14 chance commonly known as cribbage, skat, sheephead, bridge,  
15 euchre, pinochle, gin, 500, smear, Texas hold'em, or whist;

16 (2) the tournament or contest does not provide any direct  
17 financial benefit to the promoter or organizer; and

18 (3) the sum of all prizes awarded for each tournament or  
19 contest does not exceed \$200.

20 Sec. 3. [EFFECTIVE DATE.]

21 Sections 1 and 2 are effective the day following final  
22 enactment. Section 2 applies to acts committed on or after the  
23 enactment date.



1 Senator *Vickerman* moves to amend S.F. No. 317 as follows:

2 Page 3, line 19, after the period, insert "No person under  
3 18 years of age may participate in a Texas hold'em tournament or  
4 contest."

1 Senator ..... moves to amend S.F. No. 317 as follows:

2 Pages 1 to 3, delete section 1

3 Page 3, line 8, delete "Sec. 2." and insert "Section 1."

4 Page 3, after line 19, insert:

5 "A statutory or home rule city or county has the authority  
 6 to adopt more stringent regulations of a tournament or contest  
 7 of social skill games within its jurisdiction, including the  
 8 prohibition of a tournament or contest of a social skill game,  
 9 and may require a permit for the conduct of a tournament or  
 10 contest of Texas hold'em. ~~The fee for a permit issued under~~  
 11 this subdivision must be reasonably related to the cost incurred  
 12 by the city or county in administering and enforcing the  
 13 permit. A county may only regulate tournaments or contests of  
 14 Texas hold'em that occur outside the boundaries of a statutory  
 15 or home rule charter city."

*reinstate  
stricken  
language*

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

17 Page 3, line 21, delete "Sections 1 and 2 are" and insert  
18 "Section 1 is"

19 Page 3, line 22, delete the period and delete "Section 2"  
20 and insert "and"

21 Delete the title and insert:

22 "A bill for an act relating to crime prevention and public  
23 safety; gambling; legalizing the game of Texas hold'em under  
24 certain conditions; amending Minnesota Statutes 2004, section  
25 609.761, subdivision 3."

*If a fee is required under this subdivision the fee should be in the amount of \$200  
And may not exceed \$200*

1 Senator <sup>Vickerman</sup> ..... moves to amend S.F. No. 317 as follows:

2 Page 1 to 3, delete section 1

3 Page 3, line 8, delete "Sec. 2." and insert "Section 1."

4 Page 3, after line 19, insert:

5 "An organization that wishes to conduct a Texas hold'em  
6 tournament or contest must obtain a permit from the statutory or  
7 home rule charter city or county in which the tournament or  
8 contest is to be held for which a \$200 fee must be paid to the  
9 city or county. A county may only regulate tournaments or  
10 contests of Texas hold'em that occur outside the boundaries of a  
11 statutory or home rule charter city."

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

13 Page 3, line 21, delete "Sections 1 and 2 are" and insert  
14 "Section 1 is"

15 Page 3, line 22, delete the period and delete "Section 2"  
16 and insert "and"

17 Delete the title and insert:

18 "A bill for an act relating to crime prevention and public  
19 safety; gambling; legalizing the game of Texas hold'em under  
20 certain conditions; amending Minnesota Statutes 2004, section  
21 609.761, subdivision 3."

1 Senator Higgins from the Committee on State and Local  
2 Government Operations, to which was re-referred

3 S.F. No. 317: A bill for an act relating to crime  
4 prevention and public safety; gambling; legalizing the game of  
5 Texas hold'em under certain conditions; amending Minnesota  
6 Statutes 2004, sections 349.213, subdivision 1; 609.761,  
7 subdivision 3.

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

10 Pages 1 to 3, delete section 1

11 Page 3, line 8, delete "Sec. 2." and insert "Section 1."

12 Page 3, line 19, after the period, insert "No person under  
13 18 years of age may participate in a Texas hold'em tournament or  
14 contest."

15 Page 3, after line 19, insert:

16 "A statutory or home rule city or county has the authority  
17 to adopt more stringent regulations of a tournament or contest  
18 of social skill games within its jurisdiction, including the  
19 prohibition of a tournament or contest of a social skill game,  
20 and may require a permit for the conduct of a tournament or  
21 contest of Texas hold'em. The fee for a permit issued under  
22 this subdivision must be reasonably related to the cost incurred  
23 by the city or county in administering and enforcing the permit  
24 and may not exceed \$200. A county may only regulate tournaments  
25 or contests of Texas hold'em that occur outside the boundaries  
26 of a statutory or home rule charter city."

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

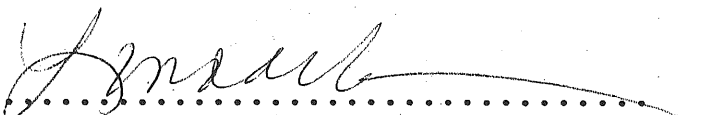
28 Page 3, line 21, delete "Sections 1 and 2 are" and insert  
29 "Section 1 is"

30 Page 3, line 22, delete the period and delete "Section 2"  
31 and insert "and"

32 Delete the title and insert:

33 "A bill for an act relating to crime prevention and public  
34 safety; gambling; legalizing the game of Texas hold'em under  
35 certain conditions; amending Minnesota Statutes 2004, section  
36 609.761, subdivision 3."

37 And when so amended the bill do pass and be re-referred to  
38 the Committee on Crime Prevention and Public Safety. Amendments  
39 adopted. Report adopted.

40  
41   
42 (Committee Chair)

March 21, 2005.....  
(Date of Committee recommendation)

Senators Johnson, D.J. and Robling introduced--

S.F. No. 708: Referred to the Committee on State and Local Government Operations.

1                                   A bill for an act

2           relating to state government; classifying certain

3           investment-related data of the State Board of

4           Investment; amending Minnesota Statutes 2004, sections

5           11A.24, subdivision 6; 13.635, by adding a subdivision.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7           Section 1. Minnesota Statutes 2004, section 11A.24,

8           subdivision 6, is amended to read:

9           Subd. 6. [OTHER INVESTMENTS.] (a) In addition to the

10          investments authorized in subdivisions 1 to 5, and subject to

11          the provisions in paragraph (b), the state board may invest

12          funds in:

13               (1) venture capital investment businesses through

14          participation in limited partnerships, trusts, private

15          placements, limited liability corporations, limited liability

16          companies, limited liability partnerships, and corporations;

17               (2) real estate ownership interests or loans secured by

18          mortgages or deeds of trust or shares of real estate investment

19          trusts through investment in limited partnerships, bank

20          sponsored collective funds, trusts, mortgage participation

21          agreements, and insurance company commingled accounts, including

22          separate accounts;

23               (3) regional and mutual funds through bank sponsored

24          collective funds and open-end investment companies registered

25          under the Federal Investment Company Act of 1940, and closed-end

1 mutual funds listed on an exchange regulated by a governmental  
2 agency;

3 (4) resource investments through limited partnerships,  
4 trusts, private placements, limited liability corporations,  
5 limited liability companies, limited liability partnerships, and  
6 corporations; and

7 (5) international securities.

8 (b) The investments authorized in paragraph (a) must  
9 conform to the following provisions:

10 (1) the aggregate value of all investments made according  
11 to paragraph (a), clauses (1) to (4), may not exceed 35 percent  
12 of the market value of the fund for which the state board is  
13 investing;

14 (2) there must be at least four unrelated owners of the  
15 investment other than the state board for investments made under  
16 paragraph (a), clause (1), (2), (3), or (4);

17 (3) state board participation in an investment vehicle is  
18 limited to 20 percent thereof for investments made under  
19 paragraph (a), clause (1), (2), (3), or (4); and

20 (4) state board participation in a limited partnership does  
21 not include a general partnership interest or other interest  
22 involving general liability. The state board may not engage in  
23 any activity as a limited partner which creates general  
24 liability.

25 (c) The following data received, prepared, used, or  
26 retained by the state board in connection with investments  
27 authorized by paragraph (a), clauses (1), (2), and (4) are  
28 public:

29 (1) the name and industry group classification of the legal  
30 entity in which the state board has invested or in which the  
31 state board has considered an investment;

32 (2) the state board commitment amount, if any;

33 (3) the funded amount of the state board's commitment to  
34 date, if any;

35 (4) the market value of the investment by the state board;

36 (5) the state board's internal rate of return;

1       (6) the age of the investment in years; and  
2       (7) other information that both the state board and the  
3 investment manager agree is appropriate to be released.

4       All other data received, prepared, used, or retained by the  
5 state board in connection with investments authorized by  
6 paragraph (a), clauses (1), (2), and (4) are nonpublic.

7       Sec. 2. Minnesota Statutes 2004, section 13.635, is  
8 amended by adding a subdivision to read:

9       Subd. 5. [STATE BOARD OF INVESTMENT.] Certain government  
10 data of the State Board of Investment related to investments are  
11 classified under section 11A.24, subdivision 6.

12       Sec. 3. [EFFECTIVE DATE.]

13       This act is effective the day following final enactment.

1 Senator ..... moves to amend S.F. No. 708 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. Minnesota Statutes 2004, section 11A.24,  
4 subdivision 6, is amended to read:

5 Subd. 6. [OTHER INVESTMENTS.] (a) In addition to the  
6 investments authorized in subdivisions 1 to 5, and subject to  
7 the provisions in paragraph (b), the state board may invest  
8 funds in:

9 (1) venture capital investment businesses through  
10 participation in limited partnerships, trusts, private  
11 placements, limited liability corporations, limited liability  
12 companies, limited liability partnerships, and corporations;

13 (2) real estate ownership interests or loans secured by  
14 mortgages or deeds of trust or shares of real estate investment  
15 trusts through investment in limited partnerships, bank  
16 sponsored collective funds, trusts, mortgage participation  
17 agreements, and insurance company commingled accounts, including  
18 separate accounts;

19 (3) regional and mutual funds through bank sponsored  
20 collective funds and open-end investment companies registered  
21 under the Federal Investment Company Act of 1940, and closed-end  
22 mutual funds listed on an exchange regulated by a governmental  
23 agency;

24 (4) resource investments through limited partnerships,  
25 trusts, private placements, limited liability corporations,  
26 limited liability companies, limited liability partnerships, and  
27 corporations; and

28 (5) international securities.

29 (b) The investments authorized in paragraph (a) must  
30 conform to the following provisions:

31 (1) the aggregate value of all investments made according  
32 to paragraph (a), clauses (1) to (4), may not exceed 35 percent  
33 of the market value of the fund for which the state board is  
34 investing;

35 (2) there must be at least four unrelated owners of the  
36 investment other than the state board for investments made under



1 paragraph (a), clause (1), (2), (3), or (4);

2 (3) state board participation in an investment vehicle is  
3 limited to 20 percent thereof for investments made under  
4 paragraph (a), clause (1), (2), (3), or (4); and

5 (4) state board participation in a limited partnership does  
6 not include a general partnership interest or other interest  
7 involving general liability. The state board may not engage in  
8 any activity as a limited partner which creates general  
9 liability.

10 (c) All financial or proprietary data received, prepared,  
11 used, or retained by the state board in connection with  
12 investments authorized by paragraph (a), clause (1), (2), or (4)  
13 are nonpublic data under section 13.02, subdivision 9. As used  
14 in this section, "financial or proprietary data" means  
15 information, as determined by the executive director: (i) that  
16 is of a financial or proprietary nature; and (ii) the release of  
17 which could cause competitive harm to the state board, the legal  
18 entity in which the state board has invested or has considered  
19 an investment, the managing entity of an investment, or a  
20 portfolio company in which the legal entity holds an interest.  
21 Regardless of whether they could be considered financial or  
22 proprietary data, the following data received, prepared, used,  
23 or retained by the state board in connection with investments  
24 authorized by paragraph (a), clause (1), (2), or (4) are public  
25 at all times:

26 (1) the name and industry group classification of the legal  
27 entity in which the state board has invested or in which the  
28 state board has considered an investment;

29 (2) the state board commitment amount, if any;

30 (3) the funded amount of the state board's commitment to  
31 date, if any;

32 (4) the market value of the investment by the state board;

33 (5) the state board's internal rate of return for the  
34 investment, including expenditures and receipts used in the  
35 calculation of the investment's internal rate of return; and

36 (6) the age of the investment in years.

1           Sec. 2. Minnesota Statutes 2004, section 13.635, is  
2 amended by adding a subdivision to read:

3           Subd. 1a. [STATE BOARD OF INVESTMENT.] Certain government  
4 data of the State Board of Investment related to investments are  
5 classified under section 11A.24, subdivision 6.

6           Sec. 3. [EFFECTIVE DATE.]

7           Sections 1 and 2 are effective the day following final  
8 enactment."

1 **Senator Higgins from the Committee on State and Local**  
2 **Government Operations, to which was referred**

3 **S.F. No. 708:** A bill for an act relating to state  
4 government; classifying certain investment-related data of the  
5 State Board of Investment; amending Minnesota Statutes 2004,  
6 sections 11A.24, subdivision 6; 13.635, by adding a subdivision.

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

9 Delete everything after the enacting clause and insert:

10 "Section 1. Minnesota Statutes 2004, section 11A.24,  
11 subdivision 6, is amended to read:

12 Subd. 6. [OTHER INVESTMENTS.] (a) In addition to the  
13 investments authorized in subdivisions 1 to 5, and subject to  
14 the provisions in paragraph (b), the state board may invest  
15 funds in:

16 (1) venture capital investment businesses through  
17 participation in limited partnerships, trusts, private  
18 placements, limited liability corporations, limited liability  
19 companies, limited liability partnerships, and corporations;

20 (2) real estate ownership interests or loans secured by  
21 mortgages or deeds of trust or shares of real estate investment  
22 trusts through investment in limited partnerships, bank  
23 sponsored collective funds, trusts, mortgage participation  
24 agreements, and insurance company commingled accounts, including  
25 separate accounts;

26 (3) regional and mutual funds through bank sponsored  
27 collective funds and open-end investment companies registered  
28 under the Federal Investment Company Act of 1940, and closed-end  
29 mutual funds listed on an exchange regulated by a governmental  
30 agency;

31 (4) resource investments through limited partnerships,  
32 trusts, private placements, limited liability corporations,  
33 limited liability companies, limited liability partnerships, and  
34 corporations; and

35 (5) international securities.

36 (b) The investments authorized in paragraph (a) must  
37 conform to the following provisions:

38 (1) the aggregate value of all investments made according

1 to paragraph (a), clauses (1) to (4), may not exceed 35 percent  
2 of the market value of the fund for which the state board is  
3 investing;

4 (2) there must be at least four unrelated owners of the  
5 investment other than the state board for investments made under  
6 paragraph (a), clause (1), (2), (3), or (4);

7 (3) state board participation in an investment vehicle is  
8 limited to 20 percent thereof for investments made under  
9 paragraph (a), clause (1), (2), (3), or (4); and

10 (4) state board participation in a limited partnership does  
11 not include a general partnership interest or other interest  
12 involving general liability. The state board may not engage in  
13 any activity as a limited partner which creates general  
14 liability.

15 (c) All financial or proprietary data received, prepared,  
16 used, or retained by the state board in connection with  
17 investments authorized by paragraph (a), clause (1), (2), or  
18 (4), are nonpublic data under section 13.02, subdivision 9. As  
19 used in this section, "financial or proprietary data" means  
20 information, as determined by the executive director: (i) that  
21 is of a financial or proprietary nature; and (ii) the release of  
22 which could cause competitive harm to the state board, the legal  
23 entity in which the state board has invested or has considered  
24 an investment, the managing entity of an investment, or a  
25 portfolio company in which the legal entity holds an interest.  
26 Regardless of whether they could be considered financial or  
27 proprietary data, the following data received, prepared, used,  
28 or retained by the state board in connection with investments  
29 authorized by paragraph (a), clause (1), (2), or (4), are public  
30 at all times:

31 (1) the name and industry group classification of the legal  
32 entity in which the state board has invested or in which the  
33 state board has considered an investment;

34 (2) the state board commitment amount, if any;

35 (3) the funded amount of the state board's commitment to  
36 date, if any;

- 1 (4) the market value of the investment by the state board;
- 2 (5) the state board's internal rate of return for the
- 3 investment, including expenditures and receipts used in the
- 4 calculation of the investment's internal rate of return; and
- 5 (6) the age of the investment in years.

6 Sec. 2. Minnesota Statutes 2004, section 13.635, is  
7 amended by adding a subdivision to read:

8 Subd. 1a. [STATE BOARD OF INVESTMENT.] Certain government  
9 data of the State Board of Investment related to investments are  
10 classified under section 11A.24, subdivision 6.

11 Sec. 3. [EFFECTIVE DATE.]

12 Sections 1 and 2 are effective the day following final  
13 enactment."

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

16  
17   
18 (Committee Chair)

19  
20 March 21, 2005.....  
21 (Date of Committee recommendation)

1 A bill for an act.

2 relating to occupations; requiring plumbers to be  
3 licensed; establishing inspection requirements for new  
4 plumbing installations; allowing the commissioner to  
5 charge fees to hire staff; licensing restricted  
6 plumbing contractors; requiring rulemaking; amending  
7 Minnesota Statutes 2004, sections 144.122; 326.01, by  
8 adding a subdivision; 326.37, subdivision 1, by adding  
9 a subdivision; 326.38; 326.40, subdivision 1;  
10 proposing coding for new law in Minnesota Statutes,  
11 chapter 326; repealing Minnesota Statutes 2004,  
12 section 326.45.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

14 Section 1. Minnesota Statutes 2004, section 144.122, is  
15 amended to read:

16 144.122 [LICENSE, PERMIT, AND SURVEY FEES.]

17 (a) The state commissioner of health, by rule, may  
18 prescribe reasonable procedures and fees for filing with the  
19 commissioner as prescribed by statute and for the issuance of  
20 original and renewal permits, licenses, registrations, and  
21 certifications issued under authority of the commissioner. The  
22 expiration dates of the various licenses, permits,  
23 registrations, and certifications as prescribed by the rules  
24 shall be plainly marked thereon. Fees may include application  
25 and examination fees and a penalty fee for renewal applications  
26 submitted after the expiration date of the previously issued  
27 permit, license, registration, and certification. The  
28 commissioner may also prescribe, by rule, reduced fees for  
29 permits, licenses, registrations, and certifications when the

1 application therefor is submitted during the last three months  
2 of the permit, license, registration, or certification period.  
3 Fees proposed to be prescribed in the rules shall be first  
4 approved by the Department of Finance. All fees proposed to be  
5 prescribed in rules shall be reasonable. The fees shall be in  
6 an amount so that the total fees collected by the commissioner  
7 will, where practical, approximate the cost to the commissioner  
8 in administering the program. All fees collected shall be  
9 deposited in the state treasury and credited to the state  
10 government special revenue fund unless otherwise specifically  
11 appropriated by law for specific purposes.

12 (b) The commissioner shall adopt reasonable rules  
13 establishing criteria and procedures for refusal to grant or  
14 renew licenses and registrations, and for suspension and  
15 revocation of licenses and registrations.

16 (c) The commissioner may refuse to grant or renew licenses  
17 and registrations, or suspend or revoke licenses and  
18 registrations, in accordance with the commissioner's criteria  
19 and procedures as adopted by rule.

20 (d) The commissioner may charge a fee for voluntary  
21 certification of medical laboratories and environmental  
22 laboratories, and for environmental and medical laboratory  
23 services provided by the department, without complying with  
24 paragraph (a) or chapter 14. Fees charged for environment and  
25 medical laboratory services provided by the department must be  
26 approximately equal to the costs of providing the services.

27 ~~(c)~~ (e) The commissioner may develop a schedule of fees for  
28 diagnostic evaluations conducted at clinics held by the services  
29 for children with handicaps program. All receipts generated by  
30 the program are annually appropriated to the commissioner for  
31 use in the maternal and child health program.

32 ~~(d)~~ (f) The commissioner shall set license fees for  
33 hospitals and nursing homes that are not boarding care homes at  
34 the following levels:

35 Joint Commission on Accreditation of Healthcare  
36 Organizations (JCAHO hospitals) \$7,055

- 1 Non-JCAHO hospitals \$4,680 plus \$234 per bed  
 2 Nursing home \$183 plus \$91 per bed

3 The commissioner shall set license fees for outpatient  
 4 surgical centers, boarding care homes, and supervised living  
 5 facilities at the following levels:

- 6 Outpatient surgical centers \$1,512  
 7 Boarding care homes \$183 plus \$91 per bed  
 8 Supervised living facilities \$183 plus \$91 per bed.

9 (e) (g) Unless prohibited by federal law, the commissioner  
 10 of health shall charge applicants the following fees to cover  
 11 the cost of any initial certification surveys required to  
 12 determine a provider's eligibility to participate in the  
 13 Medicare or Medicaid program:

14 Prospective payment surveys for	\$ 900
15 hospitals	
16	
17 Swing bed surveys for nursing homes	\$1,200
18	
19 Psychiatric hospitals	\$1,400
20	
21 Rural health facilities	\$1,100
22	
23 Portable x-ray providers	\$ 500
24	
25 Home health agencies	\$1,800
26	
27 Outpatient therapy agencies	\$ 800
28	
29 End stage renal dialysis providers	\$2,100
30	
31 Independent therapists	\$ 800
32	
33 Comprehensive rehabilitation	\$1,200
34 outpatient facilities	
35	
36 Hospice providers	\$1,700
37	
38 Ambulatory surgical providers	\$1,800
39	
40 Hospitals	\$4,200
41	
42 Other provider categories or	Actual surveyor costs:
43 additional resurveys required	average surveyor cost x
44 to complete initial certification	number of hours for the
45	survey process.

46 These fees shall be submitted at the time of the  
 47 application for federal certification and shall not be  
 48 refunded. All fees collected after the date that the imposition  
 49 of fees is not prohibited by federal law shall be deposited in  
 50 the state treasury and credited to the state government special  
 51 revenue fund.



1. (h) The commissioner shall charge the following fees for  
 2 examinations, registrations, licenses, and inspections:

3	<u>Plumbing examination</u>	<u>\$ 50</u>
4	<u>Water conditioning examination</u>	<u>\$ 50</u>
5	<u>Plumbing bond registration fee</u>	<u>\$ 40</u>
6	<u>Water conditioning bond registration fee</u>	<u>\$ 40</u>
7	<u>Master plumber's license</u>	<u>\$120</u>
8	<u>Restricted plumbing contractor license</u>	<u>\$ 90</u>
9	<u>Journeyman plumber's license</u>	<u>\$ 55</u>
10	<u>Apprentice registration</u>	<u>\$ 25</u>
11	<u>Water conditioning contractor license</u>	<u>\$ 70</u>
12	<u>Water conditioning installer license</u>	<u>\$ 35</u>
13	<u>Residential inspection fee (each visit)</u>	<u>\$ 50</u>
14	<u>Public, commercial, and</u>	<u>Inspection fee</u>
15	<u>industrial inspections</u>	
16	<u>25 or fewer drainage</u>	
17	<u>fixture units</u>	<u>\$ 300</u>
18	<u>26 to 50 drainage</u>	
19	<u>fixture units</u>	<u>\$ 900</u>
20	<u>51 to 150 drainage</u>	
21	<u>fixture units</u>	<u>\$1,200</u>
22	<u>151 to 249 drainage</u>	
23	<u>fixture units</u>	<u>\$1,500</u>
24	<u>250 or more drainage</u>	
25	<u>fixture units</u>	<u>\$1,800</u>
26	<u>Callback fee (each visit)</u>	<u>\$ 100</u>

27 (i) Plumbing installations that require only fixture  
 28 installation or replacement require a minimum of one  
 29 inspection. Residence remodeling involving plumbing  
 30 installations requires a minimum of two inspections. New  
 31 residential plumbing installations require a minimum of three  
 32 inspections. For purposes of this paragraph and paragraph (h),  
 33 residences of more than four units are considered commercial.

34 Sec. 2. Minnesota Statutes 2004, section 326.01, is  
 35 amended by adding a subdivision to read:

36 Subd. 9a. [RESTRICTED PLUMBING CONTRACTOR.] A "restricted

1 plumbing contractor" is any person skilled in the planning,  
2 superintending, and practical installation of plumbing who is  
3 otherwise lawfully qualified to contract for plumbing and  
4 installations and to conduct the business of plumbing, who is  
5 familiar with the laws and rules governing the business of  
6 plumbing, and who performs the plumbing trade in cities and  
7 towns with a population of fewer than 5,000 according to federal  
8 census.

9       Sec. 3. Minnesota Statutes 2004, section 326.37,  
10 subdivision 1, is amended to read:

11       Subdivision 1. [RULES.] The state commissioner of  
12 health ~~may~~ shall, by rule, prescribe minimum uniform standards  
13 ~~which shall be uniform, and which standards shall thereafter be~~  
14 effective for all new plumbing installations, including  
15 additions, extensions, alterations, and replacements connected  
16 ~~with any water or sewage disposal system owned or operated by or~~  
17 ~~for any municipality, institution, factory, office building,~~  
18 ~~hotel, apartment building, or any other place of business~~  
19 ~~regardless of location or the population of the city or town in~~  
20 ~~which located.~~ Notwithstanding the provisions of Minnesota  
21 Rules, part 4715.3130, as they apply to review of plans and  
22 specifications, the commissioner may allow plumbing  
23 construction, alteration, or extension to proceed without  
24 approval of the plans or specifications by the commissioner.

25       The commissioner shall administer the provisions of  
26 sections 326.37 to ~~326.45~~ 326.451 and for such purposes may  
27 employ plumbing inspectors and other assistants.

28       Sec. 4. Minnesota Statutes 2004, section 326.37, is  
29 amended by adding a subdivision to read:

30       Subd. 1a. [INSPECTION.] All new plumbing installations,  
31 including additions, extensions, alterations, and replacements,  
32 shall be inspected by the commissioner for compliance with  
33 accepted standards of construction for health, safety to life  
34 and property, and compliance with applicable codes. The  
35 Department of Health must have full implementation of its  
36 inspections plan in place and operational July 1, 2007. This

1 subdivision does not apply where a political subdivision  
2 requires, by ordinance, plumbing inspections similar to the  
3 requirements of this subdivision.

4 Sec. 5. Minnesota Statutes 2004, section 326.38, is  
5 amended to read:

6 326.38 [LOCAL REGULATIONS.]

7 Any city having a system of waterworks or sewerage, or any  
8 town in which reside over 5,000 people exclusive of any  
9 statutory cities located therein, or the metropolitan airports  
10 commission, may, by ordinance, adopt local regulations providing  
11 for plumbing permits, bonds, approval of plans, and inspections  
12 of plumbing, which regulations are not in conflict with the  
13 plumbing standards on the same subject prescribed by the state  
14 commissioner of health. No city or such town shall prohibit  
15 plumbers licensed by the state commissioner of health from  
16 engaging in or working at the business, except cities and  
17 statutory cities which, prior to April 21, 1933, by ordinance  
18 required the licensing of plumbers. No city or such town may  
19 require a license for persons performing building sewer or water  
20 service installation who have completed pipe laying training as  
21 prescribed by the commissioner of health. Any city by ordinance  
22 may prescribe regulations, reasonable standards, and inspections  
23 and grant permits to any person, firm, or corporation engaged in  
24 the business of installing water softeners, who is not licensed  
25 as a master plumber or journeyman plumber by the state  
26 commissioner of health, to connect water softening and water  
27 filtering equipment to private residence water distribution  
28 systems, where provision has been previously made therefor and  
29 openings left for that purpose or by use of cold water  
30 connections to a domestic water heater; where it is not  
31 necessary to rearrange, make any extension or alteration of, or  
32 addition to any pipe, fixture or plumbing connected with the  
33 water system except to connect the water softener, and provided  
34 the connections so made comply with minimum standards prescribed  
35 by the state commissioner of health.

36 Sec. 6. Minnesota Statutes 2004, section 326.40,

1 subdivision 1, is amended to read:

2 Subdivision 1. [~~PLUMBERS-MUST-BE-LICENSED-IN-CERTAIN~~  
3 ~~CITIES,-MASTER-AND-JOURNEYMAN-PLUMBERS~~ MASTER, JOURNEYMAN, AND  
4 RESTRICTED PLUMBING CONTRACTORS; PLUMBING ON ONE'S OWN PREMISES;  
5 RULES FOR EXAMINATION.] ~~In-any-city-now-or-hereafter-having~~  
6 ~~5,000-or-more-population,-according-to-the-last-federal-census,~~  
7 ~~and-having-a-system-of-waterworks-or-sewerage,-no-person,-firm,~~  
8 ~~or-corporation-shall-engage-in-or-work-at-the-business-of-a~~  
9 ~~master-plumber-or-journeyman-plumber-unless-licensed-to-do-so-by~~  
10 ~~the-state-commissioner-of-health.~~ No person, firm, or  
11 corporation may engage in or work at the business of a master  
12 plumber, restricted plumbing contractor, or journeyman plumber  
13 unless licensed to do so by the commissioner of health under  
14 sections 326.37 to 326.451. A license is not required for:

15 (1) persons performing building sewer or water service  
16 installation who have completed pipe laying training as  
17 prescribed by the commissioner of health; or

18 (2) persons selling an appliance plumbing installation  
19 service at point of sale if the installation work is performed  
20 by a plumber licensed under sections 326.37 to 326.451.

21 A master plumber may also work as a journeyman plumber.  
22 Anyone not so licensed may do plumbing work which complies with  
23 the provisions of the minimum standard prescribed by the state  
24 commissioner of health on premises or that part of premises  
25 owned and actually occupied by the worker as a residence, unless  
26 otherwise forbidden to do so by a local ordinance.

27 ~~In-any-such-city~~ No person, firm, or corporation shall  
28 engage in the business of installing plumbing nor install  
29 plumbing in connection with the dealing in and selling of  
30 plumbing material and supplies unless at all times a licensed  
31 master plumber or restricted plumbing contractor, who shall be  
32 responsible for proper installation, is in charge of the  
33 plumbing work of the person, firm, or corporation.

34 The Department of Health shall prescribe rules, not  
35 inconsistent herewith, for the examination and licensing of  
36 plumbers.

1       Sec. 7. [326.402] [RESTRICTED PLUMBING CONTRACTOR  
2 LICENSE.]

3       Subdivision 1. [LICENSURE.] The commissioner shall grant a  
4 restricted plumbing contractor license to any person who applies  
5 to the commissioner and provides evidence of having at least two  
6 years of practical plumbing experience in the plumbing trade  
7 preceding application for licensure.

8       Subd. 2. [USE OF LICENSE.] A restricted plumbing  
9 contractor may engage in the plumbing trade only in cities and  
10 towns with a population of fewer than 5,000 according to federal  
11 census.

12       Subd. 3. [APPLICATION PERIOD.] Applications for restricted  
13 plumbing contractor licenses must be submitted to the  
14 commissioner prior to January 1, 2006.

15       Subd. 4. [USE PERIOD FOR RESTRICTED PLUMBING CONTRACTOR  
16 LICENSE.] A restricted plumbing contractor license does not  
17 expire and remains in effect for as long as that person engages  
18 in the plumbing trade.

19       Subd. 5. [PROHIBITION OF TRANSFERENCE.] A restricted  
20 plumbing contractor license must not be transferred or sold to  
21 any other person.

22       Subd. 6. [RESTRICTED PLUMBING CONTRACTOR LICENSE RENEWAL.]  
23 The commissioner shall adopt rules for renewal of the restricted  
24 plumbing contractor license.

25       Sec. 8. [326.451] [INSPECTORS.]

26       (a) The commissioner shall set all reasonable criteria and  
27 procedures by rule for inspector certification, certification  
28 period, examinations, examination fees, certification fees, and  
29 renewal of certifications.

30       (b) The commissioner shall adopt reasonable rules  
31 establishing criteria and procedures for refusal to grant or  
32 renew inspector certifications, and for suspension and  
33 revocation of inspector certifications.

34       (c) The commissioner shall refuse to renew or grant  
35 inspector certifications, or suspend or revoke inspector  
36 certifications, in accordance with the commissioner's criteria

1 and procedures as adopted by rule.

2 Sec. 9. [REVISOR'S INSTRUCTION.]

3 The revisor of statutes shall change all references to  
4 Minnesota Statutes, section 326.45, to Minnesota Statutes,  
5 section 326.451, in Minnesota Statutes, sections 144.99, 326.44,  
6 326.61, and 326.65.

7 Sec. 10. [REPEALER.]

8 Minnesota Statutes 2004, section 326.45, is repealed.

9 Sec. 11. [EFFECTIVE DATE.]

10 Sections 1 to 8 and 10 are effective July 1, 2005.

APPENDIX  
Repealed Minnesota Statutes for S1115-1

**326.45 STATE LICENSE; EXAMINATION; APPLICATION.**

The provisions of sections 326.37 to 326.45 which require state licenses to engage in the work or business of plumbing, and the provisions which provide for the examination of applicants for such licenses, shall only apply in cities having a population of 5,000 or more.



PLUMBING & HEATING, INC.

BOX 1085 • PINE ISLAND, MN 55963 • TELEPHONE (507) 356-4455 • FAX (507) 356-8586

MARCH 16, 2005

PHCC

THE PICTURES ATTACHED TO THIS EMAIL WERE TAKEN LAST WEEK AT A RESIDENCE LOCATED IN KASSON, MN. UPON INSPECTION OF THE HOME, I IMMEDIATELY NOTICED THERE ARE NO VENTS ON THE SINKS, AND THERE ARE "S" TRAPS BELOW THEM. THE EXISTING WATER CLOSETS ARE EITHER VENTED ILLEGALLY, VENTED HORIZONTALLY UNDER THE FLOOR, OR ARE NOT VENTED AT ALL. I AM NOT SURE WHO INSTALLED THE PLUMBING IN THIS HOME; IT IS THE BELIEF OF THE HOMEOWNER THAT IT WAS INSTALLED BY THE BUILDER HIMSELF.

THIS HOME IS A TYPICAL EXAMPLE OF WHY SMALL MUNICIPALITIES (UNDER 5,000 PEOPLE) SHOULD STILL BE SUBJECT TO STATE TRADE LICENSING REQUIREMENTS. THE AVERAGE HOMEBUYER IS NOT AWARE OF THE SIGNIFICANT HEALTH AND SAFETY ISSUES RELATED TO THE INSTALLATION OF PLUMBING, AND IN THE 21<sup>ST</sup> CENTURY IT SHOULD NOT HAVE TO BE A CONCERN OF HIS OR HERS WHEN PURCHASING A NEW HOME. THE CODES ARE IN PLACE TO PREVENT THESE SITUATIONS, BUT CITIZENS OF SMALL COMMUNITIES ARE DENIED THAT PROTECTION.

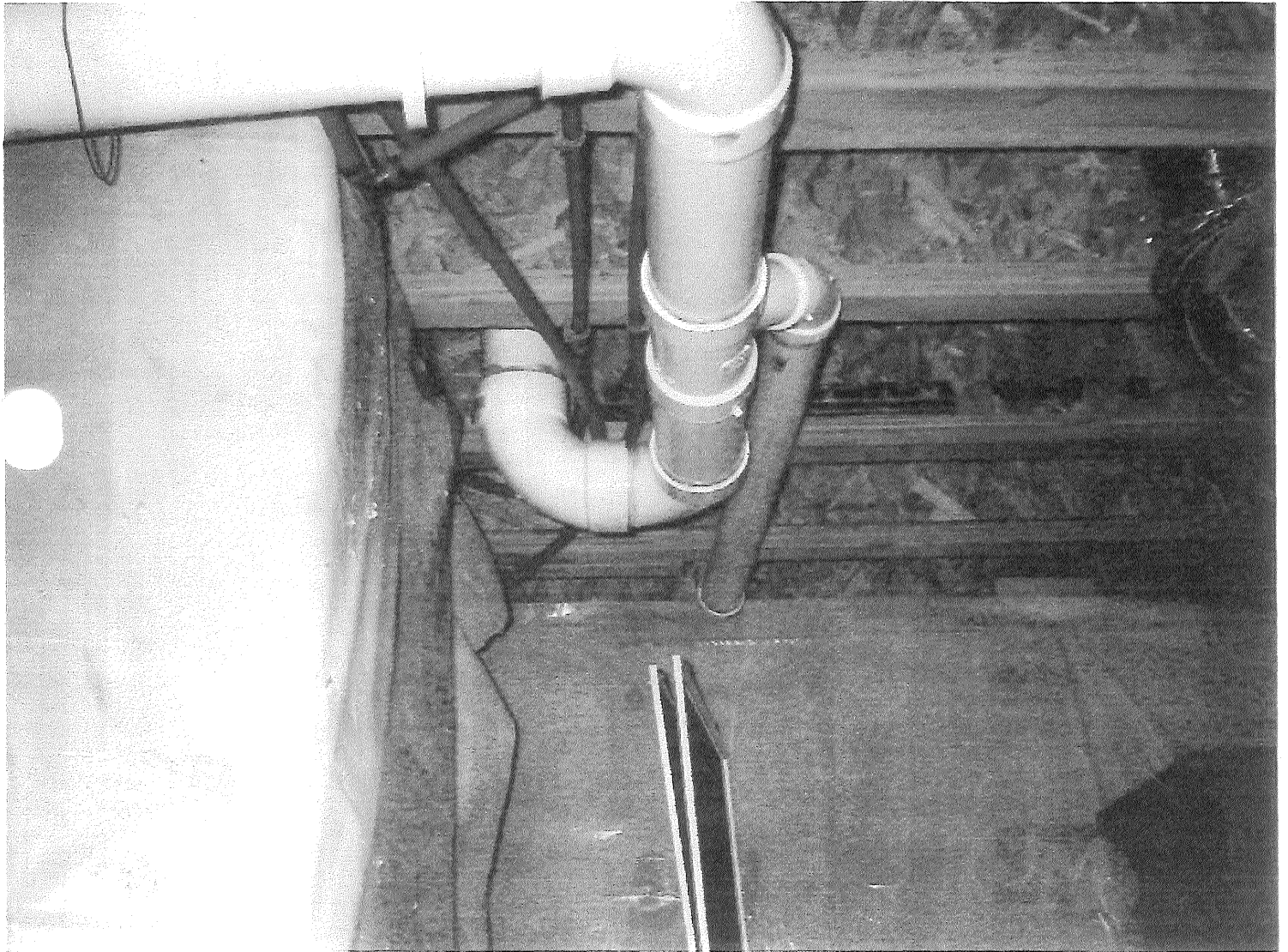
THE HOME WHICH WE PHOTOGRAPHED IS NOT THE ONLY LOCAL EXAMPLE OF THIS PROBLEM. I LIVE AND OPERATE THIS BUSINESS OUT OF PINE ISLAND, MN AND ENCOUNTER THIS QUALITY OF WORKMANSHIP ON A REGULAR BASIS. IN THIS SMALL COMMUNITY AND MANY OTHERS, I SEE CROSS CONNECTIONS, IMPROPER VENTING, AND SITUATIONS OF INADEQUATE BACKFLOW PREVENTION. SINCE I STARTED THIS BUSINESS IN 1983, I HAVE COMPETED WITH TWO OTHER PLUMBING CONTRACTORS LOCATED IN THIS TOWN. NEITHER COMPETITOR HAS A LICENSE, AND NEITHER DEMONSTRATES INTENT TO INSTALL PLUMBING IN ACCORDANCE WITH MN DEPARTMENT OF HEALTH CODES.

IT IS THE RESPONSIBILITY OF OUR INDUSTRY TO PROTECT THE HEALTH OF THE CITIZENS FOR WHICH WE PERFORM OUR WORK. CONSIDERABLE WORK AND TIME HAS BEEN SPENT OVER THE YEARS DEVELOPING PLUMBING CODES AND REGULATIONS, AND THESE RIGHTS OF PROTECTION SHOULD PROVIDED TO CONSTITUENTS OF EVERY COMMUNITY.

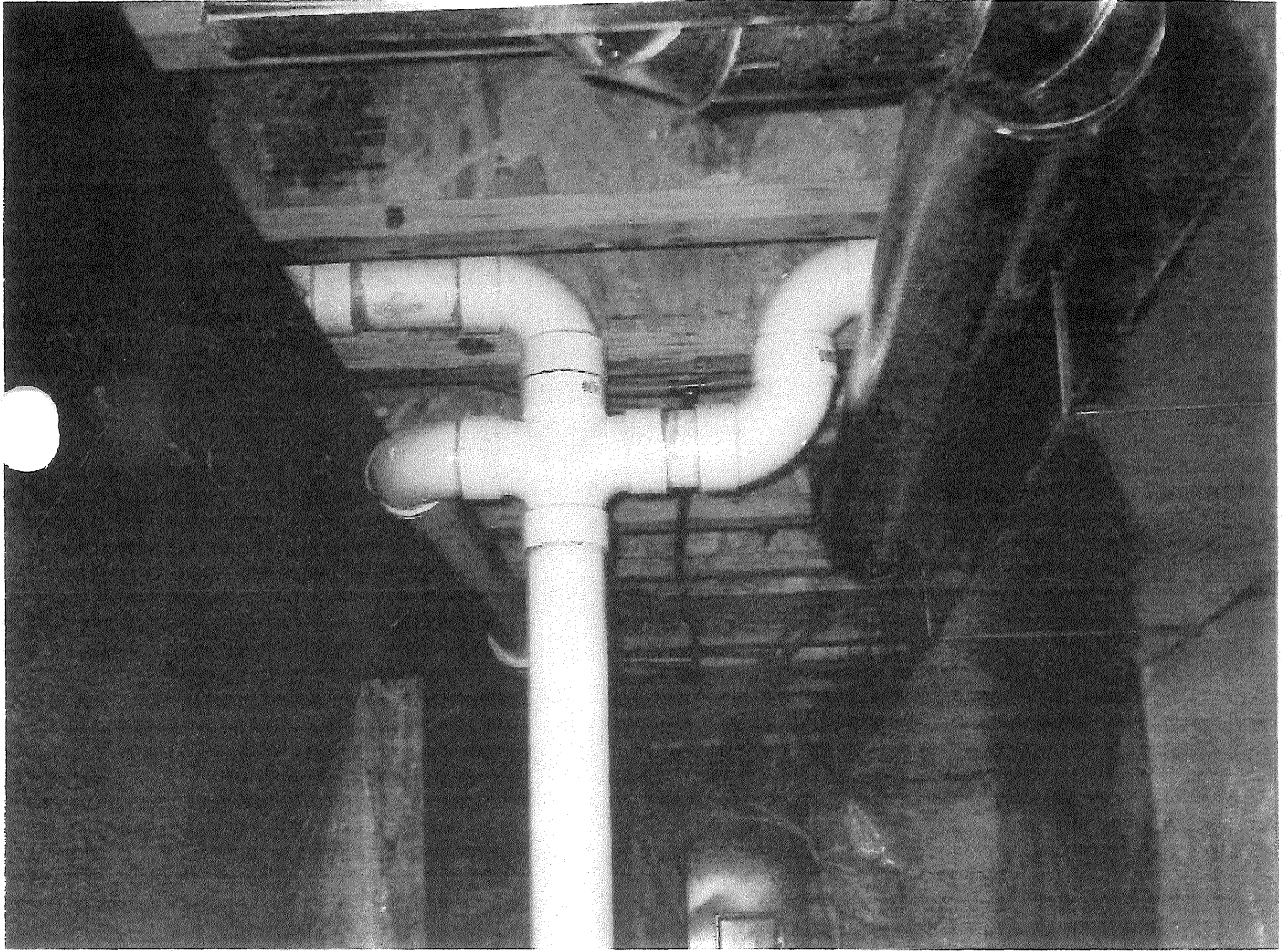
RESPECTFULLY,

DEAN M. COCKER  
PRESIDENT  
MN MASTER # 03553

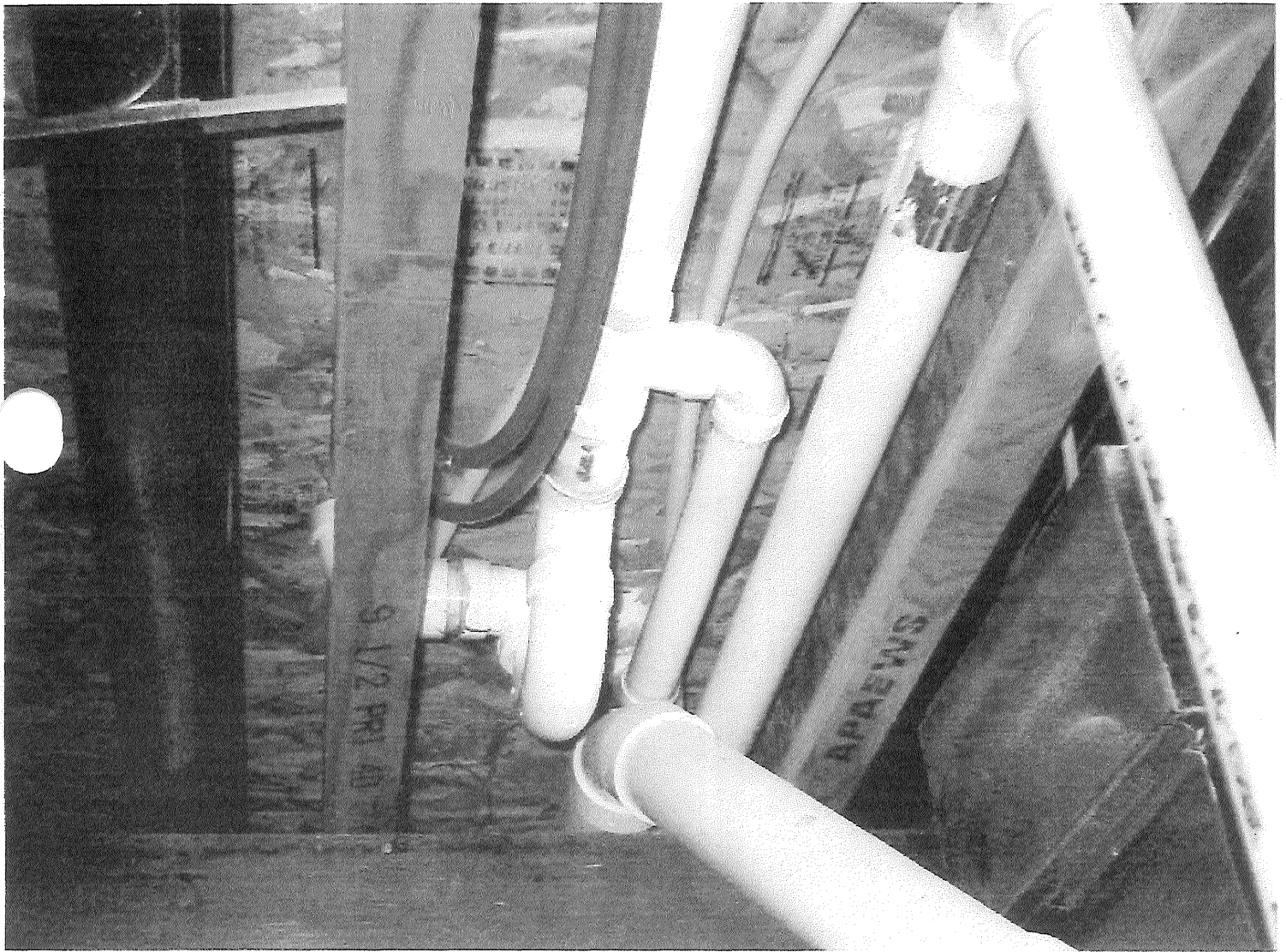




W.C. vent Horizontal below Fl  
No Hangers  
No long sweep Fittings on Horizontal



No vent on W.C.  
No support



Laundry trap below Floor  
laundry box 42" Above Floor  
Improper venting  
No Hangers





No vent on tub  
Short Pattern Fittings  
No support



No support  
No vent

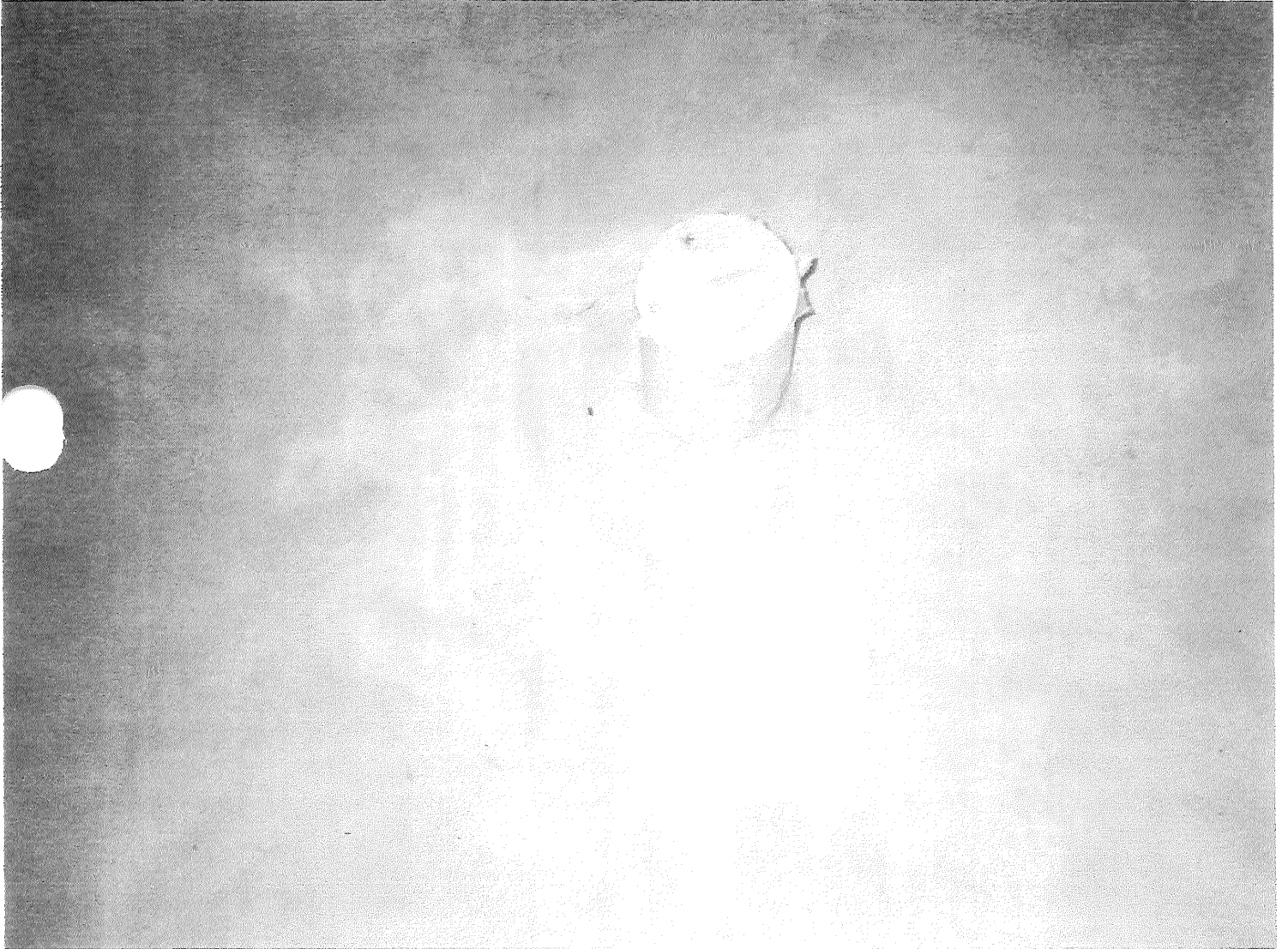


This is lower Bath RI





No Hangers  
Tee instead of wye



Main C.O





Improper support

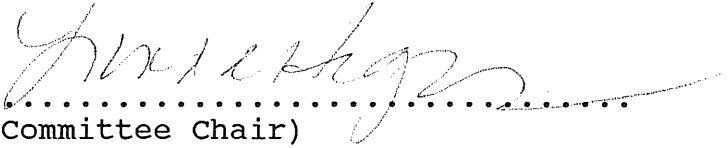
1 Senator Higgins from the Committee on State and Local  
2 Government Operations, to which was re-referred

3 S.F. No. 1115: A bill for an act relating to occupations;  
4 requiring plumbers to be licensed; establishing inspection  
5 requirements for new plumbing installations; allowing the  
6 commissioner to charge fees to hire staff; licensing restricted  
7 plumbing contractors; requiring rulemaking; amending Minnesota  
8 Statutes 2004, sections 144.122; 326.01, by adding a  
9 subdivision; 326.37, subdivision 1, by adding a subdivision;  
10 326.38; 326.40, subdivision 1; proposing coding for new law in  
11 Minnesota Statutes, chapter 326; repealing Minnesota Statutes  
12 2004, section 326.45.

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

15

16

  
.....  
(Committee Chair)

17

18

19

20

21

March 21, 2005.....  
(Date of Committee recommendation)

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

# Senate

State of Minnesota

## **S.F. No. 1267 - Relating to the Hennepin County Park Reserve District**

**Author:** Senator Ann Rest

**Prepared by:** Daniel P. McGowan, Senate Counsel (651/296-4397)



**Date:** March 18, 2005

---

The proposed legislation changes the name in statute from the Hennepin County Park Reserve District or Suburban Hennepin Regional Park District to the Three Rivers Park District, the current name of the park district. The bill also allows any park district superintendent's term to be for a period up to five years, as under the current law the term is limited to two years.

DPM:vs

**Senator Rest introduced--**

**S.F. No. 1267:** Referred to the Committee on State and Local Government Operations.

1 A bill for an act

2 relating to Hennepin County; modifying regional park  
3 district provisions; amending Minnesota Statutes 2004,  
4 sections 383B.68, subdivisions 2, 4; 383B.703;  
5 383B.71; 383B.73, subdivision 1.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. Minnesota Statutes 2004, section 383B.68,  
8 subdivision 2, is amended to read:

9 Subd. 2. [TWO RESIDENTS APPOINTED BY COUNTY BOARD.] Two  
10 park district commissioners shall be appointed by the Board of  
11 Commissioners of Hennepin County. An appointee must be a  
12 resident of the Hennepin-County-Park-Reserve Three Rivers Park  
13 District in order to qualify and serve as a park district  
14 commissioner. Each park district commissioner appointed  
15 pursuant to this subdivision shall serve for a four-year term.  
16 If a vacancy occurs among the commissioners appointed pursuant  
17 to this subdivision, the Board of Commissioners of Hennepin  
18 County shall appoint a successor.

19 Sec. 2. Minnesota Statutes 2004, section 383B.68,  
20 subdivision 4, is amended to read:

21 Subd. 4. [DECENNIAL REDISTRICTING.] After September 1,  
22 1985, and after at least 30 days' notice and public hearing, the  
23 Board of Park District Commissioners of the Hennepin-County-Park  
24 Reserve Three Rivers Park District shall divide the territory of  
25 Hennepin County outside the city of Minneapolis into five

1 districts, which constitute the ~~Hennepin-County-Park-Reserve~~  
2 Three Rivers Park District. Each district shall be composed of  
3 contiguous territory as regular and compact in form as  
4 practicable and as nearly equal in population as possible,  
5 provided that no district shall vary in population more than ten  
6 percent from the average of all the districts, unless compliance  
7 with this requirement requires division of a voting precinct.  
8 After each federal census and by the date prescribed for  
9 redistricting of election districts in section 204B.135,  
10 subdivision 2, after at least 30 days' notice and public  
11 hearing, the Board of Park District Commissioners of  
12 the ~~Hennepin-County-Park-Reserve~~ Three Rivers Park District  
13 shall redistrict the territory of the ~~Hennepin-County-Park~~  
14 ~~Reserve~~ Three Rivers Park District into new commissioner  
15 districts as necessary to comply with the provisions of this  
16 subdivision. The districts established pursuant to this  
17 subdivision shall remain effective until new districts are  
18 established. Any person aggrieved by a districting plan  
19 established pursuant to this subdivision may challenge the plan  
20 in the same manner as a county commissioner districting plan may  
21 be challenged pursuant to section 375.025. The district court  
22 in reviewing any challenge to a districting plan under this  
23 subdivision shall proceed in the manner prescribed by section  
24 375.025. Each districting plan established pursuant to this  
25 subdivision shall be filed in the office of the director of  
26 finance of Hennepin County or any successor office and shall be  
27 effective 31 days after its publication in a newspaper of  
28 general circulation in the county.

29 Sec. 3. Minnesota Statutes 2004, section 383B.703, is  
30 amended to read:

31 383B.703 [DISTRICT RENAMING.]

32 The ~~Hennepin-County-Park-Reserve~~ Three Rivers Park  
33 District, a local government unit organized and existing under  
34 the provisions of sections 398.01 to 398.36, is renamed  
35 the ~~Suburban-Hennepin-Regional~~ Three Rivers Park District. The  
36 district so named is the legal successor in all respects of

1 the ~~Hennepin-County~~ Suburban Hennepin Regional Park Reserve  
2 District as ~~originally~~ previously named and constituted. All  
3 bonds, resolutions, contracts, and liabilities of the Hennepin  
4 ~~County~~ Suburban Hennepin Regional Park Reserve District are the  
5 bonds, resolutions, contracts, and liabilities of the Suburban  
6 ~~Hennepin-Regional~~ Three Rivers Park District as so renamed and  
7 reconstituted. The boundaries of the ~~Suburban-Hennepin-Regional~~  
8 Three Rivers Park District shall include all of Hennepin County  
9 except the city of Minneapolis.

10 Sec. 4. Minnesota Statutes 2004, section 383B.71, is  
11 amended to read:

12 383B.71 [TRAIL SYSTEM.]

13 In addition to the authority granted by chapter 398, the  
14 ~~Hennepin-County~~ Three Rivers Park Reserve District is authorized  
15 to acquire, establish, operate and maintain trail systems.

16 Sec. 5. Minnesota Statutes 2004, section 383B.73,  
17 subdivision 1, is amended to read:

18 Subdivision 1. [LEVY.] To provide funds for the purposes  
19 of the ~~Hennepin-County~~ Three Rivers Park Reserve District as set  
20 forth in its annual budget, in lieu of the levies authorized by  
21 any other special law for such purposes, the Board of Park  
22 District Commissioners may levy taxes on all the taxable  
23 property in the county and park district at a rate not exceeding  
24 0.03224 percent of market value. Notwithstanding section  
25 398.16, on or before October 1 of each year, after public  
26 hearing, the Board of Park District Commissioners shall adopt a  
27 budget for the ensuing year and shall determine the total amount  
28 necessary to be raised from ad valorem tax levies to meet its  
29 budget. The Board of Park District Commissioners shall submit  
30 the budget to the county board. The county board may veto or  
31 modify an item contained in the budget. If the county board  
32 determines to veto or to modify an item in the budget, it must,  
33 within 15 days after the budget was submitted by the district  
34 board, state in writing the specific reasons for its objection  
35 to the item vetoed or the reason for the modification. The Park  
36 Reserve District Board, after consideration of the county

1 board's objections and proposed modifications, may reapprove a  
2 vetoed item or the original version of an item with respect to  
3 which a modification has been proposed, by a two-thirds  
4 majority. If the district board does not reapprove a vetoed  
5 item, the item shall be deleted from the budget. If the  
6 district board does not reapprove the original version of a  
7 modified item, the item shall be included in the budget as  
8 modified by the county board. After adoption of the final  
9 budget and no later than October 1, the superintendent of the  
10 park district shall certify to the office of the Hennepin County  
11 director of tax and public records exercising the functions of  
12 the county auditor the total amount to be raised from ad valorem  
13 tax levies to meet its budget for the ensuing year. The  
14 director of tax and public records shall add the amount of any  
15 levy certified by the district to other tax levies on the  
16 property of the county within the district for collection by the  
17 director of tax and public records with other taxes. When  
18 collected, the director shall make settlement of such taxes with  
19 the district in the same manner as other taxes are distributed  
20 to the other political subdivisions in Hennepin County.

1 Senator ..... moves to amend S.F. No. 1267 as follows:

2 Page 1, after line 6, insert:

3 "Section 1. Minnesota Statutes 2004, section 383B.68,  
4 subdivision 1, is amended to read:

5 Subdivision 1. [AS PROVIDED IN THIS SECTION.] ~~Effective~~  
6 ~~January 17, 1983, and~~ Notwithstanding any provision of sections  
7 398.02 to 398.04, or any other law to the contrary, the Board of  
8 Park District Commissioners of the ~~Hennepin County~~ Three Rivers  
9 ~~Park Reserve~~ District shall consist of seven commissioners  
10 appointed or elected as provided in this section."

11 Page 2, after line 28, insert:

12 "Sec. 4. Minnesota Statutes 2004, section 383B.70, is  
13 amended to read:

14 383B.70 [COMPENSATION OF COMMISSIONERS.]

15 Notwithstanding the provisions of section 398.05 or any  
16 other law, the compensation of commissioners of the ~~suburban~~  
17 ~~Hennepin regional~~ Three Rivers park district must be set by the  
18 board of park commissioners.

19 Sec. 5. Minnesota Statutes 2004, section 383B.702, is  
20 amended to read:

21 383B.702 [DEPOSITORIES.]

22 Notwithstanding section 398.18, the ~~Hennepin County~~ Three  
23 Rivers Park ~~Reserve~~ District may exercise the powers of a  
24 municipality under chapter 118A."

25 Page 2, line 32, delete "Three Rivers" and insert "Suburban  
26 Hennepin Regional"

27 Page 3, after line 15, insert:

28 "Sec. 8. Minnesota Statutes 2004, section 383B.72, is  
29 amended to read:

30 383B.72 [LAND ACQUISITION; TOWN CONSENT.]

31 Notwithstanding the provisions of section 398.09, the Board  
32 of Park District Commissioners of the ~~Hennepin County~~ Three  
33 Rivers Park ~~Reserve~~ District, before acquiring by purchase or  
34 condemnation real estate located within the boundaries of any  
35 organized town in Hennepin County, other than real estate  
36 located within an area designated for development of a park in



1 the most recent revised plan which has been prepared by the  
2 district in accordance with section 398.19, and is on file on  
3 June 9, 1971, with the state department of parks, shall secure  
4 the consent of the town board of such town to such acquisition,  
5 by resolution duly adopted by such board."

6 Page 4, after line 20, insert:

7 "Sec. 10. Minnesota Statutes 2004, section 398.10, is  
8 amended to read:

9 398.10 [PARK SUPERINTENDENT; EMPLOYEES.]

10 The board shall, by secret ballot, elect a park  
11 superintendent to serve as the chief administrative officer of  
12 the park district. Such election shall be for terms of not to  
13 exceed ~~two~~ five years and the superintendent shall serve at the  
14 pleasure of the board. No person shall be elected  
15 superintendent unless the person has had at least ten years  
16 experience in business or in public administration, at least  
17 five years of which shall have been in a responsible  
18 administrative capacity and at least three years in the  
19 administration of parks or recreation. The salary of the  
20 superintendent shall be set by the board. The superintendent or  
21 a designee shall serve as secretary to the board. The secretary  
22 shall, promptly after selection, file with the board a bond in  
23 the penal sum of \$10,000, with good and sufficient sureties  
24 acceptable to the board of park district commissioners.

25 The board shall have power to appoint such officers, agents  
26 and employees as it deems necessary for the proper  
27 administration of the district. The officers, agents and  
28 employees shall perform such duties and receive such  
29 compensation as the board may determine and shall be removable  
30 at the pleasure of the board.

31 Sec. 11. Minnesota Statutes 2004, section 609.531,  
32 subdivision 1, is amended to read:

33 Subdivision 1. [DEFINITIONS.] For the purpose of sections  
34 609.531 to 609.5318, the following terms have the meanings given  
35 them.

36 (a) "Conveyance device" means a device used for

1 transportation and includes, but is not limited to, a motor  
2 vehicle, trailer, snowmobile, airplane, and vessel and any  
3 equipment attached to it. The term "conveyance device" does not  
4 include property which is, in fact, itself stolen or taken in  
5 violation of the law.

6 (b) "Weapon used" means a dangerous weapon as defined under  
7 section 609.02, subdivision 6, that the actor used or had in  
8 possession in furtherance of a crime.

9 (c) "Property" means property as defined in section 609.52,  
10 subdivision 1, clause (1).

11 (d) "Contraband" means property which is illegal to possess  
12 under Minnesota law.

13 (e) "Appropriate agency" means the Bureau of Criminal  
14 Apprehension, the Minnesota Division of Driver and Vehicle  
15 Services, the Minnesota State Patrol, a county sheriff's  
16 department, the ~~Suburban-Hennepin-Regional~~ Three Rivers Park  
17 District park rangers, the Department of Natural Resources  
18 Division of Enforcement, the University of Minnesota Police  
19 Department, or a city or airport police department.

20 (f) "Designated offense" includes:

21 (1) for weapons used: any violation of this chapter,  
22 chapter 152, or chapter 624;

23 (2) for driver's license or identification card  
24 transactions: any violation of section 171.22; and

25 (3) for all other purposes: a felony violation of, or a  
26 felony-level attempt or conspiracy to violate, section 325E.17;  
27 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222;  
28 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322;  
29 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision  
30 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to  
31 (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e),  
32 and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487;  
33 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551;  
34 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631;  
35 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and  
36 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893;

1 609.895; 617.246; or a gross misdemeanor or felony violation of  
2 section 609.891 or 624.7181; or any violation of section 609.324.

3 (g) "Controlled substance" has the meaning given in section  
4 152.01, subdivision 4."

5 Renumber the sections in sequence and correct the internal  
6 references

7 Amend the title accordingly

1 Senator Higgins from the Committee on State and Local  
2 Government Operations, to which was referred

3 S.F. No. 1267: A bill for an act relating to Hennepin  
4 County; modifying regional park district provisions; amending  
5 Minnesota Statutes 2004, sections 383B.68, subdivisions 2, 4;  
6 383B.703; 383B.71; 383B.73, subdivision 1.

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

9 Page 1, after line 6, insert:

10 "Section 1. Minnesota Statutes 2004, section 383B.68,  
11 subdivision 1, is amended to read:

12 Subdivision 1. [AS PROVIDED IN THIS SECTION.] ~~Effective~~  
13 ~~January 17, 1983, and~~ Notwithstanding any provision of sections  
14 398.02 to 398.04, or any other law to the contrary, the Board of  
15 Park District Commissioners of the Hennepin-County Three Rivers  
16 Park Reserve District shall consist of seven commissioners  
17 appointed or elected as provided in this section."

18 Page 2, after line 28, insert:

19 "Sec. 4. Minnesota Statutes 2004, section 383B.70, is  
20 amended to read:

21 383B.70 [COMPENSATION OF COMMISSIONERS.]

22 Notwithstanding the provisions of section 398.05 or any  
23 other law, the compensation of commissioners of the suburban  
24 Hennepin-regional Three Rivers Park District must be set by the  
25 board of park commissioners.

26 Sec. 5. Minnesota Statutes 2004, section 383B.702, is  
27 amended to read:

28 383B.702 [DEPOSITORIES.]

29 Notwithstanding section 398.18, the Hennepin-County Three  
30 Rivers Park Reserve District may exercise the powers of a  
31 municipality under chapter 118A."

32 Page 2, line 32, delete "Three Rivers" and insert "Suburban  
33 Hennepin Regional"

34 Page 3, after line 15, insert:

35 "Sec. 8. Minnesota Statutes 2004, section 383B.72, is  
36 amended to read:

37 383B.72 [LAND ACQUISITION; TOWN CONSENT.]

38 Notwithstanding the provisions of section 398.09, the Board

1 of Park District Commissioners of the Hennepin-County Three  
2 Rivers Park Reserve District, before acquiring by purchase or  
3 condemnation real estate located within the boundaries of any  
4 organized town in Hennepin County, other than real estate  
5 located within an area designated for development of a park in  
6 the most recent revised plan which has been prepared by the  
7 district in accordance with section 398.19, and is on file on  
8 June 9, 1971, with the state department of parks, shall secure  
9 the consent of the town board of such town to such acquisition,  
10 by resolution duly adopted by such board."

11 Page 4, after line 20, insert:

12 "Sec. 10. Minnesota Statutes 2004, section 398.10, is  
13 amended to read:

14 398.10 [PARK SUPERINTENDENT; EMPLOYEES.]

15 The board shall, by secret ballot, elect a park  
16 superintendent to serve as the chief administrative officer of  
17 the park district. Such election shall be for terms of not to  
18 exceed ~~two~~ five years and the superintendent shall serve at the  
19 pleasure of the board. No person shall be elected  
20 superintendent unless the person has had at least ten years  
21 experience in business or in public administration, at least  
22 five years of which shall have been in a responsible  
23 administrative capacity and at least three years in the  
24 administration of parks or recreation. The salary of the  
25 superintendent shall be set by the board. The superintendent or  
26 a designee shall serve as secretary to the board. The secretary  
27 shall, promptly after selection, file with the board a bond in  
28 the penal sum of \$10,000, with good and sufficient sureties  
29 acceptable to the board of park district commissioners.

30 The board shall have power to appoint such officers, agents  
31 and employees as it deems necessary for the proper  
32 administration of the district. The officers, agents and  
33 employees shall perform such duties and receive such  
34 compensation as the board may determine and shall be removable  
35 at the pleasure of the board.

36 Sec. 11. Minnesota Statutes 2004, section 609.531,

1 subdivision 1, is amended to read:

2 Subdivision 1. [DEFINITIONS.] For the purpose of sections  
3 609.531 to 609.5318, the following terms have the meanings given  
4 them.

5 (a) "Conveyance device" means a device used for  
6 transportation and includes, but is not limited to, a motor  
7 vehicle, trailer, snowmobile, airplane, and vessel and any  
8 equipment attached to it. The term "conveyance device" does not  
9 include property which is, in fact, itself stolen or taken in  
10 violation of the law.

11 (b) "Weapon used" means a dangerous weapon as defined under  
12 section 609.02, subdivision 6, that the actor used or had in  
13 possession in furtherance of a crime.

14 (c) "Property" means property as defined in section 609.52,  
15 subdivision 1, clause (1).

16 (d) "Contraband" means property which is illegal to possess  
17 under Minnesota law.

18 (e) "Appropriate agency" means the Bureau of Criminal  
19 Apprehension, the Minnesota Division of Driver and Vehicle  
20 Services, the Minnesota State Patrol, a county sheriff's  
21 department, the ~~Suburban-Hennepin-Regional~~ Three Rivers Park  
22 District park rangers, the Department of Natural Resources  
23 Division of Enforcement, the University of Minnesota Police  
24 Department, or a city or airport police department.

25 (f) "Designated offense" includes:

26 (1) for weapons used: any violation of this chapter,  
27 chapter 152, or chapter 624;

28 (2) for driver's license or identification card  
29 transactions: any violation of section 171.22; and

30 (3) for all other purposes: a felony violation of, or a  
31 felony-level attempt or conspiracy to violate, section 325E.17;  
32 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222;  
33 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322;  
34 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision  
35 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to  
36 (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e),

1 and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487;  
2 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551;  
3 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631;  
4 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and  
5 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893;  
6 609.895; 617.246; or a gross misdemeanor or felony violation of  
7 section 609.891 or 624.7181; or any violation of section 609.324.

8 (g) "Controlled substance" has the meaning given in section  
9 152.01, subdivision 4."

10 Renumber the sections in sequence

11 Amend the title as follows:

12 Page 1, line 3, after the semicolon, insert "providing for  
13 a longer term of office for the park superintendent;"

14 Page 1, line 4, after "subdivisions" insert "1," and after  
15 the first semicolon, insert "383B.70; 383B.702;"

16 Page 1, line 5, after "383B.71;" insert "383B.72;" and  
17 before the period, insert "; 398.10; 609.531, subdivision 1"

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

20 .....  
21 (Committee Chair)

22 .....  
23 March 21, 2005.....  
24 (Date of Committee recommendation)

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**  

---

**State of Minnesota**

**S.F. No. 362 - Interest-Free Loan Program For Guard  
Members Deployed Outside The United  
States (First Engrossment)**

**Author:** Senator Steve Murphy

**Prepared by:** Thomas S. Bottern, Senate Counsel (651/296-3810) *TSB*

**Date:** March 21, 2005

---

This bill provides authority for the adjutant general to establish an interest-free loan program to provide up to \$2,000 of loans to members of the Minnesota National Guard or other reserve components of the Armed Forces for each month of deployment outside the United States as defined in the bill. This bill is before the State and Local Government Committee because of the rulemaking authority described below.

**Section 1, paragraph b, clause (4)**, provides authority for the adjutant general to adopt rules to establish additional eligibility criteria for the loan and repayment terms. In addition, section 1, paragraph (e), provides authority for the adjutant general to adjust the nonrefundable application fee by rule.

TSB:rer



## A bill for an act

2 relating to the military; creating a program that  
3 provides interest-free loans to certain members of the  
4 Minnesota National Guard or other military reserve  
5 units called to federal active service and deployed  
6 outside of the United States; appropriating money;  
7 amending Minnesota Statutes 2004, section 192.501, by  
8 adding a subdivision.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

10 Section 1. Minnesota Statutes 2004, section 192.501, is  
11 amended by adding a subdivision to read:

12 Subd. 2a. [INTEREST-FREE LOAN FOR FOREIGN DEPLOYMENT.] (a)

13 The adjutant general shall establish a program to provide an  
14 interest-free loan from the state in the amount of up to \$2,000  
15 for each month of deployment described in paragraph (b), clause  
16 (1), to each eligible soldier within the limitations of this  
17 subdivision.

18 (b) Eligibility is limited to a member of the Minnesota  
19 National Guard or other reserve components of the armed forces  
20 of the United States who:

21 (1) engaged in a deployment under federal active service as  
22 defined in section 190.05, subdivision 5c, for at least 90  
23 consecutive days to a location outside of the United States;

24 (2) is serving satisfactorily as defined by the adjutant  
25 general or was honorably discharged following completion of the  
26 deployment;

27 (3) submits an application under the procedures established

1 by the adjutant general within eight months of completion of the  
2 deployment; and

3 (4) was a resident of Minnesota when the deployment began.

4 In addition, if the eligible member is killed during the  
5 overseas deployment, the member's surviving spouse is eligible  
6 for an interest-free loan under this subdivision.

7 The adjutant general may adopt rules to provide additional  
8 eligibility criteria for the loan and repayment terms for the  
9 loan.

10 (c) The maximum amount of a loan under this subdivision is  
11 \$24,000.

12 (d) Loans made under this subdivision must be repaid within  
13 20 years of the date of the origin of the loan. Repayments  
14 shall be deposited to the general fund.

15 (e) The adjutant general may impose a reasonable,  
16 nonrefundable application fee for each loan application and an  
17 origination fee to pay the costs of issuing and servicing the  
18 loan. The application fees shall be initially set at \$50 and  
19 the origination fee shall be initially set at one percent of the  
20 loan. The adjutant general may adjust the fees by rule. The  
21 fees must be deposited in the state treasury and credited to an  
22 account in the special revenue fund. Money in the account is  
23 appropriated to the adjutant general for administrative expenses  
24 of the loan program under this subdivision.

25 Sec. 2. [APPROPRIATION.]

26 §..... is appropriated from the general fund to the  
27 adjutant general for loans under section 1. This appropriation  
28 is available until spent.

1 Senator Higgins from the Committee on State and Local  
2 Government Operations, to which was re-referred

3 S.F. No. 362: A bill for an act relating to the military;  
4 creating a program that provides interest-free loans to certain  
5 members of the Minnesota National Guard or other military  
6 reserve units called to federal active service and deployed  
7 outside of the United States; appropriating money; amending  
8 Minnesota Statutes 2004, section 192.501, by adding a  
9 subdivision.

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

13

14

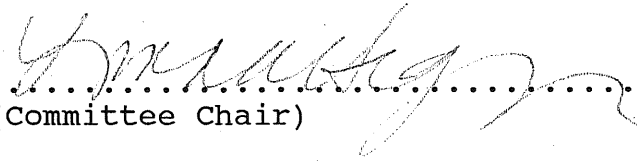
15

16

17

18

19

  
.....  
(Committee Chair)

March 21, 2005.....  
(Date of Committee recommendation)

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR


**Senate**  

---

**State of Minnesota**

**S.F. No. 658 - Military Trust Fund Constitutional  
Amendment**

**Author:** Senator Don Betzold

**Prepared by:** Thomas S. Bottern, Senate Counsel (651/296-3810) 

**Date:** March 21, 2005

---

This bill proposes an amendment to the Minnesota Constitution that would establish a Military Assistance Trust fund to provide assistance to residents who are members of the Military.

**Article 2, section 1, paragraph (d)**, directs the adjutant general to adopt rules to establish eligibility requirements for assistance from the Military Assistance Trust fund. This paragraph directs the adjutant general to consult with Military support groups including, but not limited to, the Family Assistance fund and the Family Assistance centers in establishing these rules.

**Section 3** makes the rulemaking authority for the adjutant general effective November 15, 2006, if the constitutional amendment proposed in article 1 is adopted.

TSB:rer

Senators Betzold, Vickerman, Metzen, Skoglund and Dille introduced--

S.F. No. 658: Referred to the Committee on Agriculture, Veterans and Gaming.

1                   A bill for an act  
2           relating to military affairs; proposing an amendment  
3           to the Minnesota Constitution by adding a section to  
4           article XI; creating a military assistance trust fund;  
5           authorizing rulemaking; appropriating money; proposing  
6           coding for new law in Minnesota Statutes, chapter 190.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8                                   ARTICLE 1

9                                   CONSTITUTIONAL AMENDMENT

10           Section 1. [CONSTITUTIONAL AMENDMENT.]

11           An amendment to the Minnesota Constitution is proposed to  
12 the people. If the amendment is adopted, a section will be  
13 added to article XI to read:

14           Sec. 15. The military assistance trust fund is established  
15 in the state treasury to provide assistance to residents who are  
16 members of the military. The trust fund shall consist of those  
17 funds designated to the trust fund by law. Whenever authorized  
18 and on the terms fixed by law, the state may transfer money and  
19 pledge the public credit to provide money for the purposes of  
20 this section. Money deposited in the trust fund established  
21 pursuant to this section is inviolate and constitutes a  
22 permanent and perpetual trust fund. The interest earned from  
23 investment of the corpus of the trust fund shall be annually  
24 credited by the commissioner of finance not later than June 30  
25 of each year into a separate account within the state treasury  
26 and distributed as provided by law.

1 Sec. 2. [SUBMISSION TO VOTERS.]

2 The proposed amendment shall be submitted to the people at  
3 the 2006 general election. The question submitted shall be:

4 "Shall the Minnesota Constitution be amended to establish a  
5 military assistance trust fund to provide assistance to  
6 residents who are members of the military, including pledging  
7 public credit to provide money for the trust fund?

8 Yes .....

9 No ....."

10 ARTICLE 2

11 STATUTORY CHANGES

12 Section 1. [190.20] [USES OF TRUST FUND; APPROPRIATION;  
13 RULEMAKING.]

14 (a) Money deposited in the military assistance trust fund,  
15 created under article XI, section 15, of the Minnesota  
16 Constitution, must be transmitted to the State Board of  
17 Investment for credit to the trust fund and invested by the  
18 State Board of Investment so as to obtain the highest return  
19 possible consistent with the preservation of the corpus.

20 (b) The investment income from the military assistance  
21 trust fund is appropriated to the adjutant general to alleviate  
22 financial hardships faced by:

23 (1) any member of the Minnesota National Guard or a reserve  
24 unit that is based in Minnesota who has been called to active  
25 duty or active state service;

26 (2) any Minnesota resident who is a member of a military  
27 reserve unit that is not based in Minnesota, if the member is  
28 called to active duty;

29 (3) any other Minnesota resident performing active duty  
30 service for any branch of the military of the United States; and

31 (4) members of the immediate family of a person identified  
32 in clauses (1) to (3). For purposes of this clause, "immediate  
33 family" means the spouse and each child and, if they are  
34 dependents of the member of the military, the parents,  
35 grandparents, siblings, stepchildren, and adult children of the  
36 member of the military.

1 (c) The interest income earned from the military assistance  
2 trust fund must only be used as a last resort to assist eligible  
3 military personnel and families dealing with financial hardship  
4 resulting from the military member's active duty status and must  
5 not be used to supplant any other private or public funds to the  
6 extent funds are available.

7 (d) The adjutant general must adopt rules to establish  
8 eligibility requirements for assistance under this section. In  
9 developing rules, the adjutant general shall consult with  
10 military support groups including, but not limited to, the  
11 family assistance fund and family assistance centers.

12 Sec. 2. [190.21] [ANNUAL REPORT.]

13 (a) By January 15 of each year, the adjutant general shall  
14 provide a report to the governor and the senate and house  
15 committees with jurisdiction over military affairs policy and  
16 finance specifying:

17 (1) the total amount of interest income earned from the  
18 military assistance trust fund during the preceding fiscal year;

19 (2) the total amount of assistance provided from the  
20 interest income earned from the military assistance trust fund;  
21 and

22 (3) the amount of assistance provided from the interest  
23 income earned from the military assistance trust fund by branch  
24 of service, regular or reserve duty classification, amounts of  
25 individual assistance provided, the reasons that qualified a  
26 member of the military or the member's family for assistance,  
27 and the balance remaining within the interest income account for  
28 future disbursements.

29 (b) The adjutant general may request assistance from the  
30 State Board of Investment to prepare the annual report required  
31 by this section.

32 Sec. 3. [EFFECTIVE DATE.]

33 This article is effective November 15, 2006, if the  
34 constitutional amendment proposed in article 1 is adopted by the  
35 voters.

1 Senator Higgins from the Committee on State and Local  
2 Government Operations, to which was re-referred

3 S.F. No. 658: A bill for an act relating to military  
4 affairs; proposing an amendment to the Minnesota Constitution by  
5 adding a section to article XI; creating a military assistance  
6 trust fund; authorizing rulemaking; appropriating money;  
7 proposing coding for new law in Minnesota Statutes, chapter 190.

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

11

12

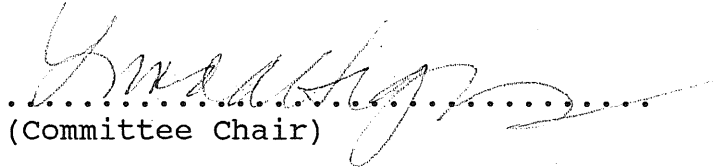
13

14

15

16

17

  
.....  
(Committee Chair)

March 21, 2005.....  
(Date of Committee recommendation)



**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**

**State of Minnesota**

**S.F. No. 659 - Military Trust Fund**

**Author:** Senator Don Betzold

**Prepared by:** Thomas S. Bottern, Senate Counsel (651/296-3810) *TSB*

**Date:** March 21, 2005

---

This bill establishes a Military Assistance Trust fund to provide assistance to residents who are members of the Military.

**Section 2, paragraph (c)**, directs the adjutant general to adopt rules to establish eligibility requirements for assistance from the Military Assistance Trust fund. This paragraph directs the adjutant general to consult with Military support groups including, but not limited to, the Family Assistance fund and the Family Assistance centers in establishing these rules.

TSB:rer

Senators Betzold, Vickerman, Metzen, Skoglund and Dille introduced--  
S.F. No. 659: Referred to the Committee on Agriculture, Veterans and Gaming.

1 A bill for an act

2 relating to military affairs; creating a military  
3 assistance trust fund and specifying uses of the fund;  
4 authorizing rulemaking; appropriating money; proposing  
5 coding for new law in Minnesota Statutes, chapter 190.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. [190.19] [MILITARY ASSISTANCE TRUST FUND.]

8 (a) The military assistance trust fund is established in  
9 the state treasury. The trust fund consists of those funds  
10 designated to the trust fund by law.

11 (b) Money deposited in the trust fund established in  
12 paragraph (a) is inviolate and constitutes a permanent and  
13 perpetual trust fund. Money designated to the trust fund must  
14 be transmitted to the State Board of Investment for credit to  
15 the trust fund and invested by the State Board of Investment so  
16 as to obtain the highest return possible consistent with the  
17 preservation of the corpus. The interest earned from investment  
18 of the corpus of the trust fund must be credited by the  
19 commissioner of finance not later than June 30 of each year into  
20 a separate account within the state treasury and distributed as  
21 provided in section 190.20.

22 Sec. 2. [190.20] [USES OF TRUST FUND; APPROPRIATION;  
23 RULEMAKING.]

24 (a) The investment income from the military assistance  
25 trust fund created by section 190.19 is appropriated to the

1 adjutant general to alleviate financial hardships faced by:

2 (1) any member of the Minnesota National Guard or a reserve  
3 unit that is based in Minnesota who has been called to active  
4 duty or active state service;

5 (2) any Minnesota resident who is a member of a military  
6 reserve unit that is not based in Minnesota, if the member is  
7 called to active duty;

8 (3) any other Minnesota resident performing active duty  
9 service for any branch of the military of the United States; and

10 (4) members of the immediate family of a person identified  
11 in clauses (1) to (3). For purposes of this clause, "immediate  
12 family" means the spouse and each child and, if they are  
13 dependents of the member of the military, the parents,  
14 grandparents, siblings, stepchildren, and adult children of the  
15 member of the military.

16 (b) The interest income earned from the military assistance  
17 trust fund must only be used as a last resort to assist eligible  
18 military personnel and families dealing with financial hardship  
19 resulting from the military member's active duty status and must  
20 not be used to supplant any other private or public funds to the  
21 extent funds are available.

22 (c) The adjutant general must adopt rules to establish  
23 eligibility requirements for assistance under this section. In  
24 developing rules, the adjutant general shall consult with  
25 military support groups including, but not limited to, the  
26 family assistance fund and family assistance centers.

27 Sec. 3. [190.21] [ANNUAL REPORT.]

28 (a) By January 15 of each year, the adjutant general shall  
29 provide a report to the governor and the senate and house  
30 committees with jurisdiction over military affairs policy and  
31 finance specifying:

32 (1) the total amount of interest income earned from the  
33 military assistance trust fund during the preceding fiscal year;

34 (2) the total amount of assistance provided from the  
35 interest income earned from the military assistance trust fund;  
36 and

1       (3) the amount of assistance provided from the interest  
2 income earned from the military assistance trust fund by branch  
3 of service, regular or reserve duty classification, amounts of  
4 individual assistance provided, the reasons that qualified a  
5 member of the military or the member's family for assistance,  
6 and the balance remaining within the interest income account for  
7 future disbursements.

8       (b) The adjutant general may request assistance from the  
9 State Board of Investment to prepare the annual report required  
10 by this section.

11       Sec. 4. [TRANSFER.]

12       By July 1, 2005, the commissioner of finance shall transfer  
13 \$..... from the general fund to the military assistance trust  
14 fund.

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

# Senate

State of Minnesota

## **S.F. No. 984 - Relating to Services for Persons with Disabilities (First Engrossment)**

**Author:** Senator Becky Lourey

**Prepared by:** Daniel P. McGowan, Senate Counsel (651/296-4397)

*DPM*

**Date:** March 18, 2005

---

The proposed legislation is a bill that modifies a variety of programs affecting persons with disabilities. When the bill was heard in the Health and Human Services Committee, concern was expressed about provisions in sections 8, 10, 16, and 18, in which persons are afforded the option of choosing between county and private service coordination vendors, which was the reason for the bill's referral to the State and Local Government Committee.

DPM:vs  
Attachment

**Bill Summary****Senate**

Senate Counsel &amp; Research

State of Minnesota

**S.F. No. 984 - Services for Persons With Disabilities (The Delete-Everything Amendment)**

**Author:** Senator Becky Lourey  
**Prepared by:** Joan White, Senate Counsel (651/296-3814)  
Katie Cavanor, Senate Counsel (651/296-3801)  
David Giel, Senate Research (651/296-7178)  
**Date:** March 10, 2005

**S.F. No. 984** modifies a variety of programs affecting persons with disabilities. It increases MA asset limits for recipients who are aged, blind, or disabled. It modifies various case management provisions. It restores MA, GAMC, and MinnesotaCare dental benefits for adults. It authorizes a onetime payment of \$3,000 to assist waived services clients moving from a licensed facility to a community setting. It increases the MA personal needs allowance. It provides an unspecified rate increase for intermediate care facilities for persons with mental retardation and for a variety of community-based providers.

**Section 1 (256B.04, subdivision 20)** requires the Department of Human Services (DHS) to consult with private sector health plan companies and develop an incentive program to encourage MA recipients with disabilities to have regular wellness exams.

**Section 2 (256B.056, subdivision 3)** increases the asset limits for MA eligibility for the aged, blind, or disabled from \$3,000 to \$10,000 for an individual and from \$6,000 to \$18,000 for a family.

**Section 3 (256B.056, subdivision 5c)** sets the excess income standard for the aged, blind or disabled at 100 percent of the federal poverty guidelines (FPG).

**Section 4 (256B.057, subdivision 9)** states that in the MA employed persons with disabilities program for enrollees who are also enrolled in Medicare, the commissioner will reimburse the enrollee for Medicare part B premiums regardless of income. This section also states that increases in benefits under Title II of the Social Security Act shall not be counted as income until July 1 of each year.

**Section 5 (256B.0575)** lengthens the period of time for allocating income to an MA recipient who is institutionalized but expected to return home eventually. Under current law, income is allocated to the person rather than to the cost of institutional care for up to three months. Under this bill, the allocation would be for up to six months. This section also changes terminology.

**Sections 6 to 11 modify MA targeted case management services.**

**Section 6 (256B.0621, subdivision 2)** broadens the definition of "relocation targeted case management" to include both targeted case management, which the bill renames county targeted case management, and service coordination services.

**Section 7 (256B.0621, subdivision 3)** postpones eligibility for home care targeted case management services

for certain recipients of home care services from January 1, 2003, until July 1, 2005.

**Section 8 (256B.0621, subdivision 4)** assigns to counties the duty to require contracted providers of relocation targeted case management services to disclose to the recipient all conflicts of interest and obtain the recipient's informed consent or provide the recipient with alternatives.

**Section 9 (256B.0621, subdivision 5)** modifies provider qualifications for the broadened relocation targeted case management service. Providers must meet the standards in subdivision 4 or the qualifications in this subdivision. Qualifications are added regarding financial conflicts of interest.

**Section 10 (256B.0621, subdivision 6)** requires the county to provide service coordinator provider options to persons choosing to relocate at the first contact and upon request. It also lists the services included in relocation targeted county case management and in relocation service coordination.

**Section 11 (256B.0621, subdivision 7)** requires relocation targeted case management recipients to be assigned a county case manager. Current law refers only to case manager. If the county, its contractor, or a tribe does not provide case management services as required, the recipient may obtain relocation service coordination from a qualified provider. The option to receive targeted case management services from an alternative qualified provider is stricken.

**Section 12 (256B.0621, subdivision 11)** adds a new subdivision, which requires the commissioner to execute an agreement with the federal government to obtain the minimum data set in order to assist residents who want to leave nursing homes. The commissioner must enter into agreements with community organizations to help persons move into the community. Upon admission and annually thereafter, the commissioner must provide notification to MA-eligible persons who are residing in institutions of the availability of relocation targeted case management services.

**Section 13 (256B.0622, subdivision 2)** modifies several definitions.

**Section 14 (256B.0625, subdivision 9)** removes the \$500 annual benefit limit on dental services for adults in the MA program and restores the benefits to what they were prior to 2003.

**Section 15 (256B.0916, subdivision 10)** authorizes a transitional supports allowance for persons receiving waiver services for persons with mental retardation and related conditions who are moving from a licensed setting to a community setting. The allowance is a one-time payment of up to \$3,000 to pay for items not covered by other sources, including rent and security deposits, utility set-up costs, essential furnishings and supplies, and personal supports and transportation needed to locate and transition to community settings.

**Section 16 (256B.092, subdivision 4b)** requires recipients of waiver services for persons with developmental disabilities to select from public vendors of county case management services but requires DHS to ensure them a choice between county and private service coordination vendors. This section is effective July 1, 2005, or if federal approval is required.

**Section 17 (256B.35, subdivision 1)** increases the MA personal needs allowance to \$150.

**Section 18 (256B.49, subdivision 13)** amends the home and community-based waiver for chronically ill children and disabled persons (CADI, CAC, and TBI waivers) by requiring the recipient of services to be provided county case management and service coordination. The client must be allowed to choose a county or private services coordination provider. This section also modifies the description of case management services and adds a description of service coordination activities. This section is effective July 1, 2005, or, if a federal

waiver is required, on the date the federal waiver is granted.

**Section 19 (256B.49, subdivision 14)** specifies that recipient assessments and reassessments are the duty of the county case manager.

**Section 20 (256B.49, subdivision 16)** authorizes a transitional supports allowance for persons receiving waiver services under one of three waiver programs (Community Alternatives for Disabled Individuals (CADI); Community Alternative Care (CAC); and the Traumatic Brain Injury (TBI) waiver), who are moving from a licensed setting to a community setting. The allowance is a onetime payment of up to \$3,000 to pay for items not covered by other sources, including rent and security deposits, utility set-up costs, essential furnishings and supplies, and personal supports and transportation needed to locate and transition to community settings.

**Section 21 (256B.5012, subdivision 6)** provides an unspecified rate increase for intermediate care facilities for persons with mental retardation (ICFs/MR) effective January 1, 2006, and January 1, 2007. At least two-thirds of the increase must be used to increase employee salaries and benefits and pay related costs. Facilities must report to DHS on how the additional funding was used.

**Section 22 (256B.69, subdivision 23)** requires DHS to seek federal approval to expand the Minnesota Disability Health Options (MnDHO) Program in stages, beginning with population centers outside the seven-county metro area and then expanding to all areas of the state.

**Section 23 (256B.765)** provides an unspecified rate increase each year of the upcoming biennium for a variety of community-based providers. At least two-thirds of the increase must be used to increase employee salaries and benefits and pay related costs. Providers must report to DHS on how the additional funding was used.

**Section 24 (256D.03, subdivision 4)** removes the \$500 annual benefit limit on dental services and the 50 percent co-payment on restorative dental services for individuals in the general assistance medical care program, restoring the benefits to what they were prior to 2003.

**Sections 25 and 26 (256L.03)** restore the adult dental benefits in MinnesotaCare as follows: for adult enrollees who are parents or single adults with income under 75 percent of FPG, dental coverage is the same as in the MA program. For pregnant women and children, dental services are the same as in the MA program.

**Section 27** requires DHS to request any federal approvals and plan amendments necessary to implement the transitional supports allowance and the case management service coordination choices authorized under this bill.

**Section 28** requires DHS to study access to dental services for persons with disabilities and present recommendations to the legislature by January 15, 2006.

**Section 29** requires the establishment of an interagency work group to study issues surrounding efforts by persons with disabilities to relocate from or avoid placement in an institution. A report is due by October 15, 2006.

JW/KC/DG:rdr

[Check on the status of this bill](#)



1 A bill for an act

2 relating to human services; modifying programs and  
3 services for persons with disabilities; amending  
4 Minnesota Statutes 2004, sections 256B.04, by adding a  
5 subdivision; 256B.056, subdivisions 3, 5c; 256B.057,  
6 subdivision 9; 256B.0575; 256B.0621, subdivisions 2,  
7 3, 4, 5, 6, 7, by adding a subdivision; 256B.0622,  
8 subdivision 2; 256B.0625, subdivision 9; 256B.0916, by  
9 adding a subdivision; 256B.092, subdivision 4b;  
10 256B.35, subdivision 1; 256B.49, subdivisions 13, 14,  
11 16; 256B.5012, by adding a subdivision; 256B.69,  
12 subdivision 23; 256B.765; 256D.03, subdivision 4;  
13 256L.03, subdivisions 1, 5.

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

15 Section 1. Minnesota Statutes 2004, section 256B.04, is  
16 amended by adding a subdivision to read:

17 Subd. 20. [INCENTIVE FOR WELLNESS VISITS.] The  
18 commissioner of human services shall consult with private sector  
19 health plan companies and shall develop an incentive program to  
20 encourage medical assistance enrollees with disabilities to have  
21 regular wellness exams conducted by a primary care physician.  
22 The commissioner shall implement the incentive program beginning  
23 January 1, 2006.

24 Sec. 2. Minnesota Statutes 2004, section 256B.056,  
25 subdivision 3, is amended to read:

26 Subd. 3. [ASSET LIMITATIONS FOR INDIVIDUALS-AND  
27 FAMILIES THE AGED, BLIND, OR DISABLED.] To be eligible for  
28 medical assistance, a person whose eligibility category is based  
29 on blindness, disability, or age of 65 or more years must not

1 individually own more than ~~\$3,000~~ \$10,000 in assets, or if a  
2 member of a household with two ~~family-members, husband-and-wife,~~  
3 ~~or-parent-and-child~~ or more persons, the household must not own  
4 more than ~~\$6,000~~ \$18,000 in assets, ~~plus-\$200-for-each~~  
5 ~~additional-legal-dependent~~. In addition to these maximum  
6 amounts, an eligible individual or family may accrue interest on  
7 these amounts, but they must be reduced to the maximum at the  
8 time of an eligibility redetermination. The accumulation of the  
9 clothing and personal needs allowance according to section  
10 256B.35 must also be reduced to the maximum at the time of the  
11 eligibility redetermination. The value of assets that are not  
12 considered in determining eligibility for medical assistance is  
13 the value of those assets excluded under the supplemental  
14 security income program for aged, blind, and disabled persons,  
15 with the following exceptions:

16 (a) Household goods and personal effects are not considered.

17 (b) Capital and operating assets of a trade or business  
18 that the local agency determines are necessary to the person's  
19 ability to earn an income are not considered.

20 (c) Motor vehicles are excluded to the same extent excluded  
21 by the supplemental security income program.

22 (d) Assets designated as burial expenses are excluded to  
23 the same extent excluded by the supplemental security income  
24 program. Burial expenses funded by annuity contracts or life  
25 insurance policies must irrevocably designate the individual's  
26 estate as contingent beneficiary to the extent proceeds are not  
27 used for payment of selected burial expenses.

28 (e) Effective upon federal approval, for a person who no  
29 longer qualifies as an employed person with a disability due to  
30 loss of earnings, assets allowed while eligible for medical  
31 assistance under section 256B.057, subdivision 9, are not  
32 considered for 12 months, beginning with the first month of  
33 ineligibility as an employed person with a disability, to the  
34 extent that the person's total assets remain within the allowed  
35 limits of section 256B.057, subdivision 9, paragraph (b).

36 (f) Assets owned by children are not considered.

1           Sec. 3. Minnesota Statutes 2004, section 256B.056,  
2 subdivision 5c, is amended to read:

3           Subd. 5c. [EXCESS INCOME STANDARD.] (a) The excess income  
4 standard for families with children is the standard specified in  
5 subdivision 4.

6           (b) The excess income standard for a person whose  
7 eligibility is based on blindness, disability, or age of 65 or  
8 more years is ~~70~~ 100 percent of the federal poverty guidelines  
9 for the family size. ~~Effective July 17, 2002, the excess income~~  
10 ~~standard for this paragraph shall equal 75 percent of the~~  
11 ~~federal poverty guidelines.~~

12           Sec. 4. Minnesota Statutes 2004, section 256B.057,  
13 subdivision 9, is amended to read:

14           Subd. 9. [EMPLOYED PERSONS WITH DISABILITIES.] (a) Medical  
15 assistance may be paid for a person who is employed and who:

16           (1) meets the definition of disabled under the supplemental  
17 security income program;

18           (2) is at least 16 but less than 65 years of age;

19           (3) meets the asset limits in paragraph (b); and

20           (4) effective November 1, 2003, pays a premium and other  
21 obligations under paragraph (d).

22 Any spousal income or assets shall be disregarded for purposes  
23 of eligibility and premium determinations.

24           After the month of enrollment, a person enrolled in medical  
25 assistance under this subdivision who:

26           (1) is temporarily unable to work and without receipt of  
27 earned income due to a medical condition, as verified by a  
28 physician, may retain eligibility for up to four calendar  
29 months; or

30           (2) effective January 1, 2004, loses employment for reasons  
31 not attributable to the enrollee, may retain eligibility for up  
32 to four consecutive months after the month of job loss. To  
33 receive a four-month extension, enrollees must verify the  
34 medical condition or provide notification of job loss. All  
35 other eligibility requirements must be met and the enrollee must  
36 pay all calculated premium costs for continued eligibility.

1 (b) For purposes of determining eligibility under this  
2 subdivision, a person's assets must not exceed \$20,000,  
3 excluding:

4 (1) all assets excluded under section 256B.056;

5 (2) retirement accounts, including individual accounts,  
6 401(k) plans, 403(b) plans, Keogh plans, and pension plans; and

7 (3) medical expense accounts set up through the person's  
8 employer.

9 (c)(1) Effective January 1, 2004, for purposes of  
10 eligibility, there will be a \$65 earned income disregard. To be  
11 eligible, a person applying for medical assistance under this  
12 subdivision must have earned income above the disregard level.

13 (2) Effective January 1, 2004, to be considered earned  
14 income, Medicare, Social Security, and applicable state and  
15 federal income taxes must be withheld. To be eligible, a person  
16 must document earned income tax withholding.

17 (d)(1) A person whose earned and unearned income is equal  
18 to or greater than 100 percent of federal poverty guidelines for  
19 the applicable family size must pay a premium to be eligible for  
20 medical assistance under this subdivision. The premium shall be  
21 based on the person's gross earned and unearned income and the  
22 applicable family size using a sliding fee scale established by  
23 the commissioner, which begins at one percent of income at 100  
24 percent of the federal poverty guidelines and increases to 7.5  
25 percent of income for those with incomes at or above 300 percent  
26 of the federal poverty guidelines. Annual adjustments in the  
27 premium schedule based upon changes in the federal poverty  
28 guidelines shall be effective for premiums due in July of each  
29 year.

30 (2) Effective January 1, 2004, all enrollees must pay a  
31 premium to be eligible for medical assistance under this  
32 subdivision. An enrollee shall pay the greater of a \$35 premium  
33 or the premium calculated in clause (1).

34 (3) Effective November 1, 2003, all enrollees who receive  
35 unearned income must pay one-half of one percent of unearned  
36 income in addition to the premium amount.

1           (4) Effective ~~November-17-2003~~ July 1, 2005, for  
2 enrollees ~~whose income does not exceed 200 percent of the~~  
3 ~~federal poverty guidelines and~~ who are also enrolled in  
4 Medicare, the commissioner must reimburse the enrollee for  
5 Medicare Part B premiums under section 256B.0625, subdivision  
6 15, paragraph (a).

7           (5) Increases in benefits under title II of the Social  
8 Security Act shall not be counted as income for purposes of this  
9 subdivision until July 1 of each year.

10           (e) A person's eligibility and premium shall be determined  
11 by the local county agency. Premiums must be paid to the  
12 commissioner. All premiums are dedicated to the commissioner.

13           (f) Any required premium shall be determined at application  
14 and redetermined at the enrollee's six-month income review or  
15 when a change in income or household size is reported.

16 Enrollees must report any change in income or household size  
17 within ten days of when the change occurs. A decreased premium  
18 resulting from a reported change in income or household size  
19 shall be effective the first day of the next available billing  
20 month after the change is reported. Except for changes  
21 occurring from annual cost-of-living increases, a change  
22 resulting in an increased premium shall not affect the premium  
23 amount until the next six-month review.

24           (g) Premium payment is due upon notification from the  
25 commissioner of the premium amount required. Premiums may be  
26 paid in installments at the discretion of the commissioner.

27           (h) Nonpayment of the premium shall result in denial or  
28 termination of medical assistance unless the person demonstrates  
29 good cause for nonpayment. Good cause exists if the  
30 requirements specified in Minnesota Rules, part 9506.0040,  
31 subpart 7, items B to D, are met. Except when an installment  
32 agreement is accepted by the commissioner, all persons  
33 disenrolled for nonpayment of a premium must pay any past due  
34 premiums as well as current premiums due prior to being  
35 reenrolled. Nonpayment shall include payment with a returned,  
36 refused, or dishonored instrument. The commissioner may require

1 a guaranteed form of payment as the only means to replace a  
2 returned, refused, or dishonored instrument.

3 Sec. 5. Minnesota Statutes 2004, section 256B.0575, is  
4 amended to read:

5 256B.0575 [AVAILABILITY OF INCOME FOR INSTITUTIONALIZED  
6 PERSONS.]

7 When an institutionalized person is determined eligible for  
8 medical assistance, the income that exceeds the deductions in  
9 paragraphs (a) and (b) must be applied to the cost of  
10 institutional care.

11 (a) The following amounts must be deducted from the  
12 institutionalized person's income in the following order:

13 (1) the personal needs allowance under section 256B.35 or,  
14 for a veteran who does not have a spouse or child, or a  
15 surviving spouse of a veteran having no child, the amount of an  
16 improved pension received from the veteran's administration not  
17 exceeding \$90 per month;

18 (2) the personal allowance for disabled individuals under  
19 section 256B.36;

20 (3) if the institutionalized person has a legally appointed  
21 guardian or conservator, five percent of the recipient's gross  
22 monthly income up to \$100 as reimbursement for guardianship or  
23 conservatorship services;

24 (4) a monthly income allowance determined under section  
25 256B.058, subdivision 2, but only to the extent income of the  
26 institutionalized spouse is made available to the community  
27 spouse;

28 (5) a monthly allowance for children under age 18 which,  
29 together with the net income of the children, would provide  
30 income equal to the medical assistance standard for families and  
31 children according to section 256B.056, subdivision 4, for a  
32 family size that includes only the minor children. This  
33 deduction applies only if the children do not live with the  
34 community spouse and only to the extent that the deduction is  
35 not included in the personal needs allowance under section  
36 256B.35, subdivision 1, as child support garnished under a court

1 order;

2 (6) a monthly family allowance for other family members,  
3 equal to one-third of the difference between 122 percent of the  
4 federal poverty guidelines and the monthly income for that  
5 family member;

6 (7) reparations payments made by the Federal Republic of  
7 Germany and reparations payments made by the Netherlands for  
8 victims of Nazi persecution between 1940 and 1945;

9 (8) all other exclusions from income for institutionalized  
10 persons as mandated by federal law; and

11 (9) amounts for reasonable expenses incurred for necessary  
12 medical or remedial care for the institutionalized person that  
13 are not medical assistance covered expenses and that are not  
14 subject to payment by a third party.

15 For purposes of clause (6), "other family member" means a  
16 person who resides with the community spouse and who is a minor  
17 or dependent child, dependent parent, or dependent sibling of  
18 either spouse. "Dependent" means a person who could be claimed  
19 as a dependent for federal income tax purposes under the  
20 Internal Revenue Code.

21 (b) Income shall be allocated to an institutionalized  
22 person for a period of up to three six calendar months, in an  
23 amount equal to 100 percent of the medical-assistance-standard  
24 federal poverty guidelines for a family size of one if:

25 (1) a physician certifies that the person is expected to  
26 reside in the long-term care facility for three six calendar  
27 months or less;

28 (2) if the person has expenses of maintaining a residence  
29 in the community; and

30 (3) if one of the following circumstances apply:

31 (i) the person was not living together with a spouse or a  
32 family member as defined in paragraph (a) when the person  
33 entered a long-term care facility; or

34 (ii) the person and the person's spouse become  
35 institutionalized on the same date, in which case the allocation  
36 shall be applied to the income of one of the spouses.

1 For purposes of this paragraph, a person is determined to be  
2 residing in a licensed nursing home, regional treatment center,  
3 or medical institution if the person is expected to remain for a  
4 period of one full calendar month or more.

5 Sec. 6. Minnesota Statutes 2004, section 256B.0621,  
6 subdivision 2, is amended to read:

7 Subd. 2. [TARGETED CASE MANAGEMENT; DEFINITIONS.] For  
8 purposes of subdivisions 3 to 10, the following terms have the  
9 meanings given them:

10 (1) "home care service recipients" means those individuals  
11 receiving the following services under section 256B.0627:  
12 skilled nursing visits, home health aide visits, private duty  
13 nursing, personal care assistants, or therapies provided through  
14 a home health agency;

15 (2) "home care targeted case management" means the  
16 provision of targeted case management services for the purpose  
17 of assisting home care service recipients to gain access to  
18 needed services and supports so that they may remain in the  
19 community;

20 (3) "institutions" means hospitals, consistent with Code of  
21 Federal Regulations, title 42, section 440.10; regional  
22 treatment center inpatient services, consistent with section  
23 245.474; nursing facilities; and intermediate care facilities  
24 for persons with mental retardation;

25 (4) "relocation targeted case management" means includes  
26 the provision of both county targeted case management and  
27 service coordination services for the purpose of assisting  
28 recipients to gain access to needed services and supports if  
29 they choose to move from an institution to the community.  
30 Relocation targeted case management may be provided during the  
31 last 180 consecutive days of an eligible recipient's  
32 institutional stay; and

33 (5) "targeted case management" means case management  
34 services provided to help recipients gain access to needed  
35 medical, social, educational, and other services and supports.

36 Sec. 7. Minnesota Statutes 2004, section 256B.0621,



1 subdivision 3, is amended to read:

2 Subd. 3. [ELIGIBILITY.] The following persons are eligible  
3 for relocation targeted case management or home ~~care-targeted~~  
4 care targeted case management:

5 (1) medical assistance eligible persons residing in  
6 institutions who choose to move into the community are eligible  
7 for relocation targeted case management services; and

8 (2) medical assistance eligible persons receiving home care  
9 services, who are not eligible for any other medical assistance  
10 reimbursable case management service, are eligible for home  
11 ~~care-targeted~~ care targeted case management services beginning  
12 ~~January 1, 2003~~ July 1, 2005.

13 Sec. 8. Minnesota Statutes 2004, section 256B.0621,  
14 subdivision 4, is amended to read:

15 Subd. 4. [RELOCATION TARGETED COUNTY CASE MANAGEMENT  
16 PROVIDER QUALIFICATIONS.] (a) A relocation targeted county case  
17 management provider is an enrolled medical assistance provider  
18 who is determined by the commissioner to have all of the  
19 following characteristics:

20 (1) the legal authority to provide public welfare under  
21 sections 393.01, subdivision 7; and 393.07; or a federally  
22 recognized Indian tribe;

23 (2) the demonstrated capacity and experience to provide the  
24 components of case management to coordinate and link community  
25 resources needed by the eligible population;

26 (3) the administrative capacity and experience to serve the  
27 target population for whom it will provide services and ensure  
28 quality of services under state and federal requirements;

29 (4) the legal authority to provide complete investigative  
30 and protective services under section 626.556, subdivision 10;  
31 and child welfare and foster care services under section 393.07,  
32 subdivisions 1 and 2; or a federally recognized Indian tribe;

33 (5) a financial management system that provides accurate  
34 documentation of services and costs under state and federal  
35 requirements; and

36 (6) the capacity to document and maintain individual case

1 records under state and federal requirements.

2 (b) A provider of targeted case management under section  
3 256B.0625, subdivision 20, may be deemed a certified provider of  
4 relocation targeted case management.

5 (c) A relocation targeted county case management provider  
6 may subcontract with another provider to deliver relocation  
7 targeted case management services. Subcontracted providers must  
8 demonstrate the ability to provide the services outlined in  
9 subdivision 6, and have a procedure in place that notifies the  
10 recipient and the recipient's legal representative of any  
11 conflict of interest if the contracted targeted case management  
12 provider also provides, or will provide, the recipient's  
13 services and supports. Counties must require that contracted  
14 providers must provide information on all conflicts of interest  
15 and obtain the recipient's informed consent or provide the  
16 recipient with alternatives.

17 Sec. 9. Minnesota Statutes 2004, section 256B.0621,  
18 subdivision 5, is amended to read:

19 Subd. 5. [HOME CARE TARGETED CASE MANAGEMENT AND  
20 RELOCATION SERVICE COORDINATION PROVIDER QUALIFICATIONS.] The  
21 following-qualifications-and-certification-standards-must-be-met  
22 by Providers of home care targeted case management and  
23 relocation service coordination must meet the qualifications  
24 under subdivision 4 or the following qualifications and  
25 certification standards.

26 (a) The commissioner must certify each provider of home  
27 care targeted case management and relocation service  
28 coordination before enrollment. The certification process shall  
29 examine the provider's ability to meet the requirements in this  
30 subdivision and other state and federal requirements of this  
31 service.

32 (b) A Both home care targeted case management provider-is  
33 an providers and relocation service coordination providers are  
34 enrolled medical assistance provider providers who has have a  
35 minimum of a bachelor's degree or a license in a health or human  
36 services field, or comparable training and two years of

1 experience in human services, and its have been determined by the  
2 commissioner to have all of the following characteristics:

3 (1) the demonstrated capacity and experience to provide the  
4 components of case management to coordinate and link community  
5 resources needed by the eligible population;

6 (2) the administrative capacity and experience to serve the  
7 target population for whom it will provide services and ensure  
8 quality of services under state and federal requirements;

9 (3) a financial management system that provides accurate  
10 documentation of services and costs under state and federal  
11 requirements;

12 (4) the capacity to document and maintain individual case  
13 records under state and federal requirements; and

14 (5) the capacity to coordinate with county administrative  
15 functions;

16 (6) have no financial interest in the provision of  
17 out-of-home residential services to persons for whom targeted  
18 case management or relocation service coordination is provided;  
19 and

20 (7) if a provider has a financial interest in services  
21 other than out-of-home residential services provided to persons  
22 for whom targeted case management or relocation service  
23 coordination is also provided, the county must determine each  
24 year that:

25 (i) any possible conflict of interest is explained annually  
26 at a face-to-face meeting and in writing and the person provides  
27 written informed consent consistent with section 256B.77,  
28 subdivision 2, paragraph (p); and

29 (ii) information on a range of other feasible service  
30 provider options has been provided.

31 Sec. 10. Minnesota Statutes 2004, section 256B.0621,  
32 subdivision 6, is amended to read:

33 Subd. 6. [ELIGIBLE SERVICES.] (a) Services eligible for  
34 medical assistance reimbursement as targeted case management  
35 include:

36 (1) assessment of the recipient's need for targeted case

1 management services;

2 (2) development, completion, and regular review of a  
3 written individual service plan, which is based upon the  
4 assessment of the recipient's needs and choices, and which will  
5 ensure access to medical, social, educational, and other related  
6 services and supports;

7 (3) routine contact or communication with the recipient,  
8 recipient's family, primary caregiver, legal representative,  
9 substitute care provider, service providers, or other relevant  
10 persons identified as necessary to the development or  
11 implementation of the goals of the individual service plan;

12 (4) coordinating referrals for, and the provision of, case  
13 management services for the recipient with appropriate service  
14 providers, consistent with section 1902(a)(23) of the Social  
15 Security Act;

16 (5) coordinating and monitoring the overall service  
17 delivery and engaging in advocacy as needed to ensure quality of  
18 services, appropriateness, and continued need;

19 (6) completing and maintaining necessary documentation that  
20 supports and verifies the activities in this subdivision;

21 (7) ~~traveling~~ assisting individuals in order to access  
22 needed services, including travel to conduct a visit with the  
23 recipient or other relevant person necessary to develop or  
24 implement the goals of the individual service plan; and

25 (8) coordinating with the institution discharge planner in  
26 the 180-day period before the recipient's discharge.

27 (b) Relocation targeted county case management includes  
28 services under paragraph (a), clauses (2) and (4). Relocation  
29 service coordination includes services under paragraph (a),  
30 clauses (1), (3), and (5) to (8). Home care targeted case  
31 management includes services under paragraph (a), clauses (1) to  
32 (8).

33 Sec. 11. Minnesota Statutes 2004, section 256B.0621,  
34 subdivision 7, is amended to read:

35 Subd. 7. [TIME LINES.] The following time lines must be  
36 met for assigning a case manager:

1 (a) For relocation targeted case management, an eligible  
2 recipient must be assigned a county case manager who visits the  
3 person within 20 working days of requesting a case manager from  
4 their county of financial responsibility as determined under  
5 chapter 256G.

6 (1) If a county agency, its contractor, or federally  
7 recognized tribe does not provide case management services as  
8 required, the recipient may obtain ~~targeted-relocation-case~~  
9 ~~management-services~~ relocation service coordination from an  
10 ~~alternative a provider of-targeted-case-management-services~~  
11 ~~enrolled-by-the-commissioner~~ qualified under subdivision 5.

12 (2) The commissioner may waive the provider requirements in  
13 subdivision 4, paragraph (a), clauses (1) and (4), to ensure  
14 recipient access to the assistance necessary to move from an  
15 institution to the community. The recipient or the recipient's  
16 legal guardian shall provide written notice to the county or  
17 tribe of the decision to obtain services from an alternative  
18 provider.

19 (3) Providers of relocation targeted case management  
20 enrolled under this subdivision shall:

21 (i) meet the provider requirements under subdivision 4 that  
22 are not waived by the commissioner;

23 (ii) be qualified to provide the services specified in  
24 subdivision 6;

25 (iii) coordinate efforts with local social service agencies  
26 and tribes; and

27 (iv) comply with the conflict of interest provisions  
28 established under subdivision 4, paragraph (c).

29 (4) Local social service agencies and federally recognized  
30 tribes shall cooperate with providers certified by the  
31 commissioner under this subdivision to facilitate the  
32 recipient's successful relocation from an institution to the  
33 community.

34 (b) For home care targeted case management, an eligible  
35 recipient must be assigned a case manager within 20 working days  
36 of requesting a case manager from a home care targeted case

1 management provider, as defined in subdivision 5.

2 Sec. 12. Minnesota Statutes 2004, section 256B.0621, is  
3 amended by adding a subdivision to read:

4 Subd. 11. [DATA USE AGREEMENT AND NOTICE OF RELOCATION  
5 TARGETED CASE MANAGEMENT AVAILABILITY.] (a) The commissioner  
6 shall execute a data use agreement with the Center for Medicare  
7 and Medicaid Services to obtain the long-term care minimum data  
8 set data to assist residents of nursing facilities who have  
9 indicated a desire to live in the community. The commissioner  
10 shall in turn enter into agreements with the Centers for  
11 Independent Living and other disability advocacy organizations  
12 to assist persons who want help to move to the community.

13 (b) Upon admission and annually thereafter, the  
14 commissioner shall provide notification to medical assistance  
15 eligible persons who are residing in institutions of the  
16 availability of relocation targeted case management services,  
17 including contact information for the responsible county and  
18 senior and disability organizations that provide assistance to  
19 persons with disabilities.

20 Sec. 13. Minnesota Statutes 2004, section 256B.0622,  
21 subdivision 2, is amended to read:

22 Subd. 2. [DEFINITIONS.] For purposes of this section, the  
23 following terms have the meanings given them.

24 (a) "Intensive nonresidential rehabilitative mental health  
25 services" means adult rehabilitative mental health services as  
26 defined in section 256B.0623, subdivision 2, paragraph (a),  
27 except that these services are provided by a multidisciplinary  
28 staff using a total team approach consistent with assertive  
29 community treatment, the Fairweather Lodge treatment model, as  
30 defined by the standards established by the National Coalition  
31 for Community Living, and other evidence-based practices, and  
32 directed to recipients with a serious mental illness who require  
33 intensive services.

34 (b) "Intensive residential rehabilitative mental health  
35 services" means short-term, time-limited services provided in a  
36 residential setting to recipients who are in need of more

1 restrictive settings and are at risk of significant functional  
2 deterioration if they do not receive these services. Services  
3 are designed to develop and enhance psychiatric stability,  
4 personal and emotional adjustment, self-sufficiency, and skills  
5 to live in a more independent setting. Services must be  
6 directed toward a targeted discharge date with specified client  
7 outcomes and must be consistent with the Fairweather Lodge  
8 treatment model as defined in paragraph (a), and other  
9 evidence-based practices.

10 (c) "Evidence-based practices" are nationally recognized  
11 mental health services that are proven by substantial research  
12 to be effective in helping individuals with serious mental  
13 illness obtain specific treatment goals.

14 (d) "Overnight staff" means a member of the intensive  
15 residential rehabilitative mental health treatment team who is  
16 responsible during hours when recipients are typically asleep.

17 (e) "Treatment team" means all staff who provide services  
18 under this section to recipients. At a minimum, this includes  
19 the clinical supervisor, mental health professionals, mental  
20 health practitioners, and mental health rehabilitation workers.

21 Sec. 14. Minnesota Statutes 2004, section 256B.0625,  
22 subdivision 9, is amended to read:

23 Subd. 9. [DENTAL SERVICES.] ~~{a}~~ Medical assistance covers  
24 dental services. Dental services include, with prior  
25 authorization, fixed bridges that are cost-effective for persons  
26 who cannot use removable dentures because of their medical  
27 condition.

28 ~~{b}-Coverage-of-dental-services-for-adults-age-21-and-over~~  
29 ~~who-are-not-pregnant-is-subject-to-a-\$500-annual-benefit-limit~~  
30 ~~and-covered-services-are-limited-to:~~

31 ~~{1}-diagnostic-and-preventative-services,~~

32 ~~{2}-restorative-services,-and~~

33 ~~{3}-emergency-services.~~

34 ~~Emergency-services,-dentures,-and-extractions-related-to~~  
35 ~~dentures-are-not-included-in-the-\$500-annual-benefit-limit.~~

36 Sec. 15. Minnesota Statutes 2004, section 256B.0916, is

1 amended by adding a subdivision to read:

2 Subd. 10. [TRANSITIONAL SUPPORTS ALLOWANCE.] A  
3 transitional supports allowance shall be available to all  
4 persons under a home and community-based waiver who are moving  
5 from a licensed setting to a community setting. "Transitional  
6 supports allowance" means a onetime payment of up to \$3,000, to  
7 cover the costs, not covered by other sources, associated with  
8 moving from a licensed setting to a community setting. Covered  
9 costs include:

- 10 (1) lease or rent deposits;  
11 (2) security deposits;  
12 (3) utilities set-up costs, including telephone;  
13 (4) essential furnishings and supplies; and  
14 (5) personal supports and transports needed to locate and  
15 transition to community settings.

16 [EFFECTIVE DATE.] This section is effective upon federal  
17 approval and to the extent approved as a federal waiver  
18 amendment.

19 Sec. 16. Minnesota Statutes 2004, section 256B.092,  
20 subdivision 4b, is amended to read:

21 Subd. 4b. [COUNTY CASE MANAGEMENT AND SERVICE COORDINATION  
22 FOR PERSONS RECEIVING HOME AND COMMUNITY-BASED SERVICES.] (a)  
23 Persons authorized for and receiving home and community-based  
24 services may select from public vendors of county case  
25 management which have provider agreements with the state to  
26 provide home and community-based case management service  
27 activities. ~~This subdivision becomes effective July 17, 1992,~~  
28 ~~only if the state agency is unable to secure federal approval~~  
29 ~~for limiting choice of case management vendors to the county of~~  
30 ~~financial responsibility.~~

31 (b) The commissioner shall ensure that each eligible person  
32 is given a choice between county and private agency service  
33 coordination vendors consistent with the provisions of section  
34 256B.49, subdivision 13.

35 [EFFECTIVE DATE.] This section is effective July 1, 2005,  
36 or, if a federal waiver is required, on the date the federal



1 waiver is granted.

2 Sec. 17. Minnesota Statutes 2004, section 256B.35,  
3 subdivision 1, is amended to read:

4 Subdivision 1. [PERSONAL NEEDS ALLOWANCE.] (a)

5 Notwithstanding any law to the contrary, welfare allowances for  
6 clothing and personal needs for individuals receiving medical  
7 assistance while residing in any skilled nursing home,  
8 intermediate care facility, or medical institution including  
9 recipients of supplemental security income, in this state shall  
10 not be less than ~~\$45~~ \$150 per month from all sources. When  
11 benefit amounts for Social Security or supplemental security  
12 income recipients are increased pursuant to United States Code,  
13 title 42, sections 415(i) and 1382f, the commissioner shall,  
14 effective in the month in which the increase takes effect,  
15 increase by the same percentage to the nearest whole dollar the  
16 clothing and personal needs allowance for individuals receiving  
17 medical assistance while residing in any skilled nursing home,  
18 medical institution, or intermediate care facility. The  
19 commissioner shall provide timely notice to local agencies,  
20 providers, and recipients of increases under this provision.

21 (b) The personal needs allowance may be paid as part of the  
22 Minnesota supplemental aid program, notwithstanding the  
23 provisions of section 256D.37, subdivision 2, and payments to  
24 recipients of Minnesota supplemental aid may be made once each  
25 three months covering liabilities that accrued during the  
26 preceding three months.

27 (c) The personal needs allowance shall be increased to  
28 include income garnished for child support under a court order,  
29 up to a maximum of \$250 per month but only to the extent that  
30 the amount garnished is not deducted as a monthly allowance for  
31 children under section 256B.0575, paragraph (a), clause (5).

32 Sec. 18. Minnesota Statutes 2004, section 256B.49,  
33 subdivision 13, is amended to read:

34 Subd. 13. [COUNTY CASE MANAGEMENT AND SERVICE COORDINATION  
35 SERVICES.] (a) Each recipient of a home and community-based  
36 waiver shall be provided county case management and service

1 coordination services by qualified vendors as described in the  
2 federally approved waiver application and offered a choice  
3 between county and private vendors for service coordination  
4 services. The county case management service  
5 activities services to be provided will include:

6 (1) assessing the needs of the individual within 20 working  
7 days of a recipient's request;

8 (2) developing the written individual service plan within  
9 ten working days after the assessment is completed, including a  
10 determination of resources needed to meet assessed needs;

11 (3) informing the recipient or the recipient's legal  
12 guardian or conservator of service options; and

13 (4) monitoring and evaluating the overall service plan  
14 implementation to assure the recipient's health, safety,  
15 welfare, and service outcomes.

16 (b) Each recipient shall be offered a choice of a service  
17 coordination vendor among qualified public and private vendors  
18 as described in the federally approved waiver application. The  
19 service coordination activities include:

20 (1) assisting the recipient to provide medical and other  
21 information to determine services needs;

22 (2) assisting the recipient in the identification of  
23 potential service providers;

24 ~~(3)~~ (3) assisting the recipient to access services;

25 ~~(4)~~ (4) coordinating, evaluating, and monitoring of the  
26 recipient and the services identified in the service plan to  
27 assure that the ongoing needs of the recipient are met or  
28 changes are made, if needed;

29 ~~(5)~~ (5) assisting the recipient to obtain all information  
30 for completing the annual or other reviews described in  
31 subdivision 14 of the service plan with the case manager; and

32 (6) participating in meetings and consultations and  
33 advocating for the recipient with recipient's service providers,  
34 medical providers, and county staff as needed;

35 (7) having no financial interest in out-of-home residential  
36 services for persons for whom service coordination is provided;

1 and

2 (8) ~~informing-the-recipient-or-legal-representative-of-the~~  
3 ~~right-to-have-assessments-completed-and-service-plans-developed~~  
4 ~~within-specified-time-periods,-and-to-appeal-county-action-or~~  
5 ~~inaction-under-section-256-045,-subdivision-3~~ if a provider has  
6 a financial interest in services other than out-of-home  
7 residential services provided to persons for whom targeted case  
8 management or relocation service coordination is also provided,  
9 the county must determine each year that:

10 (i) any possible conflict of interest is explained annually  
11 at a face-to-face meeting and in writing and the person provides  
12 written informed consent consistent with section 256B.77,  
13 subdivision 2, paragraph (p); and

14 (ii) information on a range of other feasible service  
15 provider options has been provided.

16 (b) (c) The case-manager county may delegate certain  
17 aspects of the county case management or service coordination  
18 activities to another individual provided there is oversight by  
19 the case manager. The case manager may not delegate those  
20 aspects which require professional judgment including  
21 assessments, reassessments, and care plan development.

22 [EFFECTIVE DATE.] This section is effective July 1, 2005,  
23 or, if a federal waiver is required, on the date the federal  
24 waiver is granted.

25 Sec. 19. Minnesota Statutes 2004, section 256B.49,  
26 subdivision 14, is amended to read:

27 Subd. 14. [ASSESSMENT AND REASSESSMENT.] (a) Assessments  
28 of each recipient's strengths, informal support systems, and  
29 need for services shall be completed by the county case manager  
30 within 20 working days of the recipient's request. Reassessment  
31 of each recipient's strengths, support systems, and need for  
32 services shall be conducted by the county case manager at least  
33 every 12 months and at other times when there has been a  
34 significant change in the recipient's functioning.

35 (b) Persons with mental retardation or a related condition  
36 who apply for services under the nursing facility level waiver

1 programs shall be screened for the appropriate level of care  
2 according to section 256B.092.

3 (c) Recipients who are found eligible for home and  
4 community-based services under this section before their 65th  
5 birthday may remain eligible for these services after their 65th  
6 birthday if they continue to meet all other eligibility factors.

7 Sec. 20. Minnesota Statutes 2004, section 256B.49,  
8 subdivision 16, is amended to read:

9 Subd. 16. [SERVICES AND SUPPORTS.] (a) Services and  
10 supports included in the home and community-based waivers for  
11 persons with disabilities shall meet the requirements set out in  
12 United States Code, title 42, section 1396n. The services and  
13 supports, which are offered as alternatives to institutional  
14 care, shall promote consumer choice, community inclusion,  
15 self-sufficiency, and self-determination.

16 (b) Beginning January 1, 2003, the commissioner shall  
17 simplify and improve access to home and community-based waived  
18 services, to the extent possible, through the establishment of a  
19 common service menu that is available to eligible recipients  
20 regardless of age, disability type, or waiver program.

21 (c) Consumer directed community support services shall be  
22 offered as an option to all persons eligible for services under  
23 subdivision 11, by January 1, 2002.

24 (d) Services and supports shall be arranged and provided  
25 consistent with individualized written plans of care for  
26 eligible waiver recipients.

27 (e) A transitional supports allowance shall be available to  
28 all persons under a home and community-based waiver who are  
29 moving from a licensed setting to a community setting.

30 "Transitional supports allowance" means a onetime payment of up  
31 to \$3,000, to cover the costs, not covered by other sources,  
32 associated with moving from a licensed setting to a community  
33 setting. Covered costs include:

34 (1) lease or rent deposits;

35 (2) security deposits;

36 (3) utilities set-up costs, including telephone;

1 (4) essential furnishings and supplies; and

2 (5) personal supports and transports needed to locate and  
3 transition to community settings.

4 (f) The state of Minnesota and county agencies that  
5 administer home and community-based waived services for  
6 persons with disabilities, shall not be liable for damages,  
7 injuries, or liabilities sustained through the purchase of  
8 supports by the individual, the individual's family, legal  
9 representative, or the authorized representative with funds  
10 received through the consumer-directed community support service  
11 under this section. Liabilities include but are not limited  
12 to: workers' compensation liability, the Federal Insurance  
13 Contributions Act (FICA), or the Federal Unemployment Tax Act  
14 (FUTA).

15 [EFFECTIVE DATE.] This section is effective upon federal  
16 approval and to the extent approved as a federal waiver  
17 amendment.

18 Sec. 21. Minnesota Statutes 2004, section 256B.5012, is  
19 amended by adding a subdivision to read:

20 Subd. 6. [ICF/MR RATE INCREASES BEGINNING JANUARY 1, 2006,  
21 AND JANUARY 1, 2007.] For the rate years beginning January 1,  
22 2006, and January 1, 2007, the commissioner shall provide  
23 facilities reimbursed under this section an adjustment to the  
24 total operating payment rate of ..... percent. At least  
25 two-thirds of each year's adjustment must be used for increased  
26 costs of employee salaries and benefits and associated costs for  
27 FICA, the Medicare tax, workers' compensation premiums, and  
28 federal and state unemployment insurance. Each facility  
29 receiving an adjustment shall report to the commissioner, in the  
30 form and manner specified by the commissioner, on how the  
31 additional funding was used.

32 Sec. 22. Minnesota Statutes 2004, section 256B.69,  
33 subdivision 23, is amended to read:

34 Subd. 23. [ALTERNATIVE INTEGRATED LONG-TERM CARE SERVICES;  
35 ELDERLY AND DISABLED PERSONS.] (a) The commissioner may  
36 implement demonstration projects to create alternative

1 integrated delivery systems for acute and long-term care  
2 services to elderly persons and persons with disabilities as  
3 defined in section 256B.77, subdivision 7a, that provide  
4 increased coordination, improve access to quality services, and  
5 mitigate future cost increases. The commissioner may seek  
6 federal authority to combine Medicare and Medicaid capitation  
7 payments for the purpose of such demonstrations. Medicare funds  
8 and services shall be administered according to the terms and  
9 conditions of the federal waiver and demonstration provisions.  
10 For the purpose of administering medical assistance funds,  
11 demonstrations under this subdivision are subject to  
12 subdivisions 1 to 22. The provisions of Minnesota Rules, parts  
13 9500.1450 to 9500.1464, apply to these demonstrations, with the  
14 exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457,  
15 subpart 1, items B and C, which do not apply to persons  
16 enrolling in demonstrations under this section. An initial open  
17 enrollment period may be provided. Persons who disenroll from  
18 demonstrations under this subdivision remain subject to  
19 Minnesota Rules, parts 9500.1450 to 9500.1464. When a person is  
20 enrolled in a health plan under these demonstrations and the  
21 health plan's participation is subsequently terminated for any  
22 reason, the person shall be provided an opportunity to select a  
23 new health plan and shall have the right to change health plans  
24 within the first 60 days of enrollment in the second health  
25 plan. Persons required to participate in health plans under  
26 this section who fail to make a choice of health plan shall not  
27 be randomly assigned to health plans under these demonstrations.  
28 Notwithstanding section 256L.12, subdivision 5, and Minnesota  
29 Rules, part 9505.5220, subpart 1, item A, if adopted, for the  
30 purpose of demonstrations under this subdivision, the  
31 commissioner may contract with managed care organizations,  
32 including counties, to serve only elderly persons eligible for  
33 medical assistance, elderly and disabled persons, or disabled  
34 persons only. For persons with primary diagnoses of mental  
35 retardation or a related condition, serious and persistent  
36 mental illness, or serious emotional disturbance, the

1 commissioner must ensure that the county authority has approved  
2 the demonstration and contracting design. Enrollment in these  
3 projects for persons with disabilities shall be voluntary. The  
4 commissioner shall not implement any demonstration project under  
5 this subdivision for persons with primary diagnoses of mental  
6 retardation or a related condition, serious and persistent  
7 mental illness, or serious emotional disturbance, without  
8 approval of the county board of the county in which the  
9 demonstration is being implemented.

10 (b) Notwithstanding chapter 245B, sections 252.40 to  
11 252.46, 256B.092, 256B.501 to 256B.5015, and Minnesota Rules,  
12 parts 9525.0004 to 9525.0036, 9525.1200 to 9525.1330, 9525.1580,  
13 and 9525.1800 to 9525.1930, the commissioner may implement under  
14 this section projects for persons with developmental  
15 disabilities. The commissioner may capitate payments for ICF/MR  
16 services, waived services for mental retardation or related  
17 conditions, including case management services, day training and  
18 habilitation and alternative active treatment services, and  
19 other services as approved by the state and by the federal  
20 government. Case management and active treatment must be  
21 individualized and developed in accordance with a  
22 person-centered plan. Costs under these projects may not exceed  
23 costs that would have been incurred under fee-for-service.  
24 Beginning July 1, 2003, and until two years after the pilot  
25 project implementation date, subcontractor participation in the  
26 long-term care developmental disability pilot is limited to a  
27 nonprofit long-term care system providing ICF/MR services, home  
28 and community-based waiver services, and in-home services to no  
29 more than 120 consumers with developmental disabilities in  
30 Carver, Hennepin, and Scott Counties. The commissioner shall  
31 report to the legislature prior to expansion of the  
32 developmental disability pilot project. This paragraph expires  
33 two years after the implementation date of the pilot project.

34 (c) Before implementation of a demonstration project for  
35 disabled persons, the commissioner must provide information to  
36 appropriate committees of the house of representatives and

1 senate and must involve representatives of affected disability  
2 groups in the design of the demonstration projects.

3 (d) A nursing facility reimbursed under the alternative  
4 reimbursement methodology in section 256B.434 may, in  
5 collaboration with a hospital, clinic, or other health care  
6 entity provide services under paragraph (a). The commissioner  
7 shall amend the state plan and seek any federal waivers  
8 necessary to implement this paragraph.

9 (e) The commissioner shall seek federal approval to expand  
10 the Minnesota disability health options (MnDHO) program  
11 established under this subdivision in stages, first to regional  
12 population centers outside the seven-county metro area and then  
13 to all areas of the state.

14 Sec. 23. Minnesota Statutes 2004, section 256B.765, is  
15 amended to read:

16 256B.765 [PROVIDER RATE INCREASES.]

17 Subdivision 1. [ANNUAL INFLATION ADJUSTMENTS.] (a)

18 Effective July 1, 2001, within the limits of appropriations  
19 specifically for this purpose, the commissioner shall provide an  
20 annual inflation adjustment for the providers listed  
21 in ~~paragraph-(e)~~ subdivision 2. The index for the inflation  
22 adjustment must be based on the change in the Employment Cost  
23 Index for Private Industry Workers - Total Compensation  
24 forecasted by Data Resources, Inc., as forecasted in the fourth  
25 quarter of the calendar year preceding the fiscal year. The  
26 commissioner shall increase reimbursement or allocation rates by  
27 the percentage of this adjustment, and county boards shall  
28 adjust provider contracts as needed.

29 (b) The commissioner of finance shall include an annual  
30 inflationary adjustment in reimbursement rates for the providers  
31 listed in ~~paragraph-(e)~~ subdivision 2 using the inflation factor  
32 specified in paragraph (a) as a budget change request in each  
33 biennial detailed expenditure budget submitted to the  
34 legislature under section 16A.11.

35 ~~(e)~~ Subd. 2. [ELIGIBLE PROVIDERS.] The annual adjustment  
36 under subdivision 1, paragraph (a), shall be provided for home



1 and community-based waiver services for persons with mental  
2 retardation or related conditions under section 256B.501; home  
3 and community-based waiver services for the elderly under  
4 section 256B.0915; waived services under community  
5 alternatives for disabled individuals under section 256B.49;  
6 community alternative care waived services under section  
7 256B.49; traumatic brain injury waived services under section  
8 256B.49; nursing services and home health services under section  
9 256B.0625, subdivision 6a; personal care services and nursing  
10 supervision of personal care services under section 256B.0625,  
11 subdivision 19a; private duty nursing services under section  
12 256B.0625, subdivision 7; day training and habilitation services  
13 for adults with mental retardation or related conditions under  
14 sections 252.40 to 252.46; physical therapy services under  
15 sections 256B.0625, subdivision 8, and 256D.03, subdivision 4;  
16 occupational therapy services under sections 256B.0625,  
17 subdivision 8a, and 256D.03, subdivision 4; speech-language  
18 therapy services under section 256D.03, subdivision 4, and  
19 Minnesota Rules, part 9505.0390; respiratory therapy services  
20 under section 256D.03, subdivision 4, and Minnesota Rules, part  
21 9505.0295; alternative care services under section 256B.0913;  
22 adult residential program grants under Minnesota Rules, parts  
23 9535.2000 to 9535.3000; adult and family community support  
24 grants under Minnesota Rules, parts 9535.1700 to 9535.1760;  
25 semi-independent living services under section 252.275 including  
26 SILS funding under county social services grants formerly funded  
27 under chapter 256I; and community support services for deaf and  
28 hard-of-hearing adults with mental illness who use or wish to  
29 use sign language as their primary means of communication.

30 Subd. 3. [RATE INCREASE FOR BIENNIUM BEGINNING JULY 1,  
31 2005.] For the fiscal years beginning July 1, 2005, and July 1,  
32 2006, the commissioner shall increase reimbursement rates for  
33 the providers listed in subdivision 2 by ..... percent. At  
34 least two-thirds of each year's adjustment must be used for  
35 increased costs of employee salaries and benefits and associated  
36 costs for FICA, the Medicare tax, workers' compensation

1 premiums, and federal and state unemployment insurance. Each  
2 provider receiving an adjustment shall report to the  
3 commissioner, in the form and manner specified by the  
4 commissioner, on how the additional funding was used.

5 Sec. 24. Minnesota Statutes 2004, section 256D.03,  
6 subdivision 4, is amended to read:

7 Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.]

8 (a)(i) For a person who is eligible under subdivision 3,  
9 paragraph (a), clause (2), item (i), general assistance medical  
10 care covers, except as provided in paragraph (c):

11 (1) inpatient hospital services;

12 (2) outpatient hospital services;

13 (3) services provided by Medicare certified rehabilitation  
14 agencies;

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

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

21 (6) eyeglasses and eye examinations provided by a physician  
22 or optometrist;

23 (7) hearing aids;

24 (8) prosthetic devices;

25 (9) laboratory and X-ray services;

26 (10) physician's services;

27 (11) medical transportation except special transportation;

28 (12) chiropractic services as covered under the medical  
29 assistance program;

30 (13) podiatric services;

31 (14) dental services and dentures, ~~subject to the~~

32 ~~limitations specified in section 256B.0625, subdivision 9~~ as  
33 covered under the medical assistance program;

34 (15) outpatient services provided by a mental health center  
35 or clinic that is under contract with the county board and is  
36 established under section 245.62;

1 (16) day treatment services for mental illness provided  
2 under contract with the county board;

3 (17) prescribed medications for persons who have been  
4 diagnosed as mentally ill as necessary to prevent more  
5 restrictive institutionalization;

6 (18) psychological services, medical supplies and  
7 equipment, and Medicare premiums, coinsurance and deductible  
8 payments;

9 (19) medical equipment not specifically listed in this  
10 paragraph when the use of the equipment will prevent the need  
11 for costlier services that are reimbursable under this  
12 subdivision;

13 (20) services performed by a certified pediatric nurse  
14 practitioner, a certified family nurse practitioner, a certified  
15 adult nurse practitioner, a certified obstetric/gynecological  
16 nurse practitioner, a certified neonatal nurse practitioner, or  
17 a certified geriatric nurse practitioner in independent  
18 practice, if (1) the service is otherwise covered under this  
19 chapter as a physician service, (2) the service provided on an  
20 inpatient basis is not included as part of the cost for  
21 inpatient services included in the operating payment rate, and  
22 (3) the service is within the scope of practice of the nurse  
23 practitioner's license as a registered nurse, as defined in  
24 section 148.171;

25 (21) services of a certified public health nurse or a  
26 registered nurse practicing in a public health nursing clinic  
27 that is a department of, or that operates under the direct  
28 authority of, a unit of government, if the service is within the  
29 scope of practice of the public health nurse's license as a  
30 registered nurse, as defined in section 148.171; and

31 (22) telemedicine consultations, to the extent they are  
32 covered under section 256B.0625, subdivision 3b.

33 (ii) Effective October 1, 2003, for a person who is  
34 eligible under subdivision 3, paragraph (a), clause (2), item  
35 (ii), general assistance medical care coverage is limited to  
36 inpatient hospital services, including physician services

1 provided during the inpatient hospital stay. A \$1,000  
2 deductible is required for each inpatient hospitalization.

3 (b) Gender reassignment surgery and related services are  
4 not covered services under this subdivision unless the  
5 individual began receiving gender reassignment services prior to  
6 July 1, 1995.

7 (c) In order to contain costs, the commissioner of human  
8 services shall select vendors of medical care who can provide  
9 the most economical care consistent with high medical standards  
10 and shall where possible contract with organizations on a  
11 prepaid capitation basis to provide these services. The  
12 commissioner shall consider proposals by counties and vendors  
13 for prepaid health plans, competitive bidding programs, block  
14 grants, or other vendor payment mechanisms designed to provide  
15 services in an economical manner or to control utilization, with  
16 safeguards to ensure that necessary services are provided.  
17 Before implementing prepaid programs in counties with a county  
18 operated or affiliated public teaching hospital or a hospital or  
19 clinic operated by the University of Minnesota, the commissioner  
20 shall consider the risks the prepaid program creates for the  
21 hospital and allow the county or hospital the opportunity to  
22 participate in the program in a manner that reflects the risk of  
23 adverse selection and the nature of the patients served by the  
24 hospital, provided the terms of participation in the program are  
25 competitive with the terms of other participants considering the  
26 nature of the population served. Payment for services provided  
27 pursuant to this subdivision shall be as provided to medical  
28 assistance vendors of these services under sections 256B.02,  
29 subdivision 8, and 256B.0625. For payments made during fiscal  
30 year 1990 and later years, the commissioner shall consult with  
31 an independent actuary in establishing prepayment rates, but  
32 shall retain final control over the rate methodology.

33 (d) Recipients eligible under subdivision 3, paragraph (a),  
34 clause (2), item (i), shall pay the following co-payments for  
35 services provided on or after October 1, 2003:

36 (1) \$3 per nonpreventive visit. For purposes of this

1 subdivision, a visit means an episode of service which is  
2 required because of a recipient's symptoms, diagnosis, or  
3 established illness, and which is delivered in an ambulatory  
4 setting by a physician or physician ancillary, chiropractor,  
5 podiatrist, nurse midwife, advanced practice nurse, audiologist,  
6 optician, or optometrist;

7 (2) \$25 for eyeglasses;

8 (3) \$25 for nonemergency visits to a hospital-based  
9 emergency room; and

10 (4) \$3 per brand-name drug prescription and \$1 per generic  
11 drug prescription, subject to a \$20 per month maximum for  
12 prescription drug co-payments. No co-payments shall apply to  
13 antipsychotic drugs when used for the treatment of mental  
14 illness; ~~and~~

15 ~~(5) 50-percent-coinsurance-on-restorative-dental-services.~~

16 (e) Co-payments shall be limited to one per day per  
17 provider for nonpreventive visits, eyeglasses, and nonemergency  
18 visits to a hospital-based emergency room. Recipients of  
19 general assistance medical care are responsible for all  
20 co-payments in this subdivision. The general assistance medical  
21 care reimbursement to the provider shall be reduced by the  
22 amount of the co-payment, except that reimbursement for  
23 prescription drugs shall not be reduced once a recipient has  
24 reached the \$20 per month maximum for prescription drug  
25 co-payments. The provider collects the co-payment from the  
26 recipient. Providers may not deny services to recipients who  
27 are unable to pay the co-payment, except as provided in  
28 paragraph (f).

29 (f) If it is the routine business practice of a provider to  
30 refuse service to an individual with uncollected debt, the  
31 provider may include uncollected co-payments under this  
32 section. A provider must give advance notice to a recipient  
33 with uncollected debt before services can be denied.

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

36 (h) Chemical dependency services that are reimbursed under

1 chapter 254B must not be reimbursed under general assistance  
2 medical care.

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

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

11 (k) Inpatient and outpatient payments shall be reduced by  
12 five percent, effective July 1, 2003. This reduction is in  
13 addition to the five percent reduction effective July 1, 2003,  
14 and incorporated by reference in paragraph (i).

15 (l) Payments for all other health services except  
16 inpatient, outpatient, and pharmacy services shall be reduced by  
17 five percent, effective July 1, 2003.

18 (m) Payments to managed care plans shall be reduced by five  
19 percent for services provided on or after October 1, 2003.

20 (n) A hospital receiving a reduced payment as a result of  
21 this section may apply the unpaid balance toward satisfaction of  
22 the hospital's bad debts.

23 Sec. 25. Minnesota Statutes 2004, section 256L.03,  
24 subdivision 1, is amended to read:

25 Subdivision 1. [COVERED HEALTH SERVICES.] For individuals  
26 under section 256L.04, subdivision 7, with income no greater  
27 than 75 percent of the federal poverty guidelines or for  
28 families with children under section 256L.04, subdivision 1, all  
29 subdivisions of this section apply. "Covered health services"  
30 means the health services reimbursed under chapter 256B, with  
31 the exception of inpatient hospital services, special education  
32 services, private duty nursing services, adult dental care  
33 services ~~other-than-services~~ except as covered under section  
34 256B.0625, subdivision 9, ~~paragraph-(b)7-orthodontic-services,~~  
35 nonemergency medical transportation services, personal care  
36 assistant and case management services, nursing home or

1 intermediate care facilities services, inpatient mental health  
2 services, and chemical dependency services. Outpatient mental  
3 health services covered under the MinnesotaCare program are  
4 limited to diagnostic assessments, psychological testing,  
5 explanation of findings, medication management by a physician,  
6 day treatment, partial hospitalization, and individual, family,  
7 and group psychotherapy.

8 No public funds shall be used for coverage of abortion  
9 under MinnesotaCare except where the life of the female would be  
10 endangered or substantial and irreversible impairment of a major  
11 bodily function would result if the fetus were carried to term;  
12 or where the pregnancy is the result of rape or incest.

13 Covered health services shall be expanded as provided in  
14 this section.

15 Sec. 26. Minnesota Statutes 2004, section 256L.03,  
16 subdivision 5, is amended to read:

17 Subd. 5. [CO-PAYMENTS AND COINSURANCE.] (a) Except as  
18 provided in paragraphs (b) and (c), the MinnesotaCare benefit  
19 plan shall include the following co-payments and coinsurance  
20 requirements for all enrollees:

21 (1) ten percent of the paid charges for inpatient hospital  
22 services for adult enrollees, subject to an annual inpatient  
23 out-of-pocket maximum of \$1,000 per individual and \$3,000 per  
24 family;

25 (2) \$3 per prescription for adult enrollees; and

26 (3) \$25 for eyeglasses for adult enrollees; ~~and~~

27 ~~(4) 50 percent of the fee for service rate for adult dental~~  
28 ~~care services other than preventive care services for persons~~  
29 ~~eligible under section 256B.047, subdivisions 1 to 7, with income~~  
30 ~~equal to or less than 175 percent of the federal poverty~~  
31 ~~guidelines.~~

32 (b) Paragraph (a), clause (1), does not apply to parents  
33 and relative caretakers of children under the age of 21 in  
34 households with family income equal to or less than 175 percent  
35 of the federal poverty guidelines. Paragraph (a), clause (1),  
36 does not apply to parents and relative caretakers of children

1 under the age of 21 in households with family income greater  
2 than 175 percent of the federal poverty guidelines for inpatient  
3 hospital admissions occurring on or after January 1, 2001.

4 (c) Paragraph (a), clauses (1) to (4), do not apply to  
5 pregnant women and children under the age of 21.

6 (d) Adult enrollees with family gross income that exceeds  
7 175 percent of the federal poverty guidelines and who are not  
8 pregnant shall be financially responsible for the coinsurance  
9 amount, if applicable, and amounts which exceed the \$10,000  
10 inpatient hospital benefit limit.

11 (e) When a MinnesotaCare enrollee becomes a member of a  
12 prepaid health plan, or changes from one prepaid health plan to  
13 another during a calendar year, any charges submitted towards  
14 the \$10,000 annual inpatient benefit limit, and any  
15 out-of-pocket expenses incurred by the enrollee for inpatient  
16 services, that were submitted or incurred prior to enrollment,  
17 or prior to the change in health plans, shall be disregarded.

18 Sec. 27. [FEDERAL APPROVAL.]

19 By August 1, 2005, the commissioner of human services shall  
20 request any federal approval and plan amendments necessary to  
21 implement (1) the transitional supports allowance under  
22 Minnesota Statutes, sections 256B.0916, subdivision 10; and  
23 256B.49, subdivision 16; and (2) the choice of case management  
24 service coordination provisions under Minnesota Statutes,  
25 sections 256B.0621, subdivision 4; 256B.092, subdivisions 2a and  
26 4b; and 256B.49, subdivision 13.

27 Sec. 28. [DENTAL ACCESS FOR PERSONS WITH DISABILITIES.]

28 The commissioner of human services shall study access to  
29 dental services for persons with disabilities, and shall present  
30 recommendations for improving access to dental services to the  
31 legislature by January 15, 2006. The study must examine  
32 physical and geographic access, the willingness of dentists to  
33 serve persons with disabilities enrolled in state health care  
34 programs, reimbursement rates for dental service providers, and  
35 other factors identified by the commissioner as potential  
36 barriers to accessing dental services.



1 Sec. 29. [DISABILITY SERVICES INTERAGENCY WORK GROUP.]

2 Subdivision 1. [ESTABLISHMENT.] The commissioners of human  
3 services and housing finance and the Minnesota State Council on  
4 Disability shall convene an interagency work group of interested  
5 stakeholders, including other state agencies, counties, public  
6 housing authorities, the Metropolitan Council, disability  
7 service providers, and representatives from disability advocacy  
8 organizations to identify barriers, strengthen coordination,  
9 recommend policy and funding changes, and pursue federal  
10 financing that will assist Minnesotans with disabilities who are  
11 attempting to relocate from or avoid placement in institutional  
12 settings.

13 Subd. 2. [WORK GROUP ACTIVITIES.] The work group shall  
14 make recommendations to the state agencies and the legislature  
15 related to:

16 (1) coordinating the availability of housing,  
17 transportation, and support services needed to discharge persons  
18 with disabilities from institutions;

19 (2) improving information and assistance needed to make an  
20 informed choice about relocating from an institutional placement  
21 to community-based services;

22 (3) identifying gaps in human services, transportation, and  
23 housing access that are barriers to moving to community  
24 services;

25 (4) identifying strategies that would result in earlier  
26 identification of persons most at risk of institutional  
27 placement in order to promote diversion to community services or  
28 reduce lengths of stay in an institutional facility;

29 (5) identifying funding mechanisms and financial strategies  
30 to assure a financially sustainable community support system  
31 that diverts and relocates individuals from institutional  
32 placement; and

33 (6) identifying state actions needed to address any federal  
34 changes affecting policies, benefits, or funding used to support  
35 persons with disabilities in avoiding institutional placement.

36 Subd. 3. [RECOMMENDATIONS.] Recommendations of the work

1 group must be submitted to each state agency and to the chairs  
2 of the health and human services policy and finance committees  
3 of the senate and house of representatives by October 15, 2006.