

## STATE OF MINNESOTA

## EIGHTY-FIRST SESSION — 1999

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 THIRTY-SECOND DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 24, 1999

The House of Representatives convened at 2:30 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Lonnie E. Titus, House Chaplain.

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

The roll was called and the following members were present:

Abeler	Dorman	Holberg	Lindner	Ozment	Stang
Abrams	Dorn	Holsten	Luther	Paulsen	Storm
Anderson, B.	Entenza	Howes	Mahoney	Pawlenty	Swenson
Anderson, I.	Erhardt	Huntley	Mares	Paymar	Sykora
Bakk	Erickson	Jaros	Mariani	Pelowski	Tingelstad
Biernat	Finseth	Jennings	Marko	Peterson	Tomassoni
Bishop	Folliard	Johnson	McCollum	Pugh	Trimble
Boudreau	Fuller	Juhnke	McElroy	Rest	Tuma
Bradley	Gerlach	Kahn	McGuire	Reuter	Tunheim
Broecker	Gleason	Kalis	Milbert	Rhodes	Van Dellen
Buesgens	Goodno	Kelliher	Molnau	Rifenberg	Vandever
Carlson	Gray	Kielkucki	Mulder	Rostberg	Wagenius
Carruthers	Greenfield	Knoblach	Mullery	Rukavina	Wejcman
Cassell	Greiling	Koskinen	Murphy	Schumacher	Wenzel
Chaudhary	Gunther	Kubly	Ness	Seagren	Westerberg
Clark, J.	Haake	Kuisle	Nornes	Seifert, J.	Westfall
Clark, K.	Haas	Larsen, P.	Olson	Seifert, M.	Westrom
Daggett	Hackbarth	Larson, D.	Opatz	Skoe	Wilkin
Davids	Harder	Leighton	Orfield	Skoglund	Winter
Dawkins	Hasskamp	Lenczewski	Osskopp	Smith	Wolf
Dehler	Hausman	Leppik	Osthoff	Solberg	Workman
Dempsey	Hilty	Lieder	Otremba	Stanek	Spk. Sviggum

A quorum was present.

Munger was excused.

Krinkie was excused until 3:40 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Osthoff moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

**REPORTS OF CHIEF CLERK**

S. F. No. 685 and H. F. No. 358, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Wolf moved that the rules be so far suspended that S. F. No. 685 be substituted for H. F. No. 358 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 881 and H. F. No. 841, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Opatz moved that the rules be so far suspended that S. F. No. 881 be substituted for H. F. No. 841 and that the House File be indefinitely postponed. The motion prevailed.

**REPORTS OF STANDING COMMITTEES**

Smith from the Committee on Civil Law to which was referred:

H. F. No. 47, A bill for an act relating to civil actions; providing a cause of action for victims of domestic abuse; proposing coding for new law in Minnesota Statutes, chapter 611A.

Reported the same back with the following amendments:

Page 1, line 17, delete everything after "abuse" and insert a period

With the recommendation that when so amended the bill pass.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 180, A bill for an act relating to commerce; regulating the safety of persons on amusement rides; amending Minnesota Statutes 1998, section 184B.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 184B.

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

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 213, A bill for an act relating to education; exempting teachers of oral/aural deaf education from the requirements for American sign language; amending Minnesota Statutes 1998, section 122A.28; Laws 1993, chapter 224, article 3, section 32, as amended.

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

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 249, A bill for an act relating to state government; modifying provisions relating to appointment of members of the iron range resources and rehabilitation board; amending Minnesota Statutes 1998, section 298.22, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 298.22, subdivision 2, is amended to read:

Subd. 2. [IRON RANGE RESOURCES AND REHABILITATION BOARD.] There is hereby created the iron range resources and rehabilitation board, consisting of 11 members, ~~five~~ ten of whom are ~~state senators~~ appointed by the ~~subcommittee on committees of the rules committee of the senate~~, and ~~five~~ of whom are representatives, appointed by the speaker of the house of representatives. ~~The members shall be appointed in January of every odd-numbered year~~ governor, with advice and consent of the senate. Terms, removal, compensation, and filling of vacancies are governed by section 15.0575. No more than six members of the board may support the same political party. The 11th member of the board is the commissioner of natural resources. ~~Vacancies on the board shall be filled in the same manner as the original members were chosen. At least a majority of the legislative~~ All members of the board ~~shall be elected from state senatorial or legislative districts in which over 50 percent of the residents other than the commissioner of natural resources must~~ must reside within a tax relief area as defined in section 273.134. All expenditures and projects made by the commissioner of iron range resources and rehabilitation shall first be submitted to the iron range resources and rehabilitation board for approval by at least eight board members of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all funds proposed to be disbursed shall be first approved or disapproved by the board. The board shall biennially make its report to the governor and the legislature on or before November 15 of each even-numbered year. The expenses of the board shall be paid by the state from the funds raised pursuant to this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1999."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 436, A bill for an act relating to retirement; modifying early retirement provisions for the state patrol retirement fund and public employees retirement association; providing for pre-1999 consolidations; amending Minnesota Statutes 1998, sections 352B.08, subdivision 2a; 353.651, subdivision 4; and 353A.083, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

CORRECTIONAL EMPLOYEES RETIREMENT PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 352.90, is amended to read:

352.90 [POLICY.]

It is the policy of the legislature to provide special retirement benefits and contributions for certain correctional employees who may be required to retire at an early age because they lose the mental or physical capacity required to maintain the safety, security, discipline, and custody of inmates at state correctional facilities or of patients at the Minnesota security hospital or at the Minnesota sexual psychopathic personality treatment center or of patients in the Minnesota extended treatment options on-campus program at Cambridge.

Sec. 2. Minnesota Statutes 1998, section 352.91, is amended by adding a subdivision to read:

Subd. 3e. [MINNESOTA EXTENDED TREATMENT OPTIONS PROGRAM; CAMBRIDGE.] "Covered correctional service" means service by a state employee in one of the following employment positions with the Minnesota extended treatment options on-campus program at Cambridge if at least 75 percent of the employee's working time is spent in direct contact with patients who are in the Minnesota extended treatment options program and if service in such a position is certified to the executive director by the commissioner of human services, unless the person elects to retain current retirement coverage under section 4:

- (1) behavior analyst I;
- (2) human services support specialist;
- (3) mental retardation residential program lead;
- (4) psychologist II;
- (5) recreation program assistant;
- (6) recreation therapist assistant;
- (7) recreation therapist senior;
- (8) registered nurse senior;
- (9) skills development specialist; and
- (10) social worker senior.

Sec. 3. Minnesota Statutes 1998, section 352.93, subdivision 2a, is amended to read:

Subd. 2a. [EARLY RETIREMENT.] Any covered correctional employee, or former employee if service ended after June 30, 1989, who becomes at least 50 years old and who has at least three years of allowable service is entitled upon application to a reduced retirement annuity equal to the annuity calculated under subdivision 2, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 55 by two-tenths of one percent for each month that the correctional employee is under age 55 at the time of retirement.

## Sec. 4. [TEMPORARY PROVISION; ELECTION TO RETAIN RETIREMENT COVERAGE.]

(a) An employee in a position specified as qualifying under section 2 may elect to retain coverage under the general employees retirement plan of the Minnesota state retirement system or may elect to transfer coverage and contribute to the correctional employees retirement plan. An employee electing to participate in the correctional employees retirement plan shall begin making contributions to the correctional plan beginning the first full pay period after July 1, 1999, or the first full pay period following filing of their election to transfer coverage to the correctional employees retirement plan, whichever is later. The election to retain coverage or to transfer coverage must be made in writing by the person on a form prescribed by the executive director of the Minnesota state retirement system and must be filed with the executive director no later than December 31, 1999.

(b) An employee failing to make an election by December 15, 1999, must be notified by certified mail by the executive director of the Minnesota state retirement system of the deadline to make a choice. A person who does not submit an election form must continue coverage in the general employees retirement plan and forfeits all rights to transfer retirement coverage to the correctional employees retirement plan.

(c) The election to retain coverage in the general employees retirement plan or the election to transfer retirement coverage to the correctional employees retirement plan is irrevocable once it is filed with the executive director.

## Sec. 5. [COVERAGE FOR PRIOR STATE SERVICE FOR CERTAIN PERSONS.]

Subdivision 1. [ELECTION OF PRIOR STATE SERVICE COVERAGE.] (a) An employee who has future retirement coverage transferred to the correctional employees retirement plan under section 4, and who does not elect to retain general state employees retirement plan coverage, is entitled to elect to obtain prior service credit for eligible state service performed on or after July 1, 1997, and before the first day of the first full pay period beginning after December 31, 1999. All prior service credit must be purchased.

(b) Eligible state service is any period of service on or after the date which the employee started employment with the Minnesota extended treatment options program in a position specified in Minnesota Statutes, section 352.91, subdivision 3e, in which at least 75 percent of the employee's working time is determined to have been spent in direct contact with Minnesota extended treatment options program patients or July 1, 1997, whichever is later, and the date the employee joined the correctional employees plan.

(c) The department of human services shall certify eligible state service to the executive director of the Minnesota retirement system.

Subd. 2. [PAYMENT FOR PRIOR SERVICE.] (a) An employee electing to obtain prior service credit under subdivision 1 must pay an additional employee contribution for that prior service. The additional member contribution is the contribution differential percentage applied to the actual salary paid to the employee during the period of the prior eligible state service, plus interest at the rate of six percent per annum, compounded annually. The contribution differential percentage is the difference between 5.5 percent of salary and the applicable employee contribution rate of the general state employees retirement plan during the prior eligible state service.

(b) The additional member contribution must be paid only in a lump sum. Payment must accompany the election to obtain prior service credit. No election or payment may be made by the person or accepted by the executive director after June 30, 2001.

Subd. 3. [TRANSFER OF ASSETS.] Assets must be transferred from the general state employees retirement plan to the correctional employees retirement plan in an amount equal to the present value of benefits earned under the general employees retirement plan for each employee transferring to the correctional employees retirement plan, as determined by the actuary retained by the legislative commission on pensions and retirement in accordance with Minnesota Statutes, section 356.215, multiplied by the accrued liability funding ratio of active members as derived from the most recent actuarial valuation prepared by the commission-retained actuary. The transfer of assets must be made within 45 days after the employee elects to transfer coverage to the correctional employees retirement plan.

Subd. 4. [EFFECT OF THE ASSET TRANSFER.] Upon the transfer of assets in subdivision 3, service credit in the general state employees plan of the Minnesota state retirement system is forfeited and may not be reinstated. The service credit and transferred assets must be credited to the correctional employees retirement plan.

Subd. 5. [COUNSELING.] (a) The commissioners of human services and employee relations, and the executive director of the Minnesota state retirement system have the joint responsibility of providing affected employees with appropriate and timely retirement and related benefit counseling.

(b) Counseling must include the anticipated impact of the retirement coverage change on the person's future retirement benefit amounts, future retirement eligibility, future applicability of mandatory retirement laws, and future postemployment insurance coverage.

(c) The commissioner of human services must consult with the appropriate collective bargaining agents of the affected employees regarding the content, form, and timing of the counseling required by this section.

Sec. 6. [TRANSITIONAL PROVISION; RETENTION OF CERTAIN RIGHTS.]

(a) Nothing in sections 1, 2, and 4 to 7 may be considered to restrict the entitlement of a person under state law to repay a previously taken refund of employee or member contributions to a Minnesota public pension plan if all qualifying requirements are met.

(b) The period of correctional employees retirement plan contributions, plus interest, must be restored upon the repayment of the appropriate refund amount if the service was correctional employees retirement plan covered service on the date when the service was rendered or on the date when the refund was taken.

Sec. 7. [EARLY RETIREMENT INCENTIVE.]

This section applies to an employee who has future retirement coverage transferred to the correctional employee retirement plan under section 4 and who is at least 55 years old on the effective date of section 4. That employee may participate in a health insurance early retirement incentive available under the terms of a collective bargaining agreement, notwithstanding any provision of the collective bargaining agreement that limits participation to persons who select the option during the payroll period in which they become 55 years old. A person selecting the health insurance early retirement incentive under this section must retire by the later of December 31, 2000, or within the pay period following the time at which the person has at least three years of covered correctional service, including any purchased service credit. An employee meeting this criteria who wishes to extend the person's employment must do so under Minnesota Statutes, section 43A.34, subdivision 3.

Sec. 8. [EFFECTIVE DATE.]

Sections 1, 2, and 4 to 7 are effective on the first day of the first full pay period beginning after July 1, 1999. Section 3 is effective July 1, 1999.

ARTICLE 2

PUBLIC SAFETY EMPLOYEE PENSION  
PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 352B.08, subdivision 2a, is amended to read:

Subd. 2a. [EARLY RETIREMENT.] Any member who has become at least 50 years old and who has at least three years of allowable service is entitled upon application to a reduced retirement annuity equal to the annuity calculated under subdivision 2, reduced by ~~two-tenths~~ one-tenth of one percent for each month that the member is under age 55 at the time of retirement.

Sec. 2. Minnesota Statutes 1998, section 353.64, subdivision 1, is amended to read:

Subdivision 1. [POLICE AND FIRE FUND MEMBERSHIP.] (a) A person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall, as long as the person remains in either position, continue membership in the fund.

(b) A person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978, by virtue of being a police officer as defined by this section on that date, and if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, ~~shall continue membership in~~ continues to be a member of the fund, whether or not that person has the power of arrest by warrant and is licensed by the peace officers standards and training board after that date. A person who was employed as a correctional officer by Rice county before July 1, 1998, for the duration of employment in the correctional position held on July 1, 1998, continues to be a member of the public employees police and fire plan, whether or not the person has the power of arrest by warrant and is licensed by the peace officers standards and training board after that date.

(c) A person who was employed by a governmental subdivision as a police officer or a firefighter, whichever applies, was an active member of the local police or salaried firefighters relief association located in that governmental subdivision by virtue of that employment as of the effective date of the consolidation as authorized by sections 353A.01 to 353A.10, and has elected coverage by the public employees police and fire fund benefit plan, shall become a member of the police and fire fund after that date if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date.

(d) Any other employee serving on a full-time basis as a police officer as defined in subdivision 2 or as a firefighter as defined in subdivision 3 on or after July 1, 1961, shall become a member of the public employees police and fire fund.

(e) An employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer.

(f) An employee serving on less than a full-time basis as a firefighter shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter.

(g) A police officer or firefighter employed by a governmental subdivision who by virtue of that employment is required by law to be a member of and to contribute to any police or firefighter relief association governed by section 69.77 which has not consolidated with the public employees police and fire fund and any police officer or firefighter of a relief association that has consolidated with the association for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10 shall not become a member of the public employees police and fire fund.

Sec. 3. Minnesota Statutes 1998, section 353.651, subdivision 4, is amended to read:

Subd. 4. [EARLY RETIREMENT.] Any police officer or firefighter member who has become at least 50 years old and who has at least three years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced by ~~two-tenths~~ one-tenth of one percent for each month that the member is under age 55 at the time of retirement.

Sec. 4. [353.652] [SOCIAL SECURITY BENEFIT OFFSET IN CERTAIN INSTANCES.]

(a) If a public employee continues in retirement plan coverage by the public employees police and fire retirement plan by virtue of this article and subsequently is covered by the federal old age, survivors, and disability insurance program for service as a Rice county correctional officer, the retirement annuity of the person under section 353.651

or the disability benefit of the person under section 353.656 must be reduced dollar-for-dollar for the social security benefit that the person is entitled to receive by virtue of Rice county correctional service rendered after the effective date of section 2.

(b) To be effective, the retirement annuity or disability benefit application form for a Rice county correctional employee must include signed written permission by the person for the public employees retirement association to obtain the necessary information from the federal old age, survivors, and disability insurance program to implement the offset provision in paragraph (a).

Sec. 5. [353.90] [PENALTY FOR MEMBERSHIP MISCERTIFICATIONS AND CERTIFICATION FAILURES.]

(a) If the board of trustees of the public employees retirement association, upon the recommendation of the executive director, determines that a governmental subdivision has certified a public employee for membership in the public employees police and fire retirement plan when the public employee was not eligible for that retirement plan coverage, the public employee must be covered by the correct retirement plan for subsequent service, the public employee retains the coverage for the period of the misclassification, and the governmental subdivision shall pay in a lump sum the difference in the actuarial present value of the retirement annuities to which the public employee would have been entitled if the public employee was properly classified. The government subdivision payment is payable within 30 days of the board's determination. If unpaid, it must be collected under section 353.28. The lump-sum payment must be deposited in the public employees retirement fund.

(b) If the executive director of the public employees retirement association determines that a governmental subdivision has failed to certify a person for retirement plan membership and coverage under this chapter, in addition to the procedures under section 353.27, subdivision 4, 9, 10, 11, 12, 12a, or 12b, the director shall charge a fine of \$ . . . . . for each membership certification failure.

Sec. 6. Minnesota Statutes 1998, section 353A.083, is amended by adding a subdivision to read:

Subd. 4. [PRE-1999 CONSOLIDATIONS.] For any consolidation account in effect on July 1, 1999, the public employees police and fire fund benefit plan applicable to consolidation account members who have elected or will elect that benefit plan coverage under section 353A.08 is the most recent change adopted by the applicable municipality under subdivision 1, 2, or 3, unless the applicable municipality approves the extension of the post-June 30, 1999, public employees police and fire fund benefit plan to the consolidation account.

Sec. 7. [COLLECTION OF POLICE STATE OVERPAYMENTS.]

As police state aid that was received by Rice county on account of correctional officers who were improperly included in retirement coverage by the public employees police and fire plan, the total of the following amounts must be deducted in 20 equal annual installments from any police state aid payable to Rice county under Minnesota Statutes, chapter 69:

<u>Amount</u>	<u>Year</u>
<u>\$11,543</u>	<u>1994</u>
<u>19,096</u>	<u>1995</u>
<u>39,111</u>	<u>1996</u>
<u>19,170</u>	<u>1997</u>
<u>13,764</u>	<u>1998</u>

Sec. 8. [EFFECTIVE DATE.]

Sections 1, 3, and 7 are effective on July 1, 1999. Sections 2, 4, and 6 are effective on the day following final enactment. Section 5 is effective on August 1, 2000.

## ARTICLE 3

SPECIAL RETIREMENT COVERAGE  
FOR CERTAIN STATE FIRE  
MARSHAL EMPLOYEES

## Section 1. [352.87] [STATE FIRE MARSHAL DIVISION EMPLOYEES.]

Subdivision 1. [ELIGIBILITY.] A member of the general plan who is employed by the department of public safety, state fire marshal division, as a deputy state fire marshal, fire/arson investigator, who elects special benefit coverage under subdivision 8, is entitled to retirement benefits or disability benefits, as applicable, as stated in this section for eligible service under this section rendered after July 1, 1999, for which allowable service credit is received. The covered member must be at least age 55 to qualify for the retirement annuity specified in subdivision 3.

Subd. 2. [RETIREMENT ANNUITY ELIGIBILITY.] A person specified in subdivision 1 who meets all eligibility requirements specified in this chapter applicable to general plan members is eligible for retirement benefits as specified in subdivision 3.

Subd. 3. [RETIREMENT ANNUITY FORMULA.] A person specified in subdivision 1 will have a retirement annuity applicable for allowable service credit under this section calculated by multiplying the employee's average salary, as defined in section 352.115, subdivision 2, by the percentage specified in section 356.19, subdivision 2a, for each year or portions of a year of allowable service credit. No reduction for retirement prior to normal retirement age, as specified in section 352.01, subdivision 25, applies to service to which this section applies.

Subd. 4. [NON-JOB-RELATED DISABILITY BENEFITS.] An eligible member described in subdivision 1, who is less than 55 years of age and who becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury while not engaged in covered employment, is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 assuming the member has 15 years of service qualifying under this section and waiving the minimum age requirement. If the eligible member becomes disabled under this subdivision with more than 15 years of service covered under this section, the eligible member is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 based on all years of service credited under this section and waiving the minimum age requirement.

Subd. 5. [JOB-RELATED DISABILITY BENEFITS.] An eligible member defined in subdivision 1, who is less than 55 years of age and who becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury while engaged in covered employment, is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 assuming the member has 20 years of service qualifying under this section and waiving the minimum age requirement. An eligible member who becomes disabled under this subdivision with more than 20 years of service credited under this section is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 based on all years of service credited under this section and waiving the age requirement.

Subd. 6. [DISABILITY BENEFIT COORDINATION.] If the eligible employee is entitled to receive a disability benefit as provided in subdivision 4 or 5 and has allowable service credit under this section for less service than the length of service upon which the disability benefit in subdivision 4 or 5 is based, and also has allowable service in the general plan not includable in this section, the employee is entitled to a disability benefit or deferred retirement annuity based on the general plan service not includable in this section only for the service that, when combined with the service includable in this section, exceeds the number of years on which the disability benefit provided in subdivision 4 or 5 is based. The benefit recipient under subdivision 4 or 5 who also has credit for regular plan service must in all respects qualify under section 352.113 to be entitled to receive a disability benefit based on the general plan service not includable in this section, except that the service may be combined to satisfy length of service requirements. Any deferred annuity to which the employee may be entitled based on general plan service not includable in this section must be augmented as provided in section 352.72, subdivision 2, while the employee is receiving a disability benefit under this section.

Subd. 7. [ADDITIONAL CONTRIBUTIONS.] The special retirement annuity and disability coverage under this section shall be financed by an employee contribution of \$. . . . . and an employer contribution of \$. . . . . These contributions are in addition to the contributions required by section 352.04, subdivisions 2 and 3, and must be made in the manner provided for in section 352.04, subdivisions 4 to 6.

Subd. 8. [ELECTION OF COVERAGE.] To be covered by this section, an employee of the department of public safety described in subdivision 1 who is employed in a position described in that subdivision on or after July 1, 1999, must file a notice with the executive director of the Minnesota state retirement system on a form prescribed by the executive director stating whether or not the employee elects to be covered by this section. Notice must be filed by September 1, 1999, or within 90 days of employment, whichever is later. Elections are irrevocable during any period of covered employment. A failure to file a timely notice shall be deemed a waiver of coverage by this section.

Sec. 2. Minnesota Statutes 1998, section 356.19, is amended by adding a subdivision to read:

Subd. 2a. [COORDINATED MEMBERS.] The applicable benefit accrual rate is 2.0 percent.

Sec. 3. [EFFECTIVE DATE.]

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

#### ARTICLE 4

##### MNSCU INDIVIDUAL RETIREMENT ACCOUNT PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 43A.27, subdivision 3, is amended to read:

Subd. 3. [RETIRED EMPLOYEES.] (a) A person may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages if the person is:

(1) a retired employee of the state or an organization listed in subdivision 2 or section 43A.24, subdivision 2, who, at separation of service:

(i) is immediately eligible to receive a retirement benefit under chapter 354B or an annuity under a retirement program sponsored by the state or such organization of the state ~~and;~~

(ii) immediately meets the age and service requirements in section 352.115, subdivision 1; and

~~(ii)~~ (iii) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater; or

(2) a retired employee of the state who is at least 50 years of age and has at least 15 years of state service.

(b) The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established ~~pursuant to~~ under section 43A.18 to employees in positions equivalent to that from which retired.

~~(c) A spouse of a deceased retired employee who received an annuity under a state retirement program person eligible under paragraph (a) may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the employee's retiree's death.~~

(d) Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital,

medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 2. Minnesota Statutes 1998, section 136F.48, is amended to read:

136F.48 [EMPLOYER-PAID HEALTH INSURANCE.]

(a) This section applies to a person who:

(1) retires from the Minnesota state college and university system, the technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty, with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member or as an unclassified administrator in one of those systems the Minnesota state college and university system;

(3) begins drawing a retirement benefit from the individual retirement account plan or an annuity from the teachers retirement association, the Minnesota state retirement system, or from a first class city teacher plan; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) For a person eligible under paragraphs (a) and (b), the employing board shall make the same employer contribution for hospital, medical, and dental benefits as would be made if the person were employed full time.

(d) For work under paragraph (a), a person must receive a percentage of the person's salary at the time of retirement that is equal to the percentage of time the person works compared to full-time work.

(e) If a collective bargaining agreement covering a person provides for an early retirement incentive that is based on age, the incentive provided to the person must be based on the person's age at the time employment under this section ends. However, the salary used to determine the amount of the incentive must be the salary that would have been paid if the person had been employed full time for the year immediately preceding the time employment under this section ends.

(f) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 3. [352.1155] [NO ANNUITY REDUCTION.]

Subdivision 1. [ELIGIBILITY.] Except as indicated in subdivision 4, the annuity reduction provisions of section 352.115, subdivision 10, do not apply to a person who:

(1) retires from the Minnesota state college and university system with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a faculty member or as an unclassified administrator in that system;

(3) begins drawing an annuity from the Minnesota state retirement system general plan; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

Subd. 2. [APPROVAL REQUIREMENTS.] Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

Subd. 3. [SERVICE CREDIT PROHIBITION.] Notwithstanding any law to the contrary, a person eligible under this section may not, based on employment to which the waiver in this section applies, earn further service credit in a Minnesota public defined benefit plan and is not eligible to participate in a Minnesota public defined contribution plan, other than a volunteer fire plan governed by chapter 424A. No employer or employee contribution to any of these plans may be made on behalf of such a person.

Subd. 4. [EXEMPTION LIMIT.] For a person eligible under this section who earns more than \$35,000 in a calendar year from reemployment in the Minnesota state college and university system following retirement, the annuity reduction provisions of section 352.115, subdivision 10, apply only to income over \$35,000.

Subd. 5. [CONTINUING RIGHTS.] A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 4. Minnesota Statutes 1998, section 354.445, is amended to read:

354.445 [NO ANNUITY REDUCTION.]

(a) The annuity reduction provisions of section 354.44, subdivision 5, do not apply to a person who:

(1) retires from the Minnesota state college and university system, technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty, with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member or as an unclassified administrator in one of these systems that system;

(3) begins drawing an annuity from the teachers retirement association; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not, based on employment to which the waiver in this section applies, earn further service credit in ~~the teachers retirement association and is not eligible to participate in the individual retirement account plan or the supplemental retirement plan established in chapter 354B~~ as a result of service under this section a Minnesota public defined benefit plan and is not eligible to participate in a Minnesota public defined contribution plan, other than a volunteer fire plan governed by chapter 424A. No employer or employee contribution to any of these plans may be made on behalf of such a person.

(d) For a person eligible under paragraphs (a) and (b) who earns more than \$35,000 in a calendar year from employment after retirement ~~in the system from which the person retired due to employment in the Minnesota state college and university system~~, the annuity reduction provisions of section 354.44, subdivision 5, apply only to income over \$35,000.

(e) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 5. Minnesota Statutes 1998, section 354.66, subdivision 1b, is amended to read:

Subd. 1b. [DISTRICT, DEFINED.] For purposes of this section, the term "district" means a school district, ~~the community or the Minnesota state college system and the state university system~~.

Sec. 6. Minnesota Statutes 1998, section 354.66, subdivision 1c, is amended to read:

Subd. 1c. [PARTICIPATION.] (a) Except as indicated in paragraph (b), participation in the part-time mobility program must be based on a full fiscal year and the employment pattern of the teacher during the most recent fiscal year.

(b) For a teacher in the Minnesota state colleges and universities system who teaches only during the first semester in an academic year and retires immediately after the first semester, participation in the part-time mobility program must be based on one-half of a full fiscal year and the employment pattern of the teacher during the most recent one-half of the most recent fiscal year.

Sec. 7. Minnesota Statutes 1998, section 354.66, subdivision 3, is amended to read:

Subd. 3. [PART-TIME TEACHING POSITION, DEFINED.] (a) For purposes of this section, the term "part-time teaching position" shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 80 percent of the compensation established by the board for a full-time teacher with identical education and experience with the employing unit.

The compensation of a teacher in the state colleges and universities system may exceed the 80 percent limit if the teacher does not teach just one of the three quarters in the system's full school year, provided no additional services are performed while the teacher participates in the program. (b) For a teacher to which subdivision 1c, paragraph (b), applies, the term "part-time teaching position" shall mean a teaching position within the district in which the teacher is employed for at least 25 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 40 percent of the compensation established by the board for a full-time teacher, with identical education and experience with the employing unit.

Sec. 8. Minnesota Statutes 1998, section 354B.24, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ADDITIONAL CONTRIBUTIONS.] (a) In addition to contributions required by subdivision 2, a plan participant on an approved sabbatical leave may shall make an optional additional a member contribution. The optional additional member may not exceed based on the applicable member contribution rate specified in section 354B.23, subdivision 1, applied to the difference between the amount of salary actually received during the sabbatical leave and the amount of full-time salary actually received for a comparable period of an identical length to the member would have received if not on sabbatical leave that occurred during the fiscal year immediately preceding the sabbatical leave.

(b) Any optional additional member contribution must be made before the last day of the fiscal year next following the fiscal year in which the sabbatical leave terminates. The optional additional member contribution may not include interest through payroll deduction as though the member were employed full time.

(c) When an optional additional member contribution is made, the employing unit must make the employer contribution at the rate set forth specified in section 354B.23, subdivision 3, on the salary that was the basis for the optional additional member contribution under paragraph (a).

(d) An employer contribution required under this section must be made no later than 60 days after the date on which the optional additional member contribution was made.

Sec. 9. Minnesota Statutes 1998, section 354B.25, subdivision 2, is amended to read:

Subd. 2. [ANNUITY CONTRACTS AND CUSTODIAL ACCOUNTS INVESTMENT OPTIONS.] (a) The plan administrator shall arrange for the purchase of fixed annuity contracts, variable annuity contracts, a combination of fixed and variable annuity contracts, or custodial accounts from financial institutions which have been selected by the state board of investment under subdivision 3, as the investment vehicle for the retirement coverage of plan participants and to provide retirement benefits to plan participants. Custodial accounts from financial institutions shall include open-end investment companies registered under the federal Investment Company Act of 1940, as amended investment products.

(b) The annuity contracts or accounts investment products must be purchased with contributions under section 354B.23 or with money or assets otherwise provided by law by authority of the board and deemed acceptable by the applicable financial institution.

(c) In addition to contracts and accounts from financial institutions, The Minnesota supplemental investment fund established under section 11A.17 and administered by the state board of investment is one of the investment options products for the individual retirement account plan. Direct access must also be provided to lower expense and no load mutual funds, as those terms are defined by the federal Securities and Exchange Commission, including stock funds, bond funds, and balanced funds. Other investment products or combination of investment products which may be included are:

(1) savings accounts at federally insured financial institutions;

(2) life insurance contracts and fixed and variable annuity contracts from companies that are subject to regulation by the commerce commissioner;

(3) investment options from open-ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

(4) investment options from a firm that is a registered investment advisor under the federal Investment Advisors Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and

(5) investment options of a bank as defined in United States Code, title 80b-2, subsection (a), paragraph (2), or a bank holding company as defined in the federal Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Sec. 10. Minnesota Statutes 1998, section 354B.25, subdivision 3, is amended to read:

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] (a) ~~The financial institutions investment options provided for under subdivision 2 must be selected by the state board of investment. Financial institutions include open-end investment companies registered under the federal Investment Company Act of 1940, as amended:~~

~~(b) The state board of investment may select up to five financial institutions to provide annuity contracts, custodial accounts, or a combination, as investment options for the individual retirement account plan in addition to the Minnesota supplemental investment fund. In making its selection, at a minimum, the state board of investment shall consider at least the following:~~

~~(1) the experience and ability of the financial institution to provide retirement and death benefits and products that are suited to meet the needs of plan participants;~~

~~(2) the relationship of those retirement and death benefits and products provided by the financial institution to their cost; and~~

~~(3) the financial strength and stability of the financial institution; and~~

~~(4) the fees and expenses associated with the investment products in comparison to other products of similar risk and rates of return.~~

~~(b) After selecting a financial institution, the state board of investment must periodically review each financial institution selected under paragraph (b) and the offered products. The periodic review must occur at least every three years. In making its review, the state board of investment may retain appropriate consulting services to assist it in its periodic review, establish a budget for the cost of the periodic review process, and charge a proportional share of these costs to the reviewed financial institution.~~

~~(c) Contracts with financial institutions under this section must be executed by the board and must be approved by the state board of investment before execution.~~

~~(d) The state board of investment shall also establish policies and procedures under section 11A.04, clause (2), to carry out the provisions of this subdivision.~~

Sec. 11. Minnesota Statutes 1998, section 354B.25, subdivision 5, is amended to read:

Subd. 5. [INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATIVE EXPENSES.] (a) The reasonable and necessary administrative expenses of the individual retirement account plan ~~must~~ may be ~~paid by~~ charged to plan participants by the plan sponsor in the ~~following manner:~~

~~(1) from plan participants with amounts invested in the Minnesota supplemental investment fund, the plan administrator may charge an administrative expense assessment in an amount such that annual total fees charged for plan administration cannot exceed 40/100 of one percent of the assets of the Minnesota supplemental investment funds; and~~

~~(2) from plan participants with amounts through annuity contracts and custodial accounts purchased under subdivision 2, paragraph (a), the plan administrator may charge an administrative expense assessment of a designated amount, not to exceed two percent of member and employer contributions, as those contributions are made form of an annual fee, an asset-based fee, a percentage of the contributions to the plan, or a combination thereof.~~

(b) Any administrative expense charge that is not actually needed for the administrative expenses of the individual retirement account plan must be refunded to member accounts.

(c) The board of trustees shall report annually, before October 1, to the advisory committee created in subdivision 1a on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 12. [354B.31] [IRAP PART-TIME TEACHER MOBILITY PROGRAM.]

Subdivision 1. [PARTICIPATION REQUIREMENTS.] A faculty member who has three years or more of service in the Minnesota state colleges and universities system, by agreement with the board or with the authorized representative of the board, may be assigned to teaching service in a part-time teaching position under subdivision 2.

Subd. 2. [PART-TIME TEACHING POSITION; DEFINED.] For purposes of this section, "part-time teaching position" means a teaching position within the Minnesota state colleges and universities system in which the teacher is employed for at least 50 full days or a fractional equivalent as prescribed in section 354.091, and for which the faculty member is compensated in an amount not exceeding 80 percent of the compensation established by the board for a full-time faculty member with identical education and experience with the employing unit.

Subd. 3. [RETIREMENT CONTRIBUTIONS.] A faculty member assigned to a part-time position under this section shall continue to make employee contributions to the individual retirement account plan during the period of part-time employment on the same basis and in the same amounts as would have been paid if the person had been employed on a full-time basis provided that, prior to June 30 each year the member and the board make that portion of the required employer contribution to the plan, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the person had been employed on a full-time basis and the amount of compensation actually received by the person for the services rendered in the part-time assignment. The employing unit shall make that portion of the required employer contributions to the plan on behalf of the person that is based on the amount of compensation actually received by the person for the services rendered in the part-time assignment. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354B.23. Employee contributions for part-time teaching service pursuant to this section shall not continue for more than ten years.

Subd. 4. [OTHER MEMBERSHIP PRECLUDED.] A faculty member entitled to make employee contributions for part-time teaching service pursuant to this section shall not be entitled during the same period of time to be a member of, accrue allowable service credit in, or make employee contributions to any other Minnesota public employee pension plan, except a volunteer firefighters relief association governed by sections 69.771 to 69.776.

Subd. 5. [INSURANCE.] If the board enters into an agreement authorized by this section, the board shall continue any insurance programs furnished or authorized to a full-time teacher on an identical basis and with identical sharing of costs for a part-time teacher pursuant to this section. However, the requirements of this subdivision may be modified by a collective bargaining agreement between the board and an exclusive representative pursuant to chapter 179A. Teachers as defined in section 136F.43 employed on a less than 75 percent time basis pursuant to this section are eligible for state paid insurance benefits as if the teachers were employed full-time.

Subd. 6. [ELIGIBILITY FOR CREDIT.] Only teachers who are public employees as defined in section 179A.03, subdivision 14, during the school year preceding the period of part-time employment pursuant to this section qualify for employee contributions to the retirement plan for part-time teaching service under subdivision 4. Notwithstanding section 179A.03, subdivision 14, clauses (e) and (f), teachers who are employed on a part-time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, continue to be in the bargaining unit during the period of part-time employment under this section for purposes of compensation, fringe benefits, and the grievance procedure.

Subd. 7. [BOARD POWER NOT RESTRICTED.] This section does not limit the authority of the board to assign a teacher to a part-time teaching position which does not qualify for full accrual of service credit from and employee contributions to the retirement fund under this section.

Subd. 8. [SUBSTITUTE TEACHING.] Subdivision 4 does not prohibit a teacher who qualifies for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding sections 354.091 and 354.42, a teacher may not qualify for full accrual of service credit from and employee contributions to the retirement fund for other teaching service rendered for any part of any year for which the teacher qualifies for employee contributions to the retirement plan pursuant to this section.

Sec. 13. Minnesota Statutes 1998, section 354C.12, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE EXPENSES.] (a) The board of trustees of the Minnesota state colleges and universities is authorized to pay the necessary and reasonable administrative expenses of the supplemental retirement plan and may bill participants to recover these expenses. The administrative fees or charges must may be paid by charged to participants in the following manner: as an annual fee, an asset based fee, a percentage of contributions to the plan, or a contribution thereof.

~~(1) from participants whose contributions are invested with the state board of investment, the plan administrator may recover administrative expenses in the manner authorized by the Minnesota state colleges and universities in an amount such that annual total fees charged for plan administration cannot exceed 40/100 of one percent of the assets of the Minnesota supplemental investment funds; or~~

~~(2) from participants where contributions are invested through contracts purchased from any other authorized source, the plan administrator may assess an amount of up to two percent of the employee and employer contributions.~~

(b) Any recovered or assessed amounts that are not needed for the necessary and reasonable administrative expenses of the plan must be refunded to member accounts.

(c) The board of trustees shall report annually, before October 1, to the advisory committee created in section 354B.25, subdivision 1a, on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective on July 1, 1999.

## ARTICLE 5

EMPLOYER MATCHING CONTRIBUTION  
TAX-SHELTERED ANNUITY  
CHANGES

Section 1. Minnesota Statutes 1998, section 356.24, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTION; EXCEPTIONS.] ~~(a)~~ It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

- (1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;
- (2) to a plan that provides solely for group health, hospital, disability, or death benefits;
- (3) to the individual retirement account plan established by chapter 354B;
- (4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;
- (5) for employees other than personnel employed by the state university board or the community college board and covered by the board of trustees of the Minnesota state colleges and universities supplemental retirement plan under chapter 354C, if provided for in a personnel policy of the public employer or in the collective bargaining agreement between the public employer and the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee;

(i) to the state of Minnesota deferred compensation plan under section 352.96; or

(ii) in payment of the applicable portion of the premium on a tax-sheltered annuity contract qualified under section 403(b) of the Internal Revenue Code, if purchased from a qualified insurance company, or from a qualified investment entity, as defined in subdivision 1a, and if the employing unit has complied with any applicable pension plan provisions of the Internal Revenue Code with respect to the tax-sheltered annuity program during the preceding calendar year; or

(6) for personnel employed by the state university board or the community college board and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year for each employee.

~~(b)~~ Subd. 1a. [QUALIFIED INSURANCE COMPANY; QUALIFIED INVESTMENT ENTITIES; DEFINITIONS.] (a) A qualified insurance company is a company that:

- (1) meets the definition in section 60A.02, subdivision 4;
- (2) is licensed to engage in life insurance or annuity business in the state;
- (3) is determined by the commissioner of commerce to have a rating within the top two rating categories by a recognized national rating agency or organization that regularly rates insurance companies; and
- (4) is determined by the state board of investment to be among ~~the ten~~ up to 20 applicant insurance companies with competitive investment options and investment returns ~~on annuity products~~.

(b) A qualified investment entity is an open-end investment company that is:

(1) registered under the federal Investment Company Act of 1940;

(2) licensed to do business in the state;

(3) determined by the commissioner of commerce to be in sound financial standing; and

(4) determined by the state board of investment to be among up to five applicant investment entities with competitive investment options and investment returns.

(c) The state board of investment determination must be made on or before ~~January 1, 1993~~ July 1, 2000, and must be reviewed periodically. The state board of investment may retain actuarial services to assist it in this determination and in its periodic review. The state board of investment may annually establish a budget for its costs in any determination and periodic review processes. The state board of investment may charge a proportional share of all costs related to the periodic review to those qualified insurance companies and qualified investment entities currently under contract and may charge a proportional share of all costs related to soliciting and evaluating bids in a determination process to each company and investment entity selected by the state board of investment. All contracts must be approved before execution by the state board of investment. The state board of investment shall establish policies and procedures under section 11A.04, clause (2), to carry out this paragraph.

(e) Subd. 1b. [VENDOR RESTRICTIONS.] A personnel policy for unrepresented employees or a collective bargaining agreement may establish limits on the number of vendors under ~~paragraph (b), clause (5), subdivision 1~~ that it will utilize and conditions under which the vendors may contact employees both during working hours and after working hours.

Sec. 2. [COMMISSION STUDY.]

The legislative commission on pensions and retirement shall study the issue of the appropriate means to provide partially employer-funded tax-sheltered savings opportunities for educational employees, including the establishment of single comprehensive program structure for all applicable educational employers and the elimination of any restriction on investment vendors in providing partially employer-funded investment opportunities to educational employees.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective May 15, 2000. Section 2 is effective on the day following final enactment.

## ARTICLE 6

### MINNEAPOLIS EMPLOYEES RETIREMENT PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 422A.06, subdivision 3, is amended to read:

Subd. 3. [DEPOSIT ACCUMULATION FUND.] The deposit accumulation fund consists of the assets held in the fund, ~~increased by including~~ amounts contributed by or for employees, amounts contributed by the city, amounts contributed by municipal activities supported in whole or in part by revenues other than taxes and amounts contributed by any public corporation, amounts paid by the state, and by income from investments. There must be paid from the fund the amounts required to be transferred to the retirement benefit fund, or the disability benefit fund, refunds of contributions, ~~death benefits payable on death before retirement that are not payable from the survivors' benefit fund including the death-while-active refund specified in section 422A.22, subdivision 4,~~ postretirement increases in retirement allowances granted under Laws 1965, chapter 688, or Laws 1969, chapter 859, and expenses of the administration of the retirement fund which were not charged by the retirement board against the income of the retirement benefit fund from investments as the cost of handling the investments of the retirement benefit fund.

Sec. 2. Minnesota Statutes 1998, section 422A.06, subdivision 6, is amended to read:

Subd. 6. [SURVIVOR'S BENEFIT FUND.] The survivor's benefit fund ~~shall consist~~ consists of the amount held for survivor benefits, increased by contributions for survivor benefits made by and for employees, including contributions made by the employer, by any municipal activity supported in whole or in part by revenue other than taxes or by any public corporation. A proportionate share of income from investments ~~shall~~ must be allocated to this fund. ~~There shall be paid from such fund the Survivor benefits specified in section 422A.23 except that the refund of net accumulated deductions from the salary of a contributing member shall upon death in service be paid from the deposit accumulation fund~~ must be paid from this fund.

Sec. 3. Minnesota Statutes 1998, section 422A.101, subdivision 4, is amended to read:

Subd. 4. [ADDITIONAL EMPLOYER CONTRIBUTION IN CERTAIN INSTANCES.] (a) If a participating employing unit, other than the state, has a negative asset balance in the deposit accumulation fund, the executive director shall bill the employing unit for the amount of the deficiency. Any amount billed will include six percent interest, compounded annually, for any year or portion of a year from the billing date until the date of payment.

(b) If assets in the deposit accumulation fund are insufficient to make a transfer to the retirement benefit fund, the city of Minneapolis shall pay the amount of that insufficiency to the retirement benefit fund within three days of certification of the insufficiency by the executive director of the fund. The city of Minneapolis may bill any other participating employing unit other than the state for its proportion of the amount paid. Any amount billed by the city under this paragraph will include interest as specified in paragraph (a).

Sec. 4. Minnesota Statutes 1998, section 422A.18, subdivision 2, is amended to read:

Subd. 2. [DISABILITY ALLOWANCE AMOUNT.] (a) The amount of disability allowance under this section shall be the amount of service allowance to which the employee would be entitled under section 422A.15, notwithstanding the age requirements expressed therein; or the lesser of the following amounts: 50 percent of the final average compensation, or an amount equal to two percent of final average compensation for each year of allowable service for the first ten years, and thereafter 2.5 percent of final average compensation per year of allowable service, including in the latter assumed service between the date the disability occurred and the 60th birthday of the employee.

~~If the amount of annuity (b) Annuities payable from the Minnesota postretirement investment fund to any class of annuitants is adjusted pursuant to section 11A.18, the amount of benefits payable from the disability benefit fund for that class of annuitants under this section shall also be adjusted at the same time and rate as retirement annuities in the retirement benefit fund.~~

Sec. 5. Minnesota Statutes 1998, section 422A.22, subdivision 4, is amended to read:

Subd. 4. [DEATH-WHILE-ACTIVE REFUND.] (a) Upon the death of a contributing an active member while still in the service of the city, and before reaching the compulsory age of retirement prior to termination of service, there shall be paid to such person the beneficiary or persons as beneficiaries designated by the member shall have nominated by written designation on a form specified by the executive director and filed with the retirement board, in such form as the retirement board shall require; the net accumulated amount of employee deductions from salary, pay, or compensation, including interest, to the member's credit on date of compounded annually to the date of the member's death. The amount must not include any contributions made by the employee or on the employee's behalf, or any interest or investment earnings on those contributions, which were allocated to the survivor benefit fund under section 422A.06, subdivision 6.

(b) If the employee fails to make a designation, or if the person or persons beneficiary or beneficiaries designated by such the employee predeceases such the employee, the net accumulated amount of deductions from salary, pay, or compensation including interest, to the credit of such employee on date of death shall benefit specified in paragraph (a) must be paid to such the deceased employee's estate.

(c) A benefit payable under this subdivision is in addition to any applicable survivor benefit under section 422A.23.

Sec. 6. Minnesota Statutes 1998, section 422A.22, subdivision 5, is amended to read:

Subd. 5. [REPAYMENT OF REFUND.] Upon ~~reinstatement~~ reemployment of a former covered employee ~~to the service, in employment covered by the Minneapolis employees retirement fund, service credit for such past service or for any part thereof shall which was forfeited by taking a refund must be granted reinstated~~ only upon repayment of the amount of the separation refund, with interest, from the time of ~~separation payment of the refund until the date repaid.~~

Sec. 7. Minnesota Statutes 1998, section 422A.23, is amended to read:

422A.23 [SURVIVOR BENEFITS.]

Subdivision 1. [PAYMENT OF CITY INSTALLMENT ACCUMULATED AMOUNT.] (a) ~~If a contributing an active or deferred member dies after having been in the service with ten or more years of service credit, and before actual retirement, as determined by the retirement board, the present worth of the city's annual installments of \$60 then to the credit of the contributing member, shall be paid to a beneficiary designated by such contributing member in such form as the retirement board shall require, who shall be the surviving spouse, or surviving child, or children of such member or, if there be no surviving spouse or surviving child or children, then to a person actually dependent on and receiving principal support from such member or surviving mother or father, or grandchildren, or surviving brother or sister, or surviving children of the deceased brother or sister of such member except as noted in paragraph (d), the individual specified in paragraph (b) is eligible to receive the benefit specified in paragraph (c).~~

(b) ~~An individual eligible for the benefit specified in paragraph (c) is a beneficiary designated by the member on a form specified by the executive director. If the beneficiary designated by the member is not one of the class of persons named in the preceding sentence, such benefit from the accumulation of city deposits shall be paid in the following order: (1) to the surviving spouse, the whole thereof; (2) if there be no surviving spouse, to the surviving children, share and share alike; (3) if there be no surviving spouse or child or children, to the dependent or dependents as those terms are herein defined, of the member, share and share alike; (4) if there be no surviving spouse, child or children, or dependents, to the surviving mother and father, share and share alike; (5) if there be no surviving mother and father, to the grandchildren, in equal shares; if there be no grandchildren, to the surviving brothers and sisters of the member, in equal shares; (6) if there be no surviving brothers and sisters, to the surviving children of the deceased brothers and sisters of the member, in equal shares; or (7) if there is none of the foregoing persons who survives the member, the accumulation of the city deposits shall be applied to the funeral expenses of the member failed to designate a beneficiary, or if the beneficiary or beneficiaries designated by the employee predeceases the employee, the benefit in paragraph (c) is payable to the deceased employee's estate.~~

(c) ~~The benefit is a lump-sum payment of the present value of the city's or other contributing employer's annual installments of \$60 to the credit of the member.~~

(d) ~~No benefit is payable under this subdivision if a monthly survivor benefit is paid under another subdivision of this section.~~

Subd. 2. [SHORT-SERVICE SURVIVOR BENEFIT.] (a) If an active member dies prior to termination of service with at least 18 months but less than 20 years of service credit, the surviving spouse or surviving child or children is eligible to receive the survivor benefit specified in paragraph (b) or (c), as applicable. Payment of a benefit for any surviving child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of the surviving child. ~~For purposes of this subdivision, a surviving child is an unmarried child of the deceased member under the age of 18, or under the age of 22 if a full-time student at an accredited school, college, or university.~~

(b) If the surviving spouse or surviving child benefit commenced before July 1, 1983, the surviving spouse benefit is increased from \$500 per month to \$750 per month and the surviving child benefit is \$225 per month, beginning with the first monthly payment payable after May 28, 1998. The sum of surviving spouse and surviving child benefits payable under this paragraph shall not exceed \$900 per month. The increased cost resulting from the benefit

increases under this paragraph must be allocated to each employing unit listed in section 422A.101, subdivisions 1a, 2, and 2a, on the basis of the additional accrued liability resulting from increased benefits paid to the survivors of employees from that unit.

(c) If the surviving spouse or surviving child benefit commences after June 30, 1983, the surviving spouse benefit is 30 percent of the member's average salary in effect over the last six months of allowable service preceding the month in which death occurs. The surviving child benefit is ten percent of the member's average salary in effect over the last six months of allowable service preceding the month in which death occurs. The sum of surviving spouse and surviving child benefits payable under this paragraph shall not exceed 50 percent of the member's average salary in effect over the last six months of allowable service.

(d) Any surviving child benefit or surviving spouse benefit computed under paragraph (c) and in effect for the month immediately prior to May 28, 1998, is increased by 15 percent as of the first payment on or after May 28, 1998.

(e) Surviving child benefits under this subdivision terminate when the child no longer meets the definition of surviving child.

Subd. 5. [ADMINISTRATION.] Benefits ~~herein provided shall in this section following the death of an active employee or deferred member, as applicable, commence with on~~ the first day of the month following the month in which the active employee or deferred member dies and shall end with the last day of the month preceding the month in which eligibility ceases. ~~Eligibility for the benefits herein provided shall be determined by the retirement board and its determination shall be final. Each beneficiary or parent or guardian of a dependent child or legal representative shall furnish such information as the board may deem deemed necessary by the executive director to determine eligibility for the benefits provided by this section, and must be submitted. Failure to furnish any required information shall be sufficient grounds for the denial or discontinuance of benefits. A determination made by the executive director may be appealed to the retirement board, whose determination is final. If the surviving spouse of the deceased active employee or deferred member becomes entitled to a retirement allowance by reason of membership in this fund, the surviving spouse shall is authorized to receive the retirement allowance in addition to the all applicable surviving spouse's benefit spouse benefits to which the surviving spouse is entitled as specified in this section and section 422A.22, subdivision 4, if applicable. The cost of all monthly survivor's benefits provided in this section shall be is an obligation of the members and of the city, any of its boards, departments, commissions or public corporations or other applicable employing units.~~

Subd. 6. [SURVIVOR BENEFIT EMPLOYEE CONTRIBUTION.] The retirement board shall create a reserve account for survivor's benefits from which shall be paid on an actuarial basis all survivor benefits due and payable. At the end of each fiscal year, as part of the annual actuarial valuation of the fund prepared by the commission-retained actuary, a determination of the normal cost of the benefits payable from the survivor's benefit account shall be made and the board shall reduce or increase the employee contribution rate of ~~one-fourth of one percent~~ if and when it is determined based on the annual actuarial valuation that the member contribution rate is in excess of or is less than the amount necessary to pay for 50 percent of the calculated normal cost of the survivor benefits provided in this section.

Subd. 7. [LONG-SERVICE ACTIVE AND DEFERRED MEMBER SURVIVOR COVERAGE.] (a) If the contributing active or deferred member dies after having been in the service of the city 20 or more years, and before the effective date of retirement, as determined by the retirement board, the board shall pay with 20 or more years of service credit, a beneficiary, as defined in paragraph (b), is eligible to receive the benefit specified in paragraph (c).

(b) The beneficiary eligible for a benefit under paragraph (c) is the surviving spouse of the deceased employee. If there is no surviving spouse, the beneficiary may be a dependent surviving child of the member or dependent parent designated by the employee on a form prescribed by the executive director.

(c) The benefit payable to the beneficiary designated in paragraph (b) is a monthly allowance for life to the designated beneficiary of the employee. The monthly allowance herein provided for shall be is the actuarial equivalent of a single life service allowance specified in section 422A.15, subdivision 1, which would have been payable to the employee on the date of death, notwithstanding the age requirement stated in section 422A.15, subdivision 1. For purposes of this section, the amount of any excess contributions or voluntary additions by the member shall not be included in the calculations in determining the monthly allowance.

The survivor allowance under this subdivision shall be computed and determined under a procedure specified by the commission-retained actuary utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the commission-retained actuary and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

(d) For benefits payable under this subdivision following the death of a deferred member, the benefit must be calculated as of the date of termination from service and increased by five percent per year until January 1, 1981, and by three percent per year thereafter compounded annually.

Subd. 8. [SURVIVING CHILD; DEPENDENT DEFINITION.] The beneficiary designated by the employee shall be the surviving spouse of such employee. If there is no surviving spouse, the designated beneficiary may be a dependent surviving child or dependent parent of such employee as dependency is defined in sections 422A.01 to 422A.25. If the beneficiary designated by the employee is not of the class of persons provided for in this subdivision, or if the designated beneficiary predeceases the employee, a refund shall be made as provided for in section 422A.22, in lieu of a life income. If the employee does not elect to designate a beneficiary to receive a life income as herein provided, the designated beneficiary, if of the class of persons set forth in this subdivision, may elect within 60 days after the date of death of the employee to receive a life income computed and determined as though the employee had retired on the date of death under the option 2 plan of retirement, as provided for in sections 422A.01 to 422A.25, and had designated such person as beneficiary. For purposes of subdivision 2, a surviving child is an unmarried child of the deceased member under the age of 18, or under the age of 22 if a full-time student at an accredited school, college, or university. For purposes of subdivision 7, a dependent surviving child or dependent parent must meet the definition of dependent, as defined in section 422A.01, subdivision 12, at the time of the active or deferred member's death.

Subd. 9. [LUMP-SUM DEATH BENEFIT.] If any employee who has contributed to the survivor's benefit account as herein provided dies before the effective date of retirement on a service or disability pension and is not survived by a beneficiary eligible to receive a monthly allowance as herein provided If no monthly survivor benefit is payable under subdivision 2 or 7, there shall be paid from the survivor's survivor benefit account to a beneficiary designated by the employee on a form prescribed by the executive director a lump-sum death benefit of \$750 if death occurs prior to the end of the employee's tenth year of service credit or of \$1500 if the employee had prior to death completed ten or more calendar years of service credit. Upon reinstatement of a former employee to the service, credit for such past service or for any part thereof shall be granted only upon repayment of the amount of the separation refund, with interest, from the time of separation Any benefit under this subdivision may be paid in addition to a benefit payable under subdivision 1.

Subd. 10. [BENEFIT INCREASES.] If the amount of annuity payable from the Minnesota postretirement investment fund to any class of annuitants is adjusted pursuant to section 11A.18, the amount of benefits payable from the survivor's benefit fund pursuant to subdivisions 7 or 8 for that class of annuitants shall also be adjusted at the same time and rate. Annuities payable under this section shall be adjusted at the same time and rate as retirement annuities in the retirement benefit fund.

Subd. 11. [EFFECT OF SPOUSE REMARRIAGE.] A monthly survivor benefit is must not suspended; be discontinued or terminated; or otherwise stopped due to a surviving spouse's remarriage.

Subd. 12. [DETERMINATION OF ANNUITY.] The survivor annuities payable under this section shall be computed and determined under a procedure specified by the actuary retained by the legislative commission on pensions and retirement utilizing the appropriate mortality table based on the experience of the fund as recommended by that actuary and approved by the legislative commission on pensions and retirement and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 8. [422A.231] [COST ALLOCATION.]

Notwithstanding any law to the contrary, all current and future contribution requirements due to this act are payable by the participating contributing employing units other than the state.

Sec. 9. [REPEALER.]

Minnesota Statutes 1998, section 422A.16, subdivision 3a, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective upon approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021.

#### ARTICLE 7

##### KANDIYOHI COUNTY AND LITCHFIELD CITY VOLUNTEER RESCUE SQUAD RELIEF ASSOCIATION AUTHORIZATION

Section 1. Minnesota Statutes 1998, section 356A.01, subdivision 7, is amended to read:

Subd. 7. [COVERED GOVERNMENTAL ENTITY.] "Covered governmental entity" means a governmental subdivision or other governmental entity that employs persons who are plan participants in a covered pension plan and who are eligible for that participation because of their employment. Covered governmental entity also means a governmental subdivision or other governmental entity that establishes a relief association under chapter 425B.

Sec. 2. Minnesota Statutes 1998, section 356A.01, subdivision 8, is amended to read:

Subd. 8. [COVERED PENSION PLAN.] "Covered pension plan" means a pension plan or fund listed in section 356.20, subdivision 2, or 356.30, subdivision 3, or the special fund of any relief association established under chapter 425B.

Sec. 3. [425B.01] [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] As used in this chapter, the terms defined in this section have the meanings given.

Subd. 2. [RESCUE SQUAD.] "Rescue squad" includes a municipal or county rescue squad and independent nonprofit rescue squad corporation that performs emergency management services (EMS). Rescue squad does not include any rescue squad that is affiliated with a fire department or ambulance service and whose members are eligible for membership in that fire department's or ambulance's relief association or comparable pension plan.

Subd. 3. [MUNICIPALITY.] "Municipality" means the city of Litchfield in Meeker county.

Subd. 4. [COUNTY.] "County" means Kandiyohi county.

Sec. 4. [425B.02] [VOLUNTEER RESCUE SQUAD RELIEF ASSOCIATION; AUTHORIZATION.]

Notwithstanding any provision of section 356.24 or 356.25 to the contrary, the governing body of a municipality or county is authorized to establish a rescue squad relief association as provided in this chapter.

Sec. 5. [425B.03] [RELIEF ASSOCIATION SELF-GOVERNING.]

Subdivision 1. [INCORPORATION.] (a) The relief association must be incorporated under chapter 317A.

(b) The incorporators of the relief association are the members of the governing body of the municipality or county.

Subd. 2. [BOARD OF TRUSTEES; COMPOSITION.] (a) The relief association must be governed by a board of trustees.

(b) The relief association board of trustees consists of nine persons. Six members of the board of trustees must be elected by and from the membership of the relief association. The remaining members of the board of trustees must be appointed by the governing body of the municipality or county.

(c) The relief association must have three officers, which are a president, secretary, and treasurer. The officers must be elected by and from the membership of the relief association.

(d) Initially, the term of office of the elected members of the board of trustees is one year for board members designated "A" and "B," two years for board members designated "C" and "D," and three years for board members designated "E" and "F." Thereafter, the term of office of all elected members of the board of trustees is three years. The term of office of ex officio members of the board of trustees is the term of office of the person that gave rise to board membership. The term of office of an officer of the relief association is two years or the balance of the board member's term of office as a board member, whichever is shorter.

(e) The board of trustees must administer the affairs of the relief association consistent with this chapter and the applicable provisions of chapters 317A and 356A.

Subd. 3. [SPECIAL AND GENERAL FUNDS.] (a) The relief association shall establish and maintain a special fund and may establish and maintain a general fund.

(b) The special fund must be credited with all money received by the relief association from the municipality or county or any money received from any other source for the purpose of providing retirement benefits for rescue squad members, any money or property that is donated, given, granted, or devised by any person for the benefit of the rescue squad relief association special fund, and any investment income earned on the invested assets of the relief association.

(c) The treasurer of the relief association is the custodian of the assets of the special fund and must be the recipient, on behalf of the special fund, of all revenues payable to the special fund. The treasurer shall maintain adequate records documenting any transaction involving the assets or the revenues of the special fund. The record of the treasurer is public record and must be open for inspection by any member of the relief association, any officer or employee of the state of Minnesota or of the municipality or county, or any member of the public, at reasonable times and places.

(d) Disbursements from the special fund may be made only for one of the following purposes:

(1) for the payment of service pensions to retired members of the relief association;

(2) for the payment of disability pensions to disabled members of the relief association;

(3) for the payment of survivor benefits to the surviving spouse, surviving dependent children, or estate of a deceased member of the relief association; and

(4) for the payment of administrative expenses of the relief association if the expenses are of the kind and type authorized by section 69.80.

(e) All pension and benefit payments must be authorized by and paid in accordance with the applicable law, the articles of incorporation, and the bylaws of the relief association.

(f) The assets of the special fund must be invested only in securities that comply with or are authorized by sections 356A.04 and 356A.06.

(g) The general fund, if established, must be operated as provided in the articles of incorporation or bylaws of the relief association.

Sec. 6. [425B.04] [MEMBERSHIP; ELIGIBILITY.]

Subdivision 1. [MEMBERSHIP.] The municipality or county, by resolution, must specify the personnel providing rescue squad service who may be members of the relief association.

Subd. 2. [ELIGIBILITY.] The bylaws of the relief association must specify any additional eligibility requirements for persons specified under subdivision 1 for relief association membership.

Sec. 7. [425B.05] [BENEFITS.]

A relief association must either be a defined contribution plan or a flexible service plan, as established by the municipality or county.

Sec. 8. [425B.06] [DEFINED CONTRIBUTION PLAN OPTION.]

Subdivision 1. [INDIVIDUAL ACCOUNTS.] (a) The relief association must establish individual accounts within the special fund of the relief association for each relief association member.

(b) To each individual account there must be credited an equal share of any contribution made by the governing body of the municipality or county, any gift, bequeath, devise or other transfer to the special fund, and any amount forfeited by a former member who terminates active service with the rescue squad before reaching the vesting requirements set forth in subdivision 2, paragraph (b), and who does not return within five years of the date of termination. Any investment income of the special fund must be credited to the individual accounts in proportion to the balances in those accounts.

(c) Amounts to be credited to individual accounts may be allocated only after the deduction of any reasonable and necessary administrative expenses payable.

Subd. 2. [SERVICE PENSION.] (a) The service pension amount is the balance in the member's individual account.

(b) The service pension is not payable until the member terminates active service with the rescue squad, has credit for at least five years of service as an active member of the rescue squad and five years as an active member of the relief association, and has attained the age of at least 50 years.

(c) The retiring member must apply for the service pension.

Subd. 3. [DISABILITY PENSION.] (a) The disability pension amount is the balance in the member's individual account.

(b) The disability pension is not payable until the member terminates active service with the rescue squad by virtue of any injury or illness that renders the member incapable of performing rescue squad duties.

Subd. 4. [DEATH BENEFIT.] The death benefit amount is the balance in the deceased member's individual account.

Subd. 5. [PAYMENT.] All pensions and benefits under this section are payable in a single lump-sum payment.

## Sec. 9. [425B.07] [FLEXIBLE SERVICE PLAN OPTION.]

A municipality or county may develop and implement its own flexible service plan for payment of pensions to eligible members out of the special fund. The plan, as enacted by the municipality or county as an ordinance, in the discretion of the municipality or county, must include provisions for vesting requirements; contribution levels; payment amounts; disability pension provisions; death benefits; payment terms; the method of payment, including lump sum, monthly, or annually; and such other terms as the municipality or county deems necessary.

## Sec. 10. [425B.08] [FUNDING.]

(a) A municipality or county, annually, must include in its budget a contribution to the relief association.

(b) The contribution amount must be transmitted to the relief association treasurer annually on the payment date specified by the governing body of the municipality or county.

## Sec. 11. [425B.09] [AUDIT.]

The rescue squad relief association must be audited annually by the state auditor.

## Sec. 12. [425B.10] [SPECIAL BENEFITS FOR EXISTING MEMBERS.]

A municipality or county may, under such terms and conditions as it approves, provide pensions under either the defined contribution plan option or flexible service plan option to existing members of the rescue squad as of the date the relief association is incorporated through waivers of length of service vesting requirements. The terms and conditions must be included in the bylaws of the relief association at the time of incorporation.

## Sec. 13. [425B.11] [NONAPPLICABILITY OF CHAPTERS 144C AND 424A.]

No member of the rescue squad relief association may participate in or be eligible to receive any benefit or award amount from the ambulance service personnel longevity award and incentive program established under chapter 144C, or from any volunteer firefighter relief association under chapter 424A, by virtue of service rendered on behalf of the rescue squad.

## Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective on the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; various public pension plans; expanding the membership of the state correctional employees retirement plan to include certain Minnesota extended treatment options program employees; downsizing the early retirement reduction rates for various public safety plans; grandparenting public employee police and fire plan coverage for certain Rice county correctional employees; requiring Rice county to repay certain police state aid amounts; providing employer penalties for pension plan membership certification failures or errors; providing special retirement coverage for certain state fire marshal employees; clarifying various Minneapolis employees retirement plan survivor benefit provisions; increasing the number of vendors for certain tax-sheltered annuities for educational employees; modifying various benefit provisions for certain Minnesota state colleges and universities employees; authorizing the establishment of volunteer rescue squad relief associations by Kandiyohi county and the city of Litchfield; amending Minnesota Statutes 1998, sections 43A.27, subdivision 3; 136F.48; 352.90; 352.91, by adding a subdivision; 352.93, subdivision 2a; 352B.08, subdivision 2a; 353.64, subdivision 1; 353.651, subdivision 4; 353A.083, by adding a subdivision; 354.445; 354.66, subdivisions 1b, 1c, and 3; 354B.24, subdivision 3; 354B.25, subdivisions 2, 3, and 5; 354C.12, subdivision 4; 356.19, by adding a subdivision; 356.24, subdivision 1; 356A.01, subdivisions 7 and 8; 422A.06, subdivisions 3 and 6; 422A.101, subdivision 4; 422A.18,

subdivision 2; 422A.22, subdivisions 4 and 5; and 422A.23; proposing coding for new law in Minnesota Statutes, chapters 352; 353; 354B; and 422A; proposing coding for new law as Minnesota Statutes, chapter 425B; repealing Minnesota Statutes 1998, section 422A.16, subdivision 3a."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Krinkie from the Committee on State Government Finance to which was referred:

H. F. No. 510, A bill for an act relating to family law; repealing the administrative process for support orders; establishing a child support magistrate system; authorizing child support and visitation review hearings; appropriating money; amending Minnesota Statutes 1998, sections 357.021, subdivision 1a; 484.70, subdivision 1; 518.551, subdivisions 12, 13, and 14; 518.575, subdivision 1; and 518.616, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 484; and 518; repealing Minnesota Statutes 1998, sections 518.5511; and 518.5512.

Reported the same back with the following amendments:

Pages 6 and 7, delete section 6

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 545, A bill for an act relating to crime; changing criminal penalties for the sale of tobacco to minors; amending Minnesota Statutes 1998, section 609.685, subdivision 2; repealing Minnesota Statutes 1998, section 609.685, subdivision 1a.

Reported the same back with the following amendments:

Page 1, line 22, delete "August 1, 1999," and insert "the day following final enactment"

With the recommendation that when so amended the bill pass.

The report was adopted.

Lindner from the Committee on Jobs and Economic Development Policy to which was referred:

H. F. No. 553, A bill for an act relating to employment; requiring that employers allow unpaid leave for employees to perform volunteer firefighter duties; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [181.947] [VOLUNTEER FIREFIGHTERS.]

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

(b) "Employee" means a person who performs services for hire for an employer, but not an essential employee as defined in section 179A.03, subdivision 7.

(c) "Employer" means any person having ten or more full-time employees in Minnesota and includes the state and any political subdivision of the state.

Subd. 2. [ADVERSE ACTION PROHIBITED.] An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's terms, conditions, location, or privileges of employment because the employee is absent from or late to work for up to 40 hours in any 12-month period in order to perform duties as a volunteer firefighter. Nothing in this section requires an employer to pay an employee for time spent performing volunteer firefighter duties that are not part of the employment.

Subd. 3. [INDIVIDUAL REMEDIES.] In addition to any other remedies provided by law, a person injured by a violation of subdivision 2 may bring a civil action to recover damages, costs, disbursements, and reasonable attorney's fees, and may receive injunctive and equitable relief as determined by a court."

With the recommendation that when so amended the bill pass.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 556, A bill for an act relating to railroads; requiring the St. Louis and Lake counties regional rail authority to grant a certain easement across its right-of-way.

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

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 643, A bill for an act relating to civil commitment; providing the same legal rights for all persons under commitment status; amending Minnesota Statutes 1998, section 253B.23, subdivision 2; repealing Minnesota Statutes 1998, section 609.165, subdivision 1c.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 661, A bill for an act relating to securities regulation; exempting from state registration certain securities that meet federal requirements for exemption from federal registration, if certain other conditions are met; permitting quicker issuance of securities registered under the small company offering registration; amending Minnesota Statutes 1998, sections 80A.115, subdivision 9; and 80A.15, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1998, section 80A.115, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS.] In order to register under this section, all of the following conditions must be satisfied:

(1) the offering price for common stock and the exercise price, if the securities offered are options, warrants, or rights for common stock, and the conversion price if the securities are convertible into common stock must be equal to or greater than ~~\$5~~ \$1 per share; ~~and~~

(2) the aggregate offering price of the securities offered, within or outside this state, may not exceed \$1,000,000 less the aggregate offering price of all securities sold within the 12 months before the start of and during the offering of the securities under securities and exchange commission Rule 504 in reliance on an exemption under section 3(b) of the Securities Act of 1933. The issuer may not split its common stock, or declare a stock dividend for two years after effectiveness of the registration, except that in connection with a subsequent public offering, the issuer may upon application and consent of the commissioner take this action;

(3) unless an issuer or its predecessors have demonstrated profitable operations for two of the three fiscal years prior to registration, determined in accordance with generally accepted accounting principles, after taxes and excluding extraordinary items, the fair value of the equity investment, as defined by the commissioner by rule, of such issuer shall be at least five percent of the equity investment, as defined by the commissioner by rule, that would result from the sale of all the securities proposed to be offered; and

(4) the maximum quantity of cheap stock, as defined by the commissioner by rule, allowable, expressed as a percentage of the total number of shares to be outstanding after the proposed offering, shall be determined by calculating the fair value of equity investment as a percentage of equity investment in accordance with the following formulations. If the percentage is 20 percent or less, the maximum quantity of cheap stock allowable shall be 50 percent. If the percentage is greater than 20 percent, the maximum quantity of cheap stock allowable shall be two times the percentage plus ten percent. The maximum quantity of cheap stock allowable shall not exceed 90 percent of the total number of shares to be outstanding after the proposed offering."

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

Page 1, line 17, delete "fifth" and insert "20th"

Pages 1 to 10, delete section 2

Page 10, line 4, delete "August 1, 1999" and insert "the date of enactment"

Amend the title as follows:

Page 1, line 2, delete "exempting from"

Page 1, delete lines 3 to 5

Page 1, line 6, delete everything before "securities" and insert "making changes applicable to"

Page 1, line 9, delete the first "subdivision" and insert "subdivisions 4 and" and delete "; and 80A.15, subdivision 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 665, A bill for an act relating to crime; providing criminal penalties for possession or sale of a small amount of marijuana; amending Minnesota Statutes 1998, section 152.027, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 152.027, subdivision 4, is amended to read:

Subd. 4. [POSSESSION OR SALE OF SMALL AMOUNTS OF MARIJUANA.] (a) A person who unlawfully sells a small amount of marijuana for no remuneration in a school zone or a park zone, or unlawfully possesses a small amount of marijuana in a school zone or a park zone, is guilty of a misdemeanor.

(b) Except as otherwise provided in paragraph (a), a person who unlawfully sells a small amount of marijuana for no remuneration, or who unlawfully possesses a small amount of marijuana is guilty of a petty misdemeanor punishable by a fine of up to \$200 and participation shall be ordered to participate in a drug education program unless the court enters a written finding that a drug education program is inappropriate. The program must be approved by an area mental health board with a curriculum approved by the state alcohol and drug abuse authority.

~~(b)~~ (c) A person convicted of an unlawful sale under paragraph ~~(a)~~ (b) who is subsequently convicted of an unlawful sale under paragraph ~~(a)~~ (b) within two years is guilty of a misdemeanor and shall be required to participate in a chemical dependency evaluation and treatment if so indicated by the evaluation.

~~(c)~~ (d) A person who is convicted of a petty misdemeanor under paragraph ~~(a)~~ (b) who willfully and intentionally fails to comply with the sentence imposed, is guilty of a misdemeanor. Compliance with the terms of the sentence imposed before conviction under this paragraph is an absolute defense.

Sec. 2. Minnesota Statutes 1998, section 260.015, subdivision 23, is amended to read:

Subd. 23. [JUVENILE CONTROLLED SUBSTANCE OFFENSE.] "Juvenile controlled substance offense" means a violation by a child of section 152.027, subdivision 4, paragraph (b), with respect to a small amount of marijuana or an equivalent local ordinance.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1999, and apply to violations occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to controlled substances; increasing the penalty from a petty misdemeanor to a misdemeanor for selling, for no remuneration, or possessing a small amount of marijuana in a school or park zone; amending Minnesota Statutes 1998, sections 152.027, subdivision 4; and 260.015, subdivision 23."

With the recommendation that when so amended the bill pass.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 673, A bill for an act relating to Itasca county; modifying certain accounting and expenditure requirements for road and bridge fund tax money derived from unorganized townships.

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

The report was adopted.

Ness from the Committee on Agriculture and Rural Development Finance to which was referred:

H. F. No. 710, A bill for an act relating to natural resources; permitting the harvesting of farmed cervidae on licensed shooting preserves; amending Minnesota Statutes 1998, sections 17.451, subdivision 2; and 17.452, subdivisions 5 and 8; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Page 2, after line 20, insert:

"Subd. 3. [LICENSES.] A person may not operate a cervidae shooting preserve without a license. The commissioner, in consultation with the commissioner of natural resources, may issue a license to operate a cervidae shooting preserve if the commissioner determines that it is in the public interest and that there will not be an adverse effect on wild cervidae populations. Shooting preserves may be located in all parts of the state as determined by the commissioner. The commissioner must perform a site inspection before a license may be issued. The commissioner may waive the inspection prior to granting the license. The commissioner shall either grant or deny the request for a shooting preserve license within 60 days of the date the initial completed application was received or within 30 days of a request for license renewal."

Renumber the subdivisions in sequence

Page 4, after line 22, insert:

"Sec. 5. [APPROPRIATION.]

\$168,000 in fiscal year 2000 and \$69,000 in fiscal year 2001 is appropriated from the general fund to the commissioner of agriculture for expenses associated with the licensing and management of cervidae shooting preserves in section 4."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 712, A resolution relating to government operations; memorializing the State Historical Society, the State Archaeologists, the Council of Indian Affairs, and the Minnesota State Historical Preservation Office to protect and preserve the traditional cultural properties of the Mendota Mdewakanton Dakota Community.

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

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 792, A bill for an act relating to landlord tenant; requiring certain disclosures in connection with an application form for rental housing; providing civil penalties for failure to comply and for giving false material information on a rental application; proposing coding for new law in Minnesota Statutes, chapter 504; repealing Minnesota Statutes 1998, section 504.30, subdivision 5.

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

The report was adopted.

Mares from the Committee on Education Policy to which was referred:

H. F. No. 804, A bill for an act relating to education; extending the effective date for certain teacher licensure rules; amending Minnesota Statutes 1998, section 122A.09, subdivision 4.

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

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 849, A bill for an act relating to metropolitan government; defining minor use and intermediate use airports for certain purposes; establishing a reliever airport sound abatement council; amending Minnesota Statutes 1998, section 473.641, subdivision 4.

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

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 853, A bill for an act relating to the state building code; requiring fire sprinklers in newly constructed state-owned buildings; clarifying the responsibility for plan review and inspection of fire suppression systems; requiring joint approval for state building and fire codes; clarifying the supervision of the state fire marshal; requiring joint approval of construction documents by building and fire officials; modifying supervisory control over local building officials; creating an appeals process for building code requirements; allowing local municipalities to adopt more restrictive sprinkler ordinances; amending Minnesota Statutes 1998, sections 16B.31, by adding a subdivision; 16B.61, subdivisions 1a, 2, and by adding subdivisions; 16B.65, subdivision 5, and by adding a subdivision; 16B.67; and 299F.011, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 16B.61, subdivision 1a, is amended to read:

Subd. 1a. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer and enforce the state building code as a municipality with respect to public buildings and state licensed facilities in the state. The commissioner shall establish appropriate permit, plan review, and inspection fees for public buildings and state licensed facilities. Fees and surcharges for public buildings and state licensed facilities must be remitted to the commissioner, who shall deposit them in the state treasury for credit to the special revenue fund.

Municipalities other than the state having a contractual agreement with the commissioner for code administration and enforcement service for public buildings and state licensed facilities shall charge their customary fees, including surcharge, to be paid directly to the contractual jurisdiction by the applicant seeking authorization to construct a public building or a state licensed facility. The commissioner shall contract with a municipality other than the state for plan review, code administration, and code enforcement service for public buildings and state licensed facilities in the contractual jurisdiction if the building officials of the municipality meet the requirements of section 16B.65 and wish to provide those services and if the commissioner determines that the municipality has enough adequately trained and qualified building inspectors to provide those services for the construction project.

The commissioner shall administer and enforce the provisions of the code relating to elevators statewide, except as provided for under section 16B.747, subdivision 3.

The commissioner shall contract with the commissioner of public safety for the plan review and inspection of fire sprinkler systems in public buildings and state-licensed facilities. The contract must include a schedule allocating applicable permit fees between the department of administration and the state fire marshal. This section does not affect the ability of a local authority to conduct plan reviews and inspections pursuant to sections 299M.04 and 299M.07.

Sec. 2. Minnesota Statutes 1998, section 16B.61, is amended by adding a subdivision to read:

Subd. 1b. [CODE ADOPTION AND COORDINATION.] (a) The commissioners of administration and public safety shall coordinate adoption of the state building code and the state fire code.

(b) If the commissioners of administration and public safety cannot reach agreement before publication of the proposed rules governing the common sections of the state building code and the state fire code, the issue must be presented to an administrative law judge, whose decision is binding. The costs for an administrative law judge must be shared equally by the agencies.

Sec. 3. Minnesota Statutes 1998, section 16B.61, subdivision 2, is amended to read:

Subd. 2. [ENFORCEMENT BY CERTAIN BODIES.] Under the direction and supervision of the commissioner, the provisions of the code relating to electrical installations shall be enforced by the state board of electricity, pursuant to the Minnesota Electrical Act, the provisions relating to plumbing shall be enforced by the commissioner of health, ~~the provisions relating to the Minnesota Uniform Fire Code shall be enforced by the state fire marshal,~~ the provisions relating to high pressure steam piping and appurtenances shall be enforced by the department of labor and industry. Fees for inspections conducted by the state board of electricity shall be paid in accordance with the rules of the state board of electricity. Under direction of the commissioner of public safety, the state fire marshal shall enforce the Minnesota Uniform Fire Code as provided in chapter 299F.

Sec. 4. Minnesota Statutes 1998, section 16B.65, is amended by adding a subdivision to read:

Subd. 8. [RELATION OF BUILDING AND FIRE CODES.] The commissioners of administration and public safety shall establish written, cooperative agreements. These agreements shall identify fire protection provisions for plan review and inspection of new and existing buildings by the state building codes and standards division and the state fire marshal division. These agreements shall include timelines for reviews, an appeals process for the resolution of differences, and renewal provisions."

Delete the title and insert:

"A bill for an act relating to the state building code; clarifying the responsibility for plan review and inspection of fire suppression systems; coordinating the adoption of the state building and fire codes; clarifying the supervision of the state fire marshal; requiring a cooperative agreement between state building and fire officials regarding enforcement of fire protection provisions of the building code; amending Minnesota Statutes 1998, sections 16B.61, subdivisions 1a, 2, and by adding a subdivision; and 16B.65, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 863, A bill for an act relating to adoption; changing requirements and procedures for the putative fathers' adoption registry, communication or contact agreements, and postadoption reports; amending Minnesota Statutes 1998, sections 259.52, subdivisions 1, 4, 7, 9, 10, and 11; 259.58; and 259.60, by adding a subdivision.

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

The report was adopted.

Holsten from the Committee on Environment and Natural Resources Finance to which was referred:

H. F. No. 866, A bill for an act relating to game and fish; providing for operation of certain shooting ranges notwithstanding local ordinances; providing for closure and relocation of certain shooting ranges; regulating nuisance liability and noise standards for shooting ranges; modifying provisions for the use of deer license revenue; creating a combined firearm and archery license to take antlered deer and authorizing taking one antlered deer by each method; modifying license issuing fees and subagent's commission; modifying tagging requirements; providing for hunting by persons with mental disabilities; modifying ammunition requirements for taking big game; modifying requirements for transporting archery bows; creating exemptions to the blaze orange requirements; providing for lifetime crossbow permits for persons with permanent physical disabilities; amending Minnesota Statutes 1998, sections 97A.075, subdivision 1; 97A.475, subdivision 2; 97A.485, subdivision 6, and by adding a subdivision; 97A.535, subdivision 1; 97B.015, by adding a subdivision; 97B.031, subdivision 1; 97B.051; 97B.071; 97B.106; and 97B.301, subdivisions 1, 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97B; proposing coding for new law as Minnesota Statutes, chapter 87A.

Reported the same back with the following amendments:

Page 6, after line 8, insert:

"Sec. 9. Minnesota Statutes 1998, section 97A.441, subdivision 7, is amended to read:

Subd. 7. [OWNERS OR TENANTS OF AGRICULTURAL LAND.] (a) The commissioner ~~may~~ shall issue, without ~~an additional~~ a fee, a license to take ~~additional~~ a deer ~~with firearms under section 97B.301, subdivision 4, of either sex~~ to a person who is an owner or tenant and ~~lives is living and actively farming~~ on at least ~~ten~~ 80 acres of agricultural land, as defined in section 97B.001, in ~~an area where the commissioner has made these licenses available. Landowners and tenants applying for a license under this subdivision must receive preference over other applicants for the licenses~~ deer permit areas that have deer archery licenses to take additional deer under section 97B.301, subdivision 4. A person may receive only one license per year under this subdivision. For

properties with coowners or cotenants, only one coowner or cotenant may receive a license under this subdivision per year. The license issued under this subdivision is restricted to the land owned or leased by the holder of the license within the permit area where the qualifying land is located. The holder of the license may transfer the license to the holder's spouse or dependent. Notwithstanding sections 97A.415, subdivision 1, and 97B.301, subdivision 2, the holder of the license may purchase an additional license for taking deer and may take an additional deer under that license.

(b) ~~Persons~~ A person who obtain obtains a license under paragraph (a) must allow public deer hunting on their land during that deer hunting season, with the exception of the first Saturday and Sunday during the deer hunting season applicable to the license issued under section 97A.475, subdivision 2, clause (4)."

Page 6, line 13, strike "under age 65"

Page 6, line 14, strike everything after "(2)"

Page 6, line 15, strike "(3)"

Page 6, line 16, strike "(4)" and insert "(3)"

Page 6, line 17, strike "(5)" and insert "(4)"

Page 6, line 18, strike "(6)" and insert "(5)"

Page 6, line 20, delete "(7)" and insert "(6)"

Page 6, lines 22 to 27, reinstate the stricken language and delete the new language

Page 6, after line 27, insert:

"Sec. 11. Minnesota Statutes 1998, section 97A.475, subdivision 6, is amended to read:

Subd. 6. [RESIDENT FISHING.] Fees for the following licenses, to be issued to residents only, are:

(1) to take fish by angling, ~~for persons under age 65~~, \$15;

~~(2) to take fish by angling, for persons age 65 and over, \$5.50;~~

~~(3)~~ (2) to take fish by angling, for a combined license for a married couple, \$20.50;

~~(4)~~ (3) to take fish by spearing from a dark house, \$15; and

~~(5)~~ (4) to take fish by angling for a 24-hour period selected by the licensee, \$8."

Page 7, delete section 11

Page 8, line 14, delete "DISABILITIES" and insert "RETARDATION OR A RELATED CONDITION"

Page 8, line 19, delete "a mental disability" and insert "mental retardation or a related condition as defined in section 97B.1055, subdivision 1"

Page 8, line 32, to page 9, line 7, reinstate the stricken language and delete the new language

Page 9, line 8, reinstate the stricken language and before the period, insert "and may take big game with a .45 Winchester Magnum cartridge"

Page 10, line 9, delete "MENTALLY DISABLED" and insert "PERSONS WITH MENTAL RETARDATION OR A RELATED CONDITION"

Page 10, after line 9, insert:

"Subdivision 1. [DEFINITIONS.] For purposes of this section and section 97B.015, subdivision 6, "person with mental retardation or a related condition" means a person who has been diagnosed as having substantial limitations in present functioning, manifested as significantly subaverage intellectual functioning, existing concurrently with demonstrated deficits in adaptive behavior, and who manifests these conditions before the person's 22nd birthday. A person with a related condition means a person who meets the diagnostic definition under section 252.27, subdivision 1a."

Page 10, line 10, delete "Subdivision 1." and insert "Subd. 2."

Page 10, line 11, delete "a mental disability" and insert "mental retardation or a related condition"

Page 10, lines 14 and 15, delete "a mental disability" and insert "mental retardation or a related condition"

Page 10, line 17, delete "2" and insert "3"

Page 10, line 18, delete "1" and insert "2"

Page 10, line 22, delete "a mental disability" and insert "mental retardation or a related condition"

Page 10, line 23, delete "3" and insert "4"

Page 10, line 28, delete "any mental disability" and insert "mental retardation or a related condition"

Page 12, after line 7, insert:

"Sec. 23. Laws 1993, chapter 273, section 1, as amended by Laws 1994, chapter 623, article 1, section 41, Laws 1995, chapter 186, section 110, and Laws 1997, chapter 226, section 45, is amended to read:

Section 1. [AUTHORIZATION TO TAKE TWO DEER IN CERTAIN COUNTIES.]

Notwithstanding Minnesota Statutes, section 97B.301, subdivision 2, during the ~~1997~~ 1999 and ~~1998~~ 2000 hunting seasons in Kittson, Lake of the Woods, Marshall, Pennington, and Roseau counties a person may obtain one firearms deer license and one archery deer license in the same license year and may take one deer under each license."

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "modifying deer licenses for owners or tenants of agricultural land; eliminating senior hunting and angling licenses; extending certain limited deer hunting authorizations;"

Page 1, line 11, delete "and subagent's commission"

Page 1, line 13, delete "disabilities" and insert "retardation or related conditions"

Page 1, line 19, after the semicolon, insert "97A.441, subdivision 7;" and delete the second "subdivision" and insert "subdivisions"

Page 1, line 20, after "2" insert "and 6" and delete ", and by adding a"

Page 1, line 21, delete the first "subdivision"

Page 1, line 24, after the semicolon, insert "Laws 1993, chapter 273, section 1, as amended;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 906, A bill for an act relating to insurance; no-fault auto; limiting recovery by uninsured motorists; proposing coding for new law in Minnesota Statutes, chapter 65B.

Reported the same back with the following amendments:

Page 1, line 21, delete everything after "vehicle" and insert "in violation of section 169.21, subdivision 1, or 609.21."

Page 1, delete lines 22 and 23

With the recommendation that when so amended the bill pass.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 963, A bill for an act relating to firefighters; authorizing certain background investigations; requiring disclosures of certain employment information; providing civil and criminal penalties; providing employers immunity for certain disclosures; amending Minnesota Statutes 1998, section 604A.31, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

The report was adopted.

Leppik from the Committee on Higher Education Finance to which was referred:

H. F. No. 1005, A bill for an act relating to health care; adding to the duties of the job skills partnership board; establishing a health care and human services worker training and retention program; requiring state colleges and universities to offer a short-term health care and human services course; appropriating money; amending Minnesota Statutes 1998, sections 116L.02; and 136F.71, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116L; 136A; 136F; and 256B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 116L.02, is amended to read:

116L.02 [JOB SKILLS PARTNERSHIP PROGRAM.]

(a) The Minnesota job skills partnership program is created to act as a catalyst to bring together employers with specific training needs with educational or other nonprofit institutions which can design programs to fill those needs. The partnership shall work closely with employers to train and place workers in identifiable positions as well as

assisting educational or other nonprofit institutions in developing training programs that coincide with current and future employer requirements. The partnership shall provide grants to educational or other nonprofit institutions for the purpose of training displaced workers. A participating business must match the grant-in-aid made by the Minnesota job skills partnership. The match may be in the form of funding, equipment, or faculty.

(b) The partnership program shall administer the health care and human services worker training and retention program under sections 116L.10 to 116L.13.

Sec. 2. [116L.10] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 116L.10 to 116L.13, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 2. [ELIGIBLE EMPLOYER.] "Eligible employer" means a nursing facility, small rural hospital, intermediate care facility for persons with mental retardation or related conditions, waived services provider, home health services provider, personal care assistant services provider, semi-independent living services provider, day training and habilitation services provider, or a similar provider of health care or human services.

Subd. 3. [POTENTIAL EMPLOYEE TARGET GROUPS.] "Potential employee target groups" means high school students, past and present recipients of Minnesota family investment program benefits, immigrants, senior citizens, current health care and human services workers, and persons who are underemployed or unemployed.

Subd. 4. [QUALIFYING CONSORTIUM.] "Qualifying consortium" means an entity that includes a public or private, nonprofit post-secondary institution and one or more eligible employers, and may also include a work force center or a county.

Sec. 3. [116L.11] [HEALTH CARE AND HUMAN SERVICE WORKER PROGRAM.]

Subdivision 1. [ESTABLISHED.] A health care and human services worker training and retention program is established to:

(1) alleviate critical worker shortages confronting specific geographical areas of the state, specific health care and human services industries, or specific providers when employers are not currently offering sufficient worker training and retention options and are unable to do so because of the limited size of the employer, economic circumstances, or other limiting factors described in the grant application and verified by the board; and

(2) increase opportunities for current and potential direct care employees to qualify for advanced employment in the health care or human services fields through experience, training, and education.

Subd. 2. [GRANTS.] The board shall make grants to qualifying consortia to implement local or regional worker training and retention programs based on health care industry recommendations from the partnerships funded under Laws 1998, chapter 384, section 3, paragraph (a). Grants must be used to:

(1) provide tuition waivers to Minnesota health care and human services employees and potential employees to complete post-secondary degrees, diplomas, or certificates in fields related to health care or human services; and

(2) restructure curriculum in health care and human services programs to better meet the needs of current and potential employees by designing short-term, entry level programs, integrated certificate, diploma, and degree programs in which credits earned in one program can be applied to the next credential, and continuing education programs that enable employees to advance in their careers.

Sec. 4. [116L.12] [GRANT APPLICATIONS.]

Subdivision 1. [APPLICATIONS.] A qualifying consortium shall apply to the board in the manner specified by the board.

Subd. 2. [FISCAL REQUIREMENTS.] The application must specify how the consortium will make maximum use of available federal and state training, education, and employment funds to minimize the need for training and retention grants. A consortium must designate a lead public agency as the fiscal agent for reporting, claiming, and receiving payments. A public post-secondary institution may be designated as a lead agency, but its system governing board may not be given that designation.

Subd. 3. [PROGRAM TARGETS.] Applications for grants must describe targeted employees or types of employees and must describe the specific critical work force shortage the program is designed to alleviate. The application must include verification that in the process of determining that a critical work force shortage exists in the target area, the applicant has:

- (1) consulted available data on worker shortages;
- (2) conferred with other employers in the target area; and
- (3) compared shortages in the target area with shortages at the regional or statewide level.

Subd. 4. [LOCAL MATCH REQUIREMENTS.] A consortium must provide at least a 50 percent match from local resources for money appropriated under this section. The local match requirement may be reduced for consortia that include a relatively large number of small employers whose financial contribution has been reduced in accordance with section 116L.13, subdivision 5. In-kind services and expenditures under section 116L.13, subdivision 2, may be used to meet this local match requirement. The grant application must specify the financial contribution from each member of the consortium.

Subd. 5. [INELIGIBLE WORKER CATEGORIES.] Grants shall not be made to alleviate shortages of physicians, physician assistants, or advanced practice nurses.

Subd. 6. [EVALUATION.] The board shall evaluate the success of consortia that receive grants in achieving expected outcomes and shall report to the legislature annually. The report must compare consortia in terms of overall program costs, costs per client, retention rates, advancement rates, and other outcome measurements established in the grantmaking process. The first report shall be due on March 15, 2000, and on January 15 annually in succeeding years. The report shall include any recommendations from the board to modify the grant program.

Sec. 5. [116L.13] [REQUIREMENTS FOR CONSORTIA.]

Subdivision 1. [MARKETING AND RECRUITMENT.] A qualifying consortium must implement a marketing and outreach strategy to recruit into the health care and human services fields persons from one or more of the potential employee target groups. Recruitment strategies must include a screening process to evaluate whether potential employees may be disqualified as the result of a required background check or are otherwise unlikely to succeed in the position for which they are being recruited.

Subd. 2. [RECRUITMENT AND RETENTION INCENTIVES.] Employer members of a consortium must provide incentives to train and retain employees in addition to tuition waivers. These incentives may include, but are not limited to:

- (1) paid salary during initial training periods;
- (2) scholarship programs under which a specified amount is deposited into an educational account for the employee for each hour worked;

(3) the provision of advanced education to employees so that they may qualify for advanced positions in the health care or human services fields. This education may be provided at the employer's site, at the site of a nearby employer, or at a local educational institution or other site. Preference shall be given to applicants that offer flexible advanced training to employees at convenient sites, allow workers time off with pay during the work day to participate, and provide education at no cost to students or through employer-based scholarships;

(4) work maturity or soft skills training, adult basic education, English as a second language instruction, and basic computer orientation for persons with limited previous attachment to the work force due to a lack of these skills;

(5) child care subsidies during training or educational activities;

(6) transportation to training and education programs; and

(7) programs to coordinate efforts by employer members of the consortium to share staff among employers where feasible, to pool employee and employer benefit contributions in order to enhance benefit packages, and to coordinate education and training opportunities for staff in order to increase the availability and flexibility of education and training programs.

Subd. 3. [WORK HOUR LIMITS.] High school students participating in a training and retention program shall not be permitted to work more than 20 hours per week when school is in session.

Subd. 4. [CAREER ENHANCEMENT REQUIREMENTS.] All consortium members must work cooperatively to establish and maintain a career ladder program under which direct care staff have the opportunity to advance along a career development path that includes regular educational opportunities, coordination between job duties and educational opportunities, and a planned series of promotions for which qualified employees will be eligible.

Subd. 5. [SMALL EMPLOYER PROTECTION.] Grantees must guarantee that small employers, including licensed personal care assistant organizations, be allowed to participate in consortium programs. The financial contribution required from a small employer must be adjusted to reflect the employer's financial circumstances.

Sec. 6. [APPLICABILITY; COLLECTIVE BARGAINING AGREEMENTS.]

Nothing in the implementation of Minnesota Statutes, sections 116L.11, 116L.12, and 116L.13 shall be done to circumvent an existing collective bargaining agreement.

Sec. 7. [APPROPRIATION.]

\$. . . . . is appropriated from the general fund to the job skills partnership board for the biennium ending June 30, 2001, for the purposes of the health care worker training and retention program. Of this amount, \$. . . . . is for the cost of administration."

Delete the title and insert:

"A bill for an act relating to health care; adding to the duties of the job skills partnership board; establishing a health care and human services worker training and retention program; appropriating money; amending Minnesota Statutes 1998, section 116L.02; proposing coding for new law in Minnesota Statutes, chapter 116L."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Jobs and Economic Development Finance.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 1022, A bill for an act relating to insurance; transferring regulatory authority over health maintenance organizations and similar entities to the commissioner of commerce; making conforming changes; amending Minnesota Statutes 1998, sections 60B.02; 60B.03, subdivisions 2 and 4; 60B.15; 60B.20; 60G.01, subdivisions 2 and 4; 62A.61; 62D.01, subdivision 2; 62D.02, subdivision 3; 62D.03, subdivisions 1, 3, and 4; 62D.04, subdivisions 1, 2, 4, and by adding a subdivision; 62D.05, subdivision 6; 62D.06, subdivision 2; 62D.07, subdivisions 2, 3, and 10; 62D.08, subdivisions 1, 2, 3, 4, and 5; 62D.09, subdivisions 1 and 8; 62D.10, subdivision 4; 62D.11, subdivisions 1b, 2, 3, and by adding a subdivision; 62D.12, subdivisions 1, 2, and 9; 62D.121, subdivisions 3a and 7; 62D.14, subdivisions 1, 3, 4, 5, and 6; 62D.15, subdivisions 1 and 4; 62D.16, subdivisions 1 and 2; 62D.17, subdivisions 1, 3, 4, and 5; 62D.18, subdivisions 1 and 7; 62D.19; 62D.20, subdivision 1; 62D.21; 62D.211; 62D.22, subdivisions 4 and 10; 62D.24; 62D.30, subdivisions 1 and 3; 62L.02, subdivision 8; 62L.05, subdivision 12; 62L.08, subdivisions 10 and 11; 62M.11; 62M.16; 62N.02, subdivision 4; 62N.26; 62N.31, subdivision 1; 62Q.01, subdivision 2; 62Q.07; 62Q.075, subdivision 4; 62Q.105, subdivisions 6 and 7; 62Q.11; 62Q.22, subdivisions 2, 6, and 7; 62Q.32; 62Q.51, subdivision 3; 62Q.525, subdivision 3; 62R.04, subdivision 5; 62R.25; 62T.01, subdivision 4; and 72A.139, subdivision 2; repealing Minnesota Statutes 1998, sections 62D.18; 62L.11, subdivision 2; and 62Q.45, subdivision 1.

Reported the same back with the following amendments:

Page 36, delete section 56 and insert:

"Sec. 56. [REPORT; REGULATION OF RISK-BEARING ENTITIES.]

The commissioners of commerce and health shall study the issues involved in consistent regulation of all entities that assume financial risks related to health coverage in this state. The study must consider all such entities, regardless of current licensure or regulation. The commissioners must consider laws recently enacted by the state of Ohio on this subject and any relevant model laws or regulations adopted or under consideration by the National Association of Insurance Commissioners. The commissioners shall provide a written report, with recommendations, to the legislature in compliance with Minnesota Statutes, section 3.195, no later than January 15, 2000.

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring a report;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 1046, A bill for an act relating to motor vehicles; requiring commissioner of public safety to impose commercial driver's license disqualifications for violations of an out-of-service order; requiring commissioner of transportation to impose civil penalties for violations of an out-of-service order; amending Minnesota Statutes 1998, sections 171.165, by adding a subdivision; and 221.036, subdivision 3.

Reported the same back with the following amendments:

Page 2, after line 33, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective April 1, 2000."

With the recommendation that when so amended the bill pass.

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 1079, A bill for an act relating to liquor; extending tour boat liquor license season; amending Minnesota Statutes 1998, section 340A.404, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 340A.404, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PROVISION; CITY OF MINNEAPOLIS.] (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theatre, the Cricket Theatre, the Orpheum Theatre, and the State Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theatres and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South and an on-sale wine license and an on-sale intoxicating malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale license authorizing the sale of wine and intoxicating and 3.2 percent malt liquor to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week. The license is not subject to the limitations in section 340A.413, subdivision 1.

Sec. 2. Minnesota Statutes 1998, section 340A.404, is amended by adding a subdivision to read:

Subd. 2b. [SPECIAL PROVISION; CITY OF ST. PAUL.] The city of St. Paul may issue an on-sale intoxicating liquor license to the Fitzgerald Theatre, notwithstanding the limitations of law, local ordinance, or charter provision relating to zoning or school or church distances. The license authorizes sales on all days of the week to holders of tickets for performances presented by the theatre and to members of the nonprofit corporation holding the licenses and to their guests.

Sec. 3. Minnesota Statutes 1998, section 340A.404, subdivision 8, is amended to read:

Subd. 8. [LAKE SUPERIOR, ST. CROIX RIVER, AND MISSISSIPPI RIVER TOUR BOATS.] (a) The commissioner may issue an on-sale intoxicating liquor license to a person regularly engaged, on an annual or seasonal basis, in the business of offering tours by boat on Lake Superior and adjacent bays, the St. Croix river, and the Mississippi river. The license shall authorize the sale of intoxicating liquor between May 1 and ~~October~~ November 1 for consumption on the boat while underway or attached to a dock or other mooring. No license may be issued unless each boat used in the tour business regularly sells meals in the place where intoxicating liquor is sold.

(b) All sales of intoxicating liquor made on a boat while it is attached to a dock or other mooring are subject to any restrictions on the sale of liquor prescribed by the governing body of the city where the boat is attached, or of a county when it is attached outside a city. A governing body may prohibit liquor sales within its jurisdiction but may not require an additional license, or require a fee or occupation tax, for the sales.

Sec. 4. Minnesota Statutes 1998, section 340A.412, subdivision 4, is amended to read:

Subd. 4. [LICENSES PROHIBITED IN CERTAIN AREAS.] (a) No license to sell intoxicating liquor may be issued within the following areas:

(1) where restricted against commercial use through zoning ordinances and other proceedings or legal processes regularly had for that purpose, except licenses may be issued to restaurants in areas which were restricted against commercial uses after the establishment of the restaurant;

(2) within the capitol or on the capitol grounds, except as provided under Laws 1983, chapter 259, section 9, or section 10 of this act;

(3) on the state fairgrounds or at any place in a city of the first class within one-half mile of the fairgrounds, except as otherwise provided by charter;

(4) on the campus of the college of agriculture of the University of Minnesota or at any place in a city of the first class within one-half mile of the campus, provided that a city may issue one on-sale wine license in this area that is not included in the area described in clause (3), except as provided by charter;

(5) within 1,000 feet of a state hospital, training school, reformatory, prison, or other institution under the supervision or control, in whole or in part, of the commissioner of human services or the commissioner of corrections;

(6) in a town or municipality in which a majority of votes at the last election at which the question of license was voted upon were not in favor of license under section 340A.416, or within one-half mile of any such town or municipality, except that intoxicating liquor manufactured within this radius may be sold to be consumed outside it;

(7) at any place on the east side of the Mississippi River within one-tenth of a mile of the main building of the University of Minnesota unless (i) the licensed establishment is on property owned or operated by a nonprofit corporation organized prior to January 1, 1940, for and by former students of the University of Minnesota, or (ii) the licensed premises is Northrup Auditorium and the board of regents approves the issuance of the license;

(8) within 1,500 feet of a state university, except that:

(i) the minimum distance in the case of Winona and Southwest State University is 1,200 feet;

(ii) within 1,500 feet of St. Cloud State University one on-sale wine and two off-sale intoxicating liquor licenses may be issued, measured by a direct line from the nearest corner of the administration building to the main entrance of the licensed establishment;

(iii) at Mankato State University the distance is measured from the front door of the student union of the Highland campus; and

(iv) a temporary license under section 340A.404, subdivision 10, may be issued to a location on the grounds of a state university for an event sponsored or approved by the state university; and

(9) within 1,500 feet of any public school that is not within a city.

(b) The restrictions of this subdivision do not apply to a manufacturer or wholesaler of intoxicating liquor or to a drugstore or to a person who had a license originally issued lawfully prior to July 1, 1967.

Sec. 5. Minnesota Statutes 1998, section 340A.5071, is amended to read:

340A.5071 [COUPONS PROHIBITED.]

Subdivision 1. [COUPONS PROHIBITED.] A retailer of alcoholic beverages may not accept as full or partial payment for any product any coupons that are redeemed directly or indirectly from a manufacturer or wholesaler of alcoholic beverages.

Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, a retailer of alcoholic beverages may accept cash-equivalent coupons for products other than alcoholic beverages, if redemption of such coupons by a retailer is through a third party independent of either the manufacturer of the products or the retailer.

Sec. 6. [DETROIT LAKES; LIQUOR LICENSE.]

The city of Detroit Lakes may issue one on-sale intoxicating liquor license in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized by this section.

Sec. 7. [CITY OF EDEN PRAIRIE; LIQUOR LICENSES.]

The city of Eden Prairie may issue six on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized under this section.

Sec. 8. [CITY OF INTERNATIONAL FALLS; TEMPORARY LICENSE.]

Notwithstanding any other law to the contrary, the International Falls city council may issue a temporary license for the on-sale of intoxicating liquor to the all class reunion committee of International Falls High School in connection with the all class reunion to be held June 29 to July 4, 2000. The license may authorize the on-sale of intoxicating liquor for the period of June 29 to July 4, 2000, on premises designated by the International Falls city council. The license may provide that the licensee may contract for intoxicating liquor catering services with the holder of a full-year on-sale intoxicating liquor license issued by any municipality. The license is subject to the terms, including a license fee, imposed by the city council. The license is subject to all laws and ordinances governing the sale of intoxicating liquor except Minnesota Statutes, sections 340A.409; 340A.504, subdivision 3, paragraph (d); and 624.701, subdivision 1.

Sec. 9. [CITY OF MARSHALL; LIQUOR LICENSES.]

The city of Marshall may issue three on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized under this section.

Sec. 10. [CITY OF PROCTOR; LIQUOR LICENSE.]

The city of Proctor may issue one on-sale intoxicating liquor license in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized under this section.

Sec. 11. [CITY OF ST. PAUL; TEMPORARY LICENSES.]

The city of St. Paul may issue temporary intoxicating liquor licenses under Minnesota Statutes, section 340A.404, subdivision 10, to Macalester College for locations on the college campus for the Macalester Scottish Fair and for the annual alumni reunion weekend without regard to the limitation in Minnesota Statutes, section 340A.410, subdivision 10, paragraph (b).

Sec. 12. [CITY OF ST. PAUL; TEMPORARY LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St. Paul may issue a temporary on-sale intoxicating liquor license to Twin Cities Marathon, Inc. The license may authorize only the sale of intoxicating malt liquor and 3.2 percent malt liquor on the grounds of the state capitol on the day of the Twin Cities Marathon. The intoxicating malt liquor and 3.2 percent malt liquor must be produced by a Minnesota brewery. All provisions of Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section, apply to the license authorized by this section.

Sec. 13. [CITY OF STILLWATER; LIQUOR LICENSES.]

Notwithstanding any other law, the city of Stillwater may issue two on-sale intoxicating liquor licenses in addition to the number authorized by law. The licenses may not be issued for any location in the downtown central business district of Stillwater. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized by this section.

Sec. 14. [REPEALER.]

Laws 1998, chapter 364, section 13, is repealed.

Sec. 15. [EFFECTIVE DATE.]

Section 1 is effective on approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021. Sections 2, 11, and 12 are each effective on approval by the St. Paul city council and compliance with Minnesota Statutes, section 645.021. Sections 4 and 14 are effective the day following final enactment. Section 6 is effective on approval by the Detroit Lakes city council and compliance with Minnesota Statutes, section 645.021. Section 7 is effective on approval by the Eden Prairie city council and compliance with Minnesota Statutes, section 645.021. Section 8 is effective on approval by the International Falls city council and compliance with Minnesota Statutes, section 645.021. Section 9 is effective on approval by the Marshall city council and compliance with Minnesota Statutes, section 645.021. Section 10 is effective on approval by the Proctor city council and compliance with Minnesota Statutes, section 645.021. Section 13 is effective on approval by the Stillwater city council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; authorizing acceptance of certain coupons by retailers of alcoholic beverages; authorizing issuance of on-sale and temporary on-sale intoxicating liquor licenses in Minneapolis, St. Paul, Detroit Lakes, Eden Prairie, International Falls, Marshall, Proctor, and Stillwater; providing for duration of on-sale intoxicating liquor licenses for seasonal tour boats; amending Minnesota Statutes 1998, sections 340A.404, subdivisions 2, 8, and by adding a subdivision; 340A.412, subdivision 4; and 340A.5071; repealing Laws 1998, chapter 364, section 13."

With the recommendation that when so amended the bill pass.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 1098, A bill for an act relating to property interests; amending the Uniform Statutory Rule Against Perpetuities; limiting the effect of certain language in trust instruments; amending Minnesota Statutes 1998, section 501A.01.

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

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 1168, A bill for an act relating to elections; simplifying language on certificates of election; clarifying and simplifying the Minnesota Election Law; making technical and procedural changes; changing certain duties of election officials; listing additional violations; changing certain deadlines; providing for advisory opinions by the secretary of state; providing for submission of proposed chapter amendments; requiring adoption of certain rules; imposing criminal penalties; amending Minnesota Statutes 1998, sections 3.02; 200.031; 201.016, subdivision 1, and by adding a subdivision; 201.054, subdivision 2; 201.12, subdivision 2; 201.13, by adding a subdivision; 203B.03, subdivision 1; 203B.04, subdivision 1; 203B.07, subdivision 2; 203B.08, subdivision 1; 203B.081; 203B.085; 203B.11, subdivisions 2 and 4; 204B.08, subdivision 3; 204B.146, subdivision 2; 204B.21, subdivision 2; 204B.27, subdivision 8; 204C.10; 204C.24, subdivision 1; 204C.26, subdivision 1; 204C.40, subdivision 1; 204D.08, subdivisions 3 and 5; 204D.11, subdivision 4; 204D.13, subdivisions 2 and 3; 205.10, subdivisions 3 and 4; 205.16, subdivision 4; 205.185, subdivision 3; 205A.05, subdivision 1; 205A.07, subdivision 3; 205A.13; 206.86, subdivision 1; 208.04, subdivision 1; 351.055; 410.12, subdivision 1; 412.02, subdivision 2; and 447.32, subdivision 4; Laws 1997, chapter 173, section 6; proposing coding for new law in Minnesota Statutes, chapter 204B; repealing Minnesota Statutes 1998, sections 203B.08, subdivisions 1a and 3a; 203B.12, subdivision 5; 204D.14, subdivision 2; 204D.19, subdivision 5; and 365.10, subdivision 2.

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

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 1173, A bill for an act relating to labor relations; providing arbitration procedures for firefighters; amending Minnesota Statutes 1998, section 179A.16, subdivision 7.

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

The report was adopted.

Lindner from the Committee on Jobs and Economic Development Policy to which was referred:

H. F. No. 1182, A bill for an act relating to counties; authorizing county economic development authorities; proposing coding for new law in Minnesota Statutes, chapter 469.

Reported the same back with the following amendments:

Page 1, line 9, delete "is" and insert "may be"

Page 1, line 11, after "created" insert "or authorized"

Page 2, line 24, after "within" insert "two miles of"

Page 2, line 26, delete the first "in" and insert "within two miles or less of"

Page 2, line 30, after the period, insert "The empowering resolution may limit the scope, type, and number of projects the county authority is allowed to undertake within two miles of the city. The governing body of the city may later adopt a resolution revoking the county authority's authorization to function within two miles of the city, provided that the revoking resolution contains provisions to ensure that ongoing projects are not harmed or disrupted."

Page 3, delete lines 6 to 33

Page 4, line 22, after "county" insert "board of"

Page 4, delete line 28

Page 4, line 29, delete "REDEVELOPMENT POWERS.]" and insert "Upon concurrence with the applicable county or multicounty housing and redevelopment authority," and before "may" insert "board"

Page 4, line 32, after "the" insert "county" and after "other" insert "county development" and after "or" insert "county development"

Page 4, line 34, delete "as provided in"

Page 4, line 35, delete "subdivision 2" and after "county" insert "board"

Page 4, line 36, delete "an active" and insert "a"

Page 5, delete lines 3 to 28

Page 5, line 29, delete "Section" and insert "Sec."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 1204, A bill for an act relating to agriculture; appropriating money for county agriculture inspection.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Agriculture and Rural Development Finance.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 1222, A bill for an act relating to legislation; providing rules for the construction of laws and administrative rules; adopting the Uniform Statute and Rule Construction Act; amending Minnesota Statutes 1998, sections 41B.23; 116R.15; 219.755; 354.05, subdivision 40; 573.02, subdivision 4; 645.001; 645.08; and 645.34;

proposing coding for new law in Minnesota Statutes, chapter 645; repealing Minnesota Statutes 1998, sections 645.14; 645.15; 645.151; 645.16; 645.17; 645.20; 645.21; 645.22; 645.26; 645.28; 645.31, subdivision 2; 645.35; 645.36; 645.37; 645.39; 645.44, subdivisions 15 and 16; and 645.48.

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

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 1255, A bill for an act relating to crime prevention; classifying Gamma Hydroxybutyrate as a controlled substance; amending Minnesota Statutes 1998, section 152.02, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 152.02, subdivision 4, is amended to read:

Subd. 4. [SCHEDULE III.] The following items are listed in Schedule III:

(1) Any material, compound, mixture, or preparation which contains any quantity of Amphetamine, its salts, optical isomers, and salts of its optical isomers; Phenmetrazine and its salts; Methamphetamine, its salts, isomers, and salts of isomers; Methylphenidate; and which is required by federal law to be labeled with the symbol prescribed by 21 Code of Federal Regulations Section 1302.03 and in effect on February 1, 1976 designating that the drug is listed as a Schedule III controlled substance under federal law.

(2) Any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a depressant effect on the central nervous system:

(a) Any compound, mixture, or preparation containing amobarbital, secobarbital, pentobarbital or any salt thereof and one or more other active medicinal ingredients which are not listed in any schedule.

(b) Any suppository dosage form containing amobarbital, secobarbital, pentobarbital, or any salt of any of these drugs and approved by the food and drug administration for marketing only as a suppository.

(c) Any substance which contains any quantity of a derivative of barbituric acid, or any salt of a derivative of barbituric acid, except those substances which are specifically listed in other schedules: Chlorhexadol; Glutethimide; Lysergic acid; Lysergic acid amide; Methpyrlyon; Sulfondiethylmethane; Sulfonethylmethane; Sulfonmethane.

(d) Gamma hydroxybutyrate, any salt, compound, derivative, or preparation of gamma hydroxybutyrate, including any isomers, esters, and ethers and salts of isomers, esters, and ethers of gamma hydroxybutyrate whenever the existence of such isomers, esters, and salts is possible within the specific chemical designation.

(3) Any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a stimulant effect on the central nervous system:

(a) Benzphetamine

(b) Chlorphentermine

(c) Clortermine

(d) Mazindol

(e) Phendimetrazine.

(4) Nalorphine.

(5) Any material, compound, mixture, or preparation containing limited quantities of any of the following narcotic drugs, or any salts thereof:

(a) Not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with an equal or greater quantity of an isoquinoline alkaloid of opium.

(b) Not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(c) Not more than 300 milligrams of dihydrocodeinone per 100 milliliters or not more than 15 milligrams per dosage unit, with a fourfold or greater quantity of an isoquinoline alkaloid of opium.

(d) Not more than 300 milligrams of dihydrocodeinone per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(e) Not more than 1.80 grams of dihydrocodeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(f) Not more than 300 milligrams of ethylmorphine per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(g) Not more than 500 milligrams of opium per 100 milliliters or per 100 grams, or not more than 25 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(h) Not more than 50 milligrams of morphine per 100 milliliters or per 100 grams with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1999, and applies to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 4, delete "3" and insert "4"

With the recommendation that when so amended the bill pass.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 1267, A bill for an act relating to civil actions; clarifying the economic loss doctrine; providing for a comprehensive statute governing economic loss; proposing coding for new law in Minnesota Statutes, chapter 604; repealing Minnesota Statutes 1998, section 604.10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [604.101] [ECONOMIC LOSS ARISING FROM THE SALE OF GOODS.]

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

(b) "Economic loss" means financial harm, limited to damage to or loss of the goods sold; damage to tangible property other than the goods sold; damage to intangible property; damage to property into which the goods are incorporated and become a component part; damage to a component part caused by the property into which the component part is incorporated; or damage to real property. Economic loss includes any damage or loss resulting from any such financial harm. Economic loss does not include damages arising out of personal injury.

(c) "Fraud in the inducement" means an intentional or reckless misrepresentation that induces the buyer to enter into the contract, but does not include negligent representations.

(d) "Merchant in goods of the kind" means a person who deals in goods of the kind that are the subject of the transaction in issue.

(e) "Tort" means common law torts, but does not include independent statutory causes of action.

Subd. 2. [ECONOMIC LOSS.] (a) In transactions governed by article 2 of the Uniform Commercial Code, or in transactions outside the scope of article 2 where damage is caused by the goods sold, where the buyer is a merchant in goods of the kind, economic loss may be recovered in tort only if the claim is one for fraud in the inducement.

(b) In transactions governed by article 2 of the Uniform Commercial Code where the buyer is not a merchant in goods of the kind, economic loss may be recovered in tort, except that damage to or loss of the goods sold, or damage to intangible property may be recovered in tort only if the claim is one for fraud in the inducement.

Subd. 3. [EFFECT.] This section supersedes the common law economic loss doctrine in transactions which are governed by article 2 of the Uniform Commercial Code or in cases outside the scope of article 2 where damage is caused by the goods sold.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment and applies to contracts or agreements entered into by the buyer on or after that date."

Amend the title as follows:

Page 1, line 5, delete everything after "604" and insert a period

Page 1, delete line 6

With the recommendation that when so amended the bill pass.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1273, A bill for an act relating to eminent domain; providing that participation in certain tax programs will not reduce damage awards granted in an eminent domain proceeding; amending Minnesota Statutes 1998, section 117.085.

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

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1286, A bill for an act relating to municipal electric power; defining city within the meaning of the act; authorizing the Minneapolis park and recreation board to engage in the local distribution and sale of hydroelectric power to protect the natural, historical, ecological, and aesthetic value of the Mississippi river at the Falls of St. Anthony; amending Minnesota Statutes 1998, section 453.52, subdivision 3.

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

The report was adopted.

Mares from the Committee on Education Policy to which was referred:

H. F. No. 1291, A bill for an act relating to traffic regulations; modifying provisions relating to school buses and drivers; amending Minnesota Statutes 1998, sections 169.01, subdivision 6; 169.03, subdivision 6; and 171.3215, subdivisions 2 and 4.

Reported the same back with the following amendments:

Page 3, line 2, after "fewer" insert "and placed in service on or after August 1, 1999,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 1336, A bill for an act relating to commerce; providing for continuity of contracts affected by the European currency; proposing coding for new law in Minnesota Statutes, chapter 334.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 1370, A bill for an act relating to organic agriculture; adding organic farmers to review panels for sustainable agriculture grants and loans; requiring the commissioner of agriculture to promote organic agriculture; extending the expiration date of the Minnesota organic advisory task force; providing that extension service educational programs must include programs and services for farmers practicing organic agriculture; adding a person representing the organic industry to the advisory board for the agricultural utilization research institute; providing funding for organic agriculture projects and expansion of organic markets; appropriating money; amending Minnesota Statutes 1998, sections 17.115, subdivision 3; 17.116, subdivision 3; 31.94; 31.95, subdivision 3a; 38.37; and 116O.09, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 17.115, subdivision 3, is amended to read:

Subd. 3. [AWARDING OF LOANS.] (a) Applications for loans must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a loan review panel appointed by the commissioner. The loan review panel shall consist of two lenders with agricultural experience, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, a farm management specialist, a representative from a post-secondary education institution, and a chair from the department.

(c) The loan review panel shall rank applications according to the following criteria:

- (1) realize savings to the cost of agricultural production and project savings to repay the cost of the loan;
- (2) reduce or make more efficient use of energy; and
- (3) reduce production costs.

(d) A loan application must show that the loan can be repaid by the applicant.

(e) The commissioner must consider the recommendations of the loan review panel and may make loans for eligible projects. Priority must be given based on the amount of savings realized by adopting the practice implemented by the loan.

Sec. 2. Minnesota Statutes 1998, section 17.116, subdivision 3, is amended to read:

Subd. 3. [AWARDING OF GRANTS.] (a) Applications for grants must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a technical review panel appointed by the commissioner. The technical review panel shall consist of a soil scientist, an agronomist, a representative from a post-secondary educational institution, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, and a chair from the department.

(c) The technical review panel shall rank applications according to the following criteria:

- (1) direct or indirect energy savings or production;
- (2) environmental benefit;
- (3) farm profitability;
- (4) the number of farms able to apply the techniques or the technology proposed;
- (5) the effectiveness of the project as a demonstration;
- (6) the immediate transferability of the project to farms; and
- (7) the ability of the project to accomplish its goals.

(d) The commissioner shall consider the recommendations of the technical review panel and may award grants for eligible projects. Priority must be given to applicants who are farmers or groups of farmers.

(e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000 is matched on an equal basis by the applicant's cash or in-kind land use contribution. Grant funding of projects may not exceed \$50,000 under this section, but applicants may utilize other funding sources. A portion of each grant must be targeted for public information activities of the project.

(f) A project may continue for up to three years. Multiyear projects must be reevaluated by the technical review panel and the commissioner before second or third year funding is approved. A project is limited to one grant for its funding.

Sec. 3. Minnesota Statutes 1998, section 31.94, is amended to read:

31.94 [COMMISSIONER DUTIES.]

(a) The commissioner shall enforce sections 31.92 to 31.95. The commissioner shall withhold from sale or trade any product sold, labeled, or advertised in violation of sections 31.92 to 31.95.

(b) The commissioner shall investigate the offering for sale, labeling, or advertising of an article or substance as organically grown, organically processed, or produced in an organic environment if there is reason to believe that action is in violation of sections 31.92 to 31.95.

(c) The commissioner may adopt rules that further clarify organic food standards and marketing practices.

(d) In order to promote opportunities for organic agriculture in Minnesota, the commissioner shall:

(1) survey producers and support services and organizations to determine information and research needs in the area of organic agriculture practices;

(2) work with the University of Minnesota to demonstrate the on-farm applicability of organic agriculture practices to conditions in this state;

(3) direct the programs of the department so as to work toward the promotion of organic agriculture in this state;

(4) inform agencies of how state or federal programs could utilize and support organic agriculture practices; and

(5) work closely with farmers, the University of Minnesota, the Minnesota trade office, and other appropriate organizations to identify opportunities and needs as well as ensure coordination and avoid duplication of state agency efforts regarding research, teaching, and extension work relating to organic agriculture.

(e) By November 15 of each even-numbered year the commissioner, in conjunction with the task force created in section 31.95, subdivision 3a, shall report on the status of organic agriculture in Minnesota to the legislative policy and finance committees and divisions with jurisdiction over agriculture. The report must include:

(1) a description of current state or federal programs directed toward organic agriculture, including significant results and experiences of those programs;

(2) a description of specific actions the department of agriculture is taking in the area of organic agriculture, including the proportion of the department's budget spent on organic agriculture;

(3) a description of current and future research needs at all levels in the area of organic agriculture; and

(4) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect organic agriculture.

Sec. 4. Minnesota Statutes 1998, section 31.95, subdivision 3a, is amended to read:

Subd. 3a. [CERTIFICATION ORGANIZATIONS.] (a) A Minnesota grown organic product that is labeled "certified" must be certified by a designated certification organization.

(b) A certified organic product sold in this state must be certified by a designated certification organization or by a certification organization approved by the commissioner. Before approving a certification organization, the commissioner must seek the evaluation and recommendation of the Minnesota organic advisory task force.

(c) The commissioner shall appoint a Minnesota organic advisory task force ~~composed of members of the organic industry to advise the commissioner on organic issues. Members of the task force may not be paid compensation or costs for expenses to advise the commissioner on policies and practices to improve organic agriculture in Minnesota. The task force shall consist of the following residents of the state:~~

(1) three farmers using organic agriculture methods;

(2) one organic food retailer or distributor;

(3) one representative of organic food certification agencies;

(4) one organic food processor;

(5) one representative from the Minnesota extension service;

(6) one representative from an environmental nonprofit organization;

(7) two at-large members; and

(8) one representative from the agricultural utilization research institute. Terms, compensation, and removal of members are governed by section 15.059, subdivision 6. The task force must meet at least twice each year and expires on June 30, 2001 2003.

Sec. 5. Minnesota Statutes 1998, section 116O.09, subdivision 5, is amended to read:

Subd. 5. [ADVISORY BOARD.] A ~~26-member~~ 27-member advisory board may be established to identify priorities for the agricultural utilization research institute. Members of the advisory board are appointed by the board. The advisory board consists of: the chair of the Minnesota house of representatives agricultural committee; the chair of the Minnesota senate agricultural committee; a representative from each of the ten largest agricultural-related businesses in the state as determined by the corporation; a member from each of the appropriate trade organizations representing producers of organic products, beef cattle, dairy, corn, soybeans, pork, wheat, turkey, barley, wild rice, edible beans, eggs, and potatoes; a member of the Farmers's Union; and a member of the Farm Bureau. Terms and removal of members must be set by the board and members of the advisory board serve without compensation but shall receive their necessary and actual expenses.

The advisory board shall annually provide a list of priorities and suggested research and marketing studies that should be performed by the agricultural utilization research institute.

Sec. 6. [APPROPRIATIONS.]

(a) \$100,000 is appropriated in fiscal year 2000 and \$100,000 is appropriated in fiscal year 2001 from the general fund to the University of Minnesota for the Minnesota extension service for a position to provide educational programs and related materials on organic agriculture to extension agents as well as conduct field days and demonstrations on organic agriculture. The extension service must coordinate activities under this paragraph with the task force created in Minnesota Statutes, section 31.95, subdivision 3a. This appropriation is available until June 30, 2001.

(b) \$200,000 is appropriated in fiscal year 2000 and \$200,000 is appropriated in fiscal year 2001 from the general fund to the commissioner of agriculture, \$150,000 each year is for annual cost-share payments to resident farmers for the costs of organic certification. The annual cost-share payments per farmer shall be two-thirds of the cost of

the certification or \$200, whichever is less. A certified farmer is only eligible to receive annual certification cost-share payments for up to five years. \$50,000 each year is for organic market and program development. This appropriation is available until expended."

Delete the title and insert:

"A bill for an act relating to organic agriculture; adding organic farmers to review panels for sustainable agriculture grants and loans; requiring the commissioner of agriculture to promote organic agriculture; extending the expiration date of the Minnesota organic advisory task force; adding a person representing the organic industry to the advisory board for the agricultural utilization research institute; providing funding for organic agriculture; appropriating money; amending Minnesota Statutes 1998, sections 17.115, subdivision 3; 17.116, subdivision 3; 31.94; 31.95, subdivision 3a; and 116O.09, subdivision 5."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Agriculture and Rural Development Finance.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 1374, A bill for an act relating to the state lottery; gaming machines and card games; establishing horse racing purse payments; amending Minnesota Statutes 1998, sections 297A.259; 299L.07, subdivision 2a; 349A.01, by adding subdivisions; 541.21; and 609.761, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 349A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment to the Minnesota Constitution, article X, section 8, is proposed to the people. If the amendment is adopted, article X, section 8, will read:

Sec. 8. The legislature may authorize on-track pari-mutuel betting on horse racing in a manner prescribed by law. The legislature may authorize an entity licensed to conduct pari-mutuel betting to operate gaming machines and card games at a horse racing facility first licensed before January 1, 1999.

Sec. 2. [SUBMISSION TO VOTERS.]

The constitutional amendment must be submitted to the people at the 2000 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to authorize an entity that is licensed to conduct pari-mutuel betting at a racetrack first licensed before January 1, 1999, to operate gaming machines and card games at that racetrack?"

Yes .....  
No ....."

Delete the title and insert:

"A bill for an act relating to gambling; proposing an amendment to the Minnesota Constitution, article X, section 8, permitting the legislature to authorize gaming machines and card games at a horse racing facility."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 1384, A bill for an act relating to utilities; modifying conservation improvement program provisions; amending Minnesota Statutes 1998, sections 216B.16, subdivision 6b; and 216B.241, subdivisions 1a, 1b, and 2b.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 216B.16, subdivision 6b, is amended to read:

Subd. 6b. [ENERGY CONSERVATION IMPROVEMENT.] (a) Except as otherwise provided in this subdivision, all investments and expenses of a public utility as defined in section 216B.241, subdivision 1, paragraph (e), incurred in connection with energy conservation improvements shall be recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.

(b) After December 31, 1999, investments and expenses for energy conservation improvements shall not be included by the commission in the determination of just and reasonable electric and gas rates for retail electric and gas service provided to large electric customer facilities, except as provided in section 216B.241, subdivision 1a, paragraph (e). However, no public utility shall be prevented from recovering the full cost of energy conservation improvements from all customers that were made on or before December 31, 1999, in compliance with the requirements of section 216B.241.

(c) The commission may permit a public utility to file rate schedules providing for annual recovery of the costs of energy conservation improvements. These rate schedules may be applicable to less than all the customers in a class of retail customers if necessary to reflect the differing minimum spending requirements of section 216B.241, subdivision 1a. After December 31, 1999, the commission shall allow a public utility, without requiring a general rate filing under this section, to reduce the electric and gas rates applicable to large electric customer facilities by an amount that reflects the elimination of energy conservation improvement investments or expenditures for those facilities required on or before December 31, 1999. In the event that the commission has set electric or gas rates based on the use of an accounting methodology that results in the cost of conservation improvements being recovered from utility customers over a period of years, the rate reduction may occur in a series of steps to coincide with the recovery of balances due to the utility for conservation improvements made by the utility on or before December 31, 1999.

(d) After December 31, 1999, the owner of a large electric customer facility may elect to agree with its utility to continue to have the public utility make energy conservation improvement investments or expenditures on its behalf at the large electric customer facility. However, the utility shall be entitled to apply and collect a surcharge to the billings for retail electric and gas service provided to this large electric customer facility sufficient to recoup, over a period of not more than three years, the conservation improvement investments or expenditures plus the public utility's approved rate of return.

Sec. 2. Minnesota Statutes 1998, section 216B.241, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section and section 216B.16, subdivision 6b, the terms defined in this subdivision have the meanings given them.

(a) "Commission" means the public utilities commission.

(b) "Commissioner" means the commissioner of public service.

(c) "Customer facility" means all buildings, structures, equipment, and installations at a single site.

(d) "Department" means the department of public service.

~~(d)~~ (e) "Energy conservation improvement" means the purchase or installation of a device, method, ~~or~~ material, or project that:

(1) reduces consumption of or increases efficiency in the use of electricity or natural gas, including, but not limited to:

~~(1)~~ insulation and ventilation;<sub>2</sub>

~~(2)~~ storm or thermal doors or windows;<sub>2</sub>

~~(3)~~ caulking and weatherstripping;<sub>2</sub>

~~(4)~~ furnace efficiency modifications;<sub>2</sub>

~~(5)~~ thermostat or lighting controls;<sub>2</sub>

~~(6)~~ awnings;<sub>2</sub> or

~~(7)~~ systems to turn off or vary the delivery of energy. ~~The term "energy conservation improvement" includes a device or method that:~~

(2) creates, converts, or actively uses energy from renewable sources such as solar, wind, and biomass, provided that the device or method conforms with national or state performance and quality standards whenever applicable;

(3) seeks to provide energy savings through reclamation or recycling and that is used as part of the infrastructure of an electric generation, transmission, or distribution system within the state or a natural gas distribution system within the state; or

(4) provides research or development of new means of increasing energy efficiency or conserving energy or research or development of improvement of existing means of increasing energy efficiency or conserving energy.

~~(e)~~ (f) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement including, but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no interest or below market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

(g) "Large electric customer facility" means a customer facility that imposes a peak electrical demand on an electric utility's system of not less than 20,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes, and for which electric services are provided at retail on a single bill by a utility operating in the state.

Sec. 3. Minnesota Statutes 1998, section 216B.241, subdivision 1a, is amended to read:

Subd. 1a. [INVESTMENT, EXPENDITURE, AND CONTRIBUTION; ~~REGULATED UTILITIES PUBLIC UTILITY.~~] (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

(1) for a utility that furnishes gas service, ~~5~~ 0.5 percent of its gross operating revenues from service provided in the state;

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and

(3) for a utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state. For purposes of this paragraph, "gross operating revenues" does not include gross operating revenues from electric and gas service provided at retail in the state to large electric customer facilities.

(b) If the commissioner, after investigation, determines that a large electric customer facility has the ability to make cost-effective conservation improvements, the commissioner may require the owner of the large electric customer facility to implement cost-effective conservation improvements at the large electric customer facility at an annual cost of: (1) not more than 1.5 percent of the annual electric billings paid for retail electric service provided to the large electric customer facility if the facility is served by an electric utility subject to paragraph (a), clause (2), or not more than 2.0 percent of the annual electric billings paid for retail electric service provided to the large electric customer facility if the facility is served by an electric utility subject to paragraph (a), clause (3); and (2) not more than 0.5 percent of the annual gas billings paid for retail gas service to the large electric customer facility if the facility is served by a gas public utility that is subject to paragraph (a), clause (1). For purposes of this paragraph, "cost effective" means that the total costs of the energy conservation improvement at the large electric customer facility are projected to be less than the total costs of the energy and demand savings that would result from the energy conservation improvement. For the purpose of commissioner-instigated investigations under this paragraph, the owner of any large electric customer facility shall, upon request, provide to the commissioner information relating to the energy conservation improvements that have been implemented at the large electric customer facility and any energy conservation improvements that have been identified, but not implemented.

(c) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100 megawatts or greater within five years under mid-range forecast assumptions.

(d) A public utility or owner of a large electric customer facility may appeal a decision of the commissioner under this paragraph (b) or (c) to the commission under subdivision 2. In reviewing a decision of the commissioner under this paragraph (b) or (c), the commission shall rescind the decision if it finds that the required investments or spending will:

(1) not result in cost-effective ~~programs~~ energy conservation improvements; or

(2) otherwise not be in the public interest.

(e) If the commission finds after notice and an opportunity for comment that the owner of a large electric customer facility has failed to make energy conservation improvements required under this section, the commission shall order the public utility serving the facility to spend and invest in the required energy conservation improvements for that large electric customer facility. Any expenditures required pursuant to such an order under this section are recoverable by the public utility in the electric rates of the large electric energy facility under section 216B.16. A public utility may not spend or invest for energy conservation improvements that directly benefit a large electric customer facility, except as provided in this paragraph.

(f) Each utility shall determine what portion of the amount it sets aside for conservation improvement will be used for conservation improvements under subdivision 2 and what portion it will contribute to the energy and conservation account established in subdivision 2a. A public utility may designate that all or a portion of funds contributed to the account established in subdivision 2a be used by the commissioner for research and development projects. Contributions must be remitted to the commissioner of public service by February 1 of each year. Nothing in this subdivision prohibits a public utility from spending or investing for energy conservation improvement more than required in this subdivision.

Sec. 4. Minnesota Statutes 1998, section 216B.241, subdivision 1b, is amended to read:

Subd. 1b. [CONSERVATION IMPROVEMENTS; COOPERATIVES; MUNICIPALITIES IMPROVEMENT BY COOPERATIVE ASSOCIATION OR MUNICIPALITY.] (a) This subdivision applies to:

(1) a cooperative electric association that generates and transmits electricity to associations that provide electricity at retail including a cooperative electric association not located in this state that serves associations or others in the state;

(2) a municipality that provides electric service to retail customers; and

(3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a municipality, 5.0 percent of its gross operating revenues from the sale of gas and one percent of its gross operating revenues from the sale of electricity not purchased from a public utility governed by subdivision 1a or a cooperative electric association governed by this subdivision, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

(c) Each municipality and cooperative association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a large electric customer facility. Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to 15 percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association. Load management may be used to meet the requirements of this subdivision if it reduces the demand for or increases the efficiency of electric services. A generation and transmission cooperative electric association may include as spending and investment required under this subdivision conservation improvement spending and investment by cooperative electric associations that provide electric service at retail to consumers and that are served by the generation and transmission association. By February 1 of each year, each municipality or

cooperative shall report to the commissioner its energy conservation improvement spending and investments with a brief analysis of effectiveness in reducing consumption of electricity or gas. The commissioner shall review each report and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities. The commissioner shall also review each report for whether a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available. For the purposes of this subdivision and subdivision 2, "~~low-income~~ low income" means an income of less than 185 percent of the federal poverty level.

(d) As part of its spending for conservation improvement, a municipality or association may contribute to the energy and conservation account. A municipality or association may designate that all or a portion of funds contributed to the account be used by the commissioner for research and development projects. Any amount contributed must be remitted to the commissioner of public service by February 1 of each year.

Sec. 5. Minnesota Statutes 1998, section 216B.241, subdivision 2, is amended to read:

Subd. 2. [PROGRAMS.] (a) The commissioner may by rule require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover a two-year period. The commissioner shall require at least one public utility to establish a pilot program to make investments in and expenditures for energy from renewable resources such as solar, wind, or biomass and shall give special consideration and encouragement to programs that bring about significant net savings through the use of energy-efficient lighting. The commissioner shall evaluate the program on the basis of ~~cost-effectiveness~~ cost effectiveness and the reliability of technologies employed.

(b) The rules of the department must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, ~~or~~ material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement; provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, ~~where if~~ if applicable.

(c) The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department. Load management may be used to meet the requirements for energy conservation improvements under this section if it results in a demonstrable reduction in consumption of energy.

(d) Each public utility subject to subdivision 1a may spend and invest annually up to 15 percent of the total amount required to be spent and invested on energy conservation improvements under this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility. A public utility that spends and invests funds on research and development projects in accordance with this section to meet energy conservation improvement spending requirements does not need the approval of the commissioner or commission to spend or invest in the research and development projects. Each public utility shall report to the commissioner by April 1 of each year on the nature of any research and development projects it funded under this section during the previous 12 months.

(e) The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision or a nonprofit or community organization.

(f) No utility may make an energy conservation improvement under this section to a building envelope unless:

(1) it is the primary supplier of energy used for either space heating or cooling in the building;

(2) the commissioner determines that special circumstances, ~~which~~ that would unduly restrict the availability of conservation programs, warrant otherwise; or

(3) the utility has been awarded a contract under subdivision 2a.

(g) The commissioner shall ensure that a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available.

(h) A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not ~~cost-effective~~ cost effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The person petitioning for commission review has the burden of proof. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

Sec. 6. Minnesota Statutes 1998, section 216B.241, subdivision 2a, is amended to read:

Subd. 2a. [ENERGY AND CONSERVATION ACCOUNT.] The commissioner must deposit money contributed under subdivisions 1a and 1b in the energy and conservation account in the general fund. Money in the account is appropriated to the department for programs designed to meet the energy conservation needs of low-income persons and to make energy conservation improvements in areas not adequately served under subdivision 2, including research and development projects included in the definition of energy conservation improvement in subdivision 1. Money in the account contributed by a utility and designated by the utility for use on research and development projects must be spent by the commissioner for that purpose. Interest on money in the account accrues to the account. Using information collected under section 216C.02, subdivision 1, paragraph (b), the commissioner must, to the extent possible, allocate enough money to programs for low-income persons to assure that their needs are being adequately addressed. The commissioner must request the commissioner of finance to transfer money from the account to the commissioner of children, families, and learning for an energy conservation program for low-income persons. In establishing programs, the commissioner must consult political subdivisions and nonprofit and community organizations, especially organizations engaged in providing energy and weatherization assistance to low-income persons. At least one program must address the need for energy conservation improvements in areas in which a high percentage of residents use fuel oil or propane to fuel their source of home heating. The commissioner may contract with a political subdivision, a nonprofit or community organization, a public utility, a municipality, or a cooperative electric association to implement its programs. The commissioner may provide grants to any person to conduct research and development projects in accordance with this section.

Sec. 7. Minnesota Statutes 1998, section 216B.241, subdivision 2b, is amended to read:

Subd. 2b. [RECOVERY OF EXPENSES FOR FEES, TAXES, PERMITS.] The commission shall allow a utility to recover expenses resulting from a conservation improvement program required by the department and contributions to the energy and conservation account, unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. In addition, a utility may file annually, or the public utilities commission may require the utility to file, and the commission may approve, rate schedules containing provisions for the automatic adjustment of charges for utility service in direct relation to changes in the expenses of the utility for real and personal property taxes, fees, and permits, the amounts of which the utility cannot control. A public utility is eligible to file for adjustment for real and personal property taxes, fees, and permits under this subdivision only if, in the year previous to the year in which it files for adjustment, it has spent or invested at least 1.75 percent of its gross revenues from provision of electric service, excluding gross operating revenues from electric service provided in the state to large electric customer facilities, and ~~6~~ 0.6 percent of its gross revenues from provision of gas service, excluding gross operating revenues from gas services provided in the state to large electric customer facilities, for that year for energy conservation improvements under this section.

Sec. 8. [REPORT ON ALTERNATIVE STRUCTURE FOR AN ENERGY CONSERVATION IMPROVEMENT AUTHORITY.]

The commissioner of the department of public service shall consult with representatives from public utilities, cooperative and municipal utilities, environmental and energy conservation groups, and state agencies to develop a more efficient delivery system of conservation improvement program services through the creation of a quasi-public or nonprofit authority whose purpose is to facilitate incremental improvements in the conservation improvement program process and facilitate the development of a structure compatible with a restructured energy industry. The commissioner shall report to the chairs of the house and senate committees and subcommittees with jurisdiction over energy utilities by January 15, 2000, on the work and findings of the department of public service and any recommended changes to Minnesota Statutes, section 216B.241.

Sec. 9. [EFFECTIVE DATE.]

Section 3 is effective January 1, 2000."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for development of more efficient delivery system of conservation improvement program services;"

Page 1, line 5, before "1a," insert "1," and before "and" insert "2, 2a,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 1477, A bill for an act relating to the environment; modifying and making permanent the environmental improvement pilot program; amending Minnesota Statutes 1998, sections 114C.20; 114C.21, subdivisions 1, 4, and by adding subdivisions; 114C.22; 114C.24, subdivisions 2, 3, 4, and 5; 114C.25; 114C.26; 114C.27; and 114C.28; repealing Minnesota Statutes 1998, sections 114C.21, subdivisions 9 and 11; 114C.29; 114C.30; and 114C.31.

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

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 1506, A bill for an act relating to economic development; providing funding for various tourism programs; appropriating money; amending Minnesota Statutes 1998, section 116J.63, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 6, delete "10,059,000" and insert "13,433,000" and delete "10,143,000" and insert "12,643,000" and delete "20,202,000" and insert "26,076,000"

Page 2, delete line 8

Page 2, line 9, delete "11,678,000" and insert "14,178,000" and delete "10,909,000" and insert "13,409,000" and delete "22,587,000" and insert "27,587,000"

Page 2, lines 11 and 12, delete "2,500,000" and insert "5,000,000"

Page 2, line 48, delete "or in-kind"

Page 2, line 52, after the period, insert:

"The office must contract for a rigorous outside evaluation of the effect of the additional marketing dollars."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Jobs and Economic Development Finance.

The report was adopted.

Broecker from the Committee on Judiciary Finance to which was referred:

H. F. No. 1571, A bill for an act relating to marriage; providing for covenant marriages; amending Minnesota Statutes 1998, sections 517.08, subdivision 1a, and by adding a subdivision; and 517.10; proposing coding for new law in Minnesota Statutes, chapters 517; and 518.

Reported the same back with the following amendments:

Page 3, line 33, delete "recitation" and insert "declaration"

Page 4, line 1, delete everything after the period

Page 4, delete line 2

Page 4, line 3, delete everything before "We"

Page 4, line 13, after "denomination" insert "or the minister's designee"

Page 4, lines 21 and 22, delete "developed by the office of the attorney general"

Page 5, line 4, delete "recitation" and insert "declaration"

Page 5, line 24, after "denomination" insert "or the minister's designee"

Page 5, lines 32 and 33, delete "developed by the office of the attorney general"

Page 6, delete line 12

Page 6, line 16, before the period, insert "; or

(6) habitual abuse of drugs or alcohol by the other spouse"

Page 6, line 24, delete "for a period of one year"

Page 6, line 30, delete "on account of substance" and insert "habitual" and after "abuse" insert "of drugs or alcohol"

Page 7, line 17, delete "INCIDENTAL" and insert "OTHER"

Page 7, line 19, delete "incidental"

Page 7, delete sections 9 and 10

With the recommendation that when so amended the bill pass.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 1590, A bill for an act relating to peace officers; clarifying warrant authority of alcohol and gambling agents; amending Minnesota Statutes 1998, section 626.11.

Reported the same back with the following amendments:

Page 1, line 15, after "enforcement" insert "who is a licensed peace officer as defined in section 626.84, subdivision 1, paragraph (c)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 1591, A bill for an act relating to state employment; modifying affirmative action provisions; amending Minnesota Statutes 1998, section 43A.191, subdivision 3.

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

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 1600, A bill for an act relating to health; providing for disposition of tobacco settlement money; establishing the Minnesota families foundation; creating health-related endowment funds; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 10; 16A; 137; 144; and 145.

Reported the same back with the following amendments:

Page 1, line 21, delete "15-member" and insert "16-member"

Page 1, line 22, delete "four" and insert "eight"

Page 1, line 23, after the semicolon, insert "and"

Page 1, line 24, delete "four" and insert "eight"

Page 1, line 26, delete the second "and" and insert ", two of whom are appointed by the senate minority leader,"

Page 2, line 1, delete the semicolon and insert ", and two of whom are appointed by the house minority leader."

Page 2, delete lines 2 and 3

Page 2, line 10, after the period, insert "Removal of board members is governed by section 15.0575, subdivision 4."

Page 7, line 4, after "center" insert "and its affiliated teaching hospitals,"

Page 7, line 5, delete everything after "Minnesota"

Page 9, delete section 6 and insert:

"Sec. 6. [INITIAL APPOINTMENTS.]

Minnesota Statutes, section 15.0575, subdivision 2, applies to initial appointment of board members for the Minnesota families foundation under section 1."

With the recommendation that when so amended the bill be re-referred to the Committee on Health and Human Services Finance without further recommendation.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 1607, A bill for an act relating to peace officers; including peace officers of law enforcement agencies of federally recognized tribes to be licensed by the board of peace officers standards and training; amending Minnesota Statutes 1998, section 626.84, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 626.84, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of sections 626.84 to 626.863, the following terms have the meanings given them:

(a) "Board" means the board of peace officer standards and training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means:

(1) an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol, agents of the division of alcohol and gambling enforcement, state conservation officers, and metropolitan transit police officers; and

(2) a peace officer who is employed by a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e).

(d) "Constable" has the meaning assigned to it in section 367.40.

(e) "Deputy constable" has the meaning assigned to it in section 367.40.

(f) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency. The limitation on the average number of hours in which the services of a part-time peace officer may be utilized shall not apply to a part-time peace officer who has formally notified the board pursuant to rules adopted by the board of the part-time peace officer's intention to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to sections 626.843, subdivision 1, clause (g), and 626.845, subdivision 1, clause (g).

(g) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(h) "Law enforcement agency" means:

(1) a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state; and

(2) subject to the limitations in section 626.93, a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e).

(i) "Professional peace officer education" means a post-secondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

Sec. 2. [626.93] [LAW ENFORCEMENT AUTHORITY; TRIBAL PEACE OFFICERS.]

Subdivision 1. [DEFINITION.] As used in this section, "tribe" means a federally recognized Indian tribe, as defined in United States Code, title 25, section 450b(e), located within the state of Minnesota, but does not include a tribe, band, or community described in section 626.90, 626.91, or 626.92.

Subd. 2. [TRIBAL LAW ENFORCEMENT AGENCY REQUIREMENTS.] A tribe may exercise concurrent jurisdictional authority under subdivision 3 only if it satisfies the following requirements:

(1) the tribe agrees to be subject to liability for its torts and those of its officers, employees, and agents acting within the scope of their employment or duties arising out of a law enforcement agency function conferred by section 626.84, subdivision 1, paragraph (h), to the same extent as a municipality under chapter 466, and the tribe further agrees, notwithstanding section 16C.05, subdivision 7, to waive its sovereign immunity with respect to claims arising from this liability;

(2) the tribe files with the board of peace officer standards and training a bond or certificate of insurance for liability coverage for the maximum amounts set forth in section 466.04;

(3) the tribe files with the board of peace officer standards and training a certificate of insurance for liability of its law enforcement officers, employees, and agents for lawsuits under the United States Constitution; and

(4) if the tribe's governing body has authorized its peace officers to enforce criminal laws within the boundaries of the tribe's reservation, the tribe agrees to be subject to section 13.82 and any other laws of the state relating to data practices of law enforcement agencies.

Subd. 3. [CONCURRENT JURISDICTION.] If the requirements of subdivision 2 are met, the tribe shall have concurrent jurisdictional authority under this section with the local county sheriff within the geographical boundaries of the tribe's reservation.

Subd. 4. [COOPERATIVE AGREEMENTS.] In order to coordinate, define, and regulate the provision of law enforcement services and to provide for mutual aid and cooperation, governmental units and the tribe shall enter into agreements under section 471.59. For the purposes of entering into these agreements, the tribe shall be considered a "governmental unit" as that term is defined in section 471.59, subdivision 1.

Subd. 5. [EFFECT ON FEDERAL LAW.] Nothing in this section shall be construed to restrict a tribe's authority under federal law.

Subd. 6. [CONSTRUCTION.] This section is limited to law enforcement authority only, and nothing in this section shall affect any other jurisdictional relationships or disputes involving a tribe or current reservation boundaries.

Sec. 3. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "authorizing federally recognized tribes to exercise concurrent criminal jurisdictional authority with the local sheriff within the geographical boundaries of the tribe's reservation; establishing requirements for the exercise of such authority;"

Page 1, delete lines 3 and 4

Page 1, line 5, delete "standards and training;"

Page 1, line 6, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 626"

With the recommendation that when so amended the bill pass.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1608, A bill for an act relating to health; making certain health-related data nondisclosable; extending expiration date of the medical education and research advisory committee; modifying classification of certain licensing data; modifying maternal and child health provisions; removing expiration date for advisory council on water supply systems and wastewater treatment facilities; modifying provisions for speech-language pathologists, audiologists, unlicensed mental health practitioners, alcohol and drug counselors, and hearing instrument dispensers; clarifying certain crimes committed by psychotherapists; establishing protocol for occupational exposure to bloodborne pathogens in certain settings; modifying the Minnesota Health Care Administrative Simplification Act; providing criminal penalties; amending Minnesota Statutes 1998, sections 13.41, subdivision 2; 13.99, subdivision 38, and by adding a subdivision; 15.059, subdivision 5a; 62J.51, by adding subdivisions; 62J.52, subdivisions 1, 2, and 5; 62J.60, subdivision 1; 62J.69, subdivision 2; 72A.20, subdivision 29; 115.741, subdivision 3; 144.4804, by

adding a subdivision; 145.881, subdivision 2; 145.882, subdivision 7, and by adding a subdivision; 145.885, subdivision 2; 148.511; 148.515, subdivision 3; 148.517, by adding a subdivision; 148B.60, subdivision 3; 148B.68, subdivision 1; 148B.69, by adding a subdivision; 148B.71, subdivision 1; 148C.01, subdivisions 2, 7, 9, 10, and by adding a subdivision; 148C.03, subdivision 1; 148C.04, by adding subdivisions; 148C.06, subdivision 1; 148C.09, subdivisions 1 and 1a; 148C.11, subdivision 1; 153A.13, subdivision 9, and by adding subdivisions; 153A.14, subdivisions 1, 2a, 2h, 4, 4a, and by adding subdivisions; 153A.15, subdivision 1; 214.18, subdivision 5, and by adding a subdivision; 214.19, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; and 611A.19, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 13; 62J; 144; and 241; repealing Minnesota Statutes 1998, sections 144.761; 144.762; 144.763; 144.764; 144.765; 144.766; 144.767; 144.768; 144.769; 144.7691; 145.882, subdivisions 3 and 4; and 148C.04, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 62J.51, is amended by adding a subdivision to read:

Subd. 19a. [UNIFORM EXPLANATION OF BENEFITS DOCUMENT.] "Uniform explanation of benefits document" means the document associated with and explaining the details of a group purchaser's claim adjudication for services rendered, which is sent to a patient.

Sec. 2. Minnesota Statutes 1998, section 62J.51, is amended by adding a subdivision to read:

Subd. 19b. [UNIFORM REMITTANCE ADVICE REPORT.] "Uniform remittance advice report" means the document associated with and explaining the details of a group purchaser's claim adjudication for services rendered, which is sent to a provider.

Sec. 3. Minnesota Statutes 1998, section 62J.52, subdivision 1, is amended to read:

Subdivision 1. [UNIFORM BILLING FORM HCFA 1450.] (a) On and after January 1, 1996, all institutional inpatient hospital services, ancillary services, ~~and~~ institutionally owned or operated outpatient services rendered by providers in Minnesota, and institutional or noninstitutional home health services that are not being billed using an equivalent electronic billing format, must be billed using the uniform billing form HCFA 1450, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form HCFA 1450 shall be in accordance with the uniform billing form manual specified by the commissioner. In promulgating these instructions, the commissioner may utilize the manual developed by the National Uniform Billing Committee, as adopted and finalized by the Minnesota uniform billing committee.

(c) Services to be billed using the uniform billing form HCFA 1450 include: institutional inpatient hospital services and distinct units in the hospital such as psychiatric unit services, physical therapy unit services, swing bed (SNF) services, inpatient state psychiatric hospital services, inpatient skilled nursing facility services, home health services (Medicare part A), and hospice services; ancillary services, where benefits are exhausted or patient has no Medicare part A, from hospitals, state psychiatric hospitals, skilled nursing facilities, and home health (Medicare part B); ~~and~~ institutionally owned or operated outpatient services such as waivered services, hospital outpatient services, including ambulatory surgical center services, hospital referred laboratory services, hospital-based ambulance services, and other hospital outpatient services, skilled nursing facilities, home health, including infusion therapy, freestanding renal dialysis centers, comprehensive outpatient rehabilitation facilities (CORF), outpatient rehabilitation facilities (ORF), rural health clinics, and community mental health centers; home health services such as home health intravenous therapy providers, waivered services, personal care attendants, and hospice; and any other health care provider certified by the Medicare program to use this form.

(d) On and after January 1, 1996, a mother and newborn child must be billed separately, and must not be combined on one claim form.

Sec. 4. Minnesota Statutes 1998, section 62J.52, subdivision 2, is amended to read:

Subd. 2. [UNIFORM BILLING FORM HCFA 1500.] (a) On and after January 1, 1996, all noninstitutional health care services rendered by providers in Minnesota except dental or pharmacy providers, that are not currently being billed using an equivalent electronic billing format, must be billed using the health insurance claim form HCFA 1500, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form HCFA 1500 shall be in accordance with the manual developed by the administrative uniformity committee entitled standards for the use of the HCFA 1500 form, dated February 1994, as further defined by the commissioner.

(c) Services to be billed using the uniform billing form HCFA 1500 include physician services and supplies, durable medical equipment, noninstitutional ambulance services, independent ancillary services including occupational therapy, physical therapy, speech therapy and audiology, podiatry services, optometry services, mental health licensed professional services, substance abuse licensed professional services, nursing practitioner professional services, certified registered nurse anesthetists, chiropractors, physician assistants, laboratories, medical supplies, and other health care providers such as ~~home health intravenous therapy providers, personal care attendants, day activity centers, waived services, hospice, and other home health services;~~ and freestanding ambulatory surgical centers.

Sec. 5. Minnesota Statutes 1998, section 62J.52, subdivision 5, is amended to read:

Subd. 5. [STATE AND FEDERAL HEALTH CARE PROGRAMS.] (a) Skilled nursing facilities and ICF/MR services billed to state and federal health care programs administered by the department of human services shall use the form designated by the department of human services.

(b) On and after July 1, 1996, state and federal health care programs administered by the department of human services shall accept the HCFA 1450 for community mental health center services and shall accept the HCFA 1500 for freestanding ambulatory surgical center services.

(c) State and federal health care programs administered by the department of human services shall be authorized to use the forms designated by the department of human services for pharmacy services ~~and for child and teen checkup services.~~

(d) State and federal health care programs administered by the department of human services shall accept the form designated by the department of human services, and the HCFA 1500 for supplies, medical supplies, or durable medical equipment. Health care providers may choose which form to submit.

(e) Personal care attendant and waived services billed on a fee-for-service basis directly to state and federal health care programs administered by the department of human services shall use either the HCFA 1450 or the HCFA 1500 form, as designated by the department of human services.

Sec. 6. [62J.581] [STANDARDS FOR MINNESOTA UNIFORM HEALTH CARE REIMBURSEMENT DOCUMENTS.]

Subdivision 1. [MINNESOTA UNIFORM REMITTANCE ADVICE REPORT.] All group purchasers and payers shall provide a uniform remittance advice report to health care providers when a claim is adjudicated. The uniform remittance advice report shall comply with the standards prescribed in this section.

Subd. 2. [MINNESOTA UNIFORM EXPLANATION OF BENEFITS DOCUMENT.] All group purchasers and payers shall provide a uniform explanation of benefits document to health care patients when a claim is adjudicated. The uniform explanation of benefits document shall comply with the standards prescribed in this section.

Subd. 3. [SCOPE.] For purposes of sections 62J.50 to 62J.61, the uniform remittance advice report and the uniform explanation of benefits document format specified in subdivision 4 shall apply to all health care services delivered by a health care provider or health care provider organization in Minnesota, regardless of the location of the payer. Health care services not paid on an individual claims basis, such as capitated payments, are not included in this section. A health plan company is excluded from the requirements in subdivisions 1 and 2 if they comply with section 62A.01, subdivisions 2 and 3.

Subd. 4. [SPECIFICATIONS.] The uniform remittance advice report and the uniform explanation of benefits document shall be provided by use of a paper document conforming to the specifications in this section or by use of the ANSI X12N 835 standard electronic format as established under Public Law Number 104-191, sections 1171 to 1179, Statutes at Large, volume 110, page 1936, and as updated from time to time for the remittance advice. The commissioner, after consulting with the administrative uniformity committee, shall specify the data elements and definitions for the uniform remittance advice report and the uniform explanation of benefits document.

Subd. 5. [EFFECTIVE DATE.] The requirements in subdivisions 1 and 2 are effective 12 months after standards for the electronic remittance advice transaction are effective under Public Law Number 104-191, sections 1171 to 1179, Statutes at Large, volume 110, page 1936, and as updated from time to time. The requirements in subdivisions 1 and 2 apply regardless of when the health care service was provided to the patient.

Sec. 7. Minnesota Statutes 1998, section 62J.60, subdivision 1, is amended to read:

Subdivision 1. [MINNESOTA HEALTH CARE IDENTIFICATION CARD.] All individuals with health care coverage shall be issued health care identification cards by group purchasers as of January 1, 1998, unless the requirements of section 62A.01, subdivisions 2 and 3, are met. The health care identification cards shall comply with the standards prescribed in this section.

Sec. 8. Minnesota Statutes 1998, section 145.881, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The advisory task force shall meet on a regular basis to perform the following duties:

- (a) review and report on the health care needs of mothers and children throughout the state of Minnesota;
- (b) review and report on the type, frequency and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health;
- (c) establish, review, and report to the commissioner a list of program guidelines and criteria which the advisory task force considers essential to providing an effective maternal and child health care program to low income populations and high risk persons and fulfilling the purposes defined in section 145.88;
- (d) review staff recommendations of the department of health regarding maternal and child health grant awards before the awards are made;
- (e) make recommendations to the commissioner for the use of other federal and state funds available to meet maternal and child health needs;
- (f) make recommendations to the commissioner of health on priorities for funding the following maternal and child health services: (1) prenatal, delivery and postpartum care, (2) comprehensive health care for children, especially from birth through five years of age, (3) adolescent health services, (4) family planning services, (5) preventive dental care, (6) special services for chronically ill and handicapped children and (7) any other services which promote the health of mothers and children; ~~and~~
- (g) make recommendations to the commissioner of health on the process to distribute, award and administer the maternal and child health block grant funds; and

(h) review the measures that are used to define the variables of the funding distribution formula in section 145.882, subdivision 4a, every two years and make recommendations to the commissioner of health for changes based upon principles established by the advisory task force for this purpose.

Sec. 9. Minnesota Statutes 1998, section 145.882, is amended by adding a subdivision to read:

Subd. 4a. [ALLOCATION TO COMMUNITY HEALTH BOARDS.] (a) Federal maternal and child health block grant money remaining after distributions made under subdivision 2 and money appropriated for allocation to community health boards must be allocated according to paragraphs (b) to (d) to community health boards as defined in section 145A.02, subdivision 5.

(b) All community health boards must receive 95 percent of the funding awarded to them for the 1998-1999 funding cycle. If the amount of state and federal funding available is less than 95 percent of the amount awarded to community health boards for the 1998-1999 funding cycle, the available funding must be apportioned to reflect a proportional decrease for each recipient.

(c) The federal and state funding remaining after distributions made under paragraph (b) must be allocated to each community health board based on the following three variables:

(1) 25 percent based on the maternal and child population in the area served by the community health board;

(2) 50 percent based on the health risk factors of the maternal and child population in the area served by the community health board; and

(3) 25 percent based on the income of the maternal and child population in the area served by the community health board.

(d) Each variable must be expressed as a city or county score consisting of the city or county frequency of each variable divided by the statewide frequency of the variable. A total score for each city or county jurisdiction must be computed by totaling the scores of the three factors. Each community health board must be allocated an amount equal to the total score obtained for the city, county, or counties in its area multiplied by the amount of money available.

Sec. 10. Minnesota Statutes 1998, section 145.882, subdivision 7, is amended to read:

Subd. 7. [USE OF BLOCK GRANT MONEY.] (a) Maternal and child health block grant money allocated to a community health board or community health services area under this section must be used for qualified programs for high risk and low-income individuals. Block grant money must be used for programs that:

(1) specifically address the highest risk populations, particularly low-income and minority groups with a high rate of infant mortality and children with low birth weight, by providing services, including pre-pregnancy family planning services, calculated to produce measurable decreases in infant mortality rates, instances of children with low birth weight, and medical complications associated with pregnancy and childbirth, including infant mortality, low birth rates, and medical complications arising from chemical abuse by a mother during pregnancy;

(2) specifically target pregnant women whose age, medical condition, maternal history, or chemical abuse substantially increases the likelihood of complications associated with pregnancy and childbirth or the birth of a child with an illness, disability, or special medical needs;

(3) specifically address the health needs of young children who ~~have or~~ are likely to have a chronic disease or disability or special medical needs, including physical, neurological, emotional, and developmental problems that arise from chemical abuse by a mother during pregnancy;

(4) provide family planning and preventive medical care for specifically identified target populations, such as minority and low-income teenagers, in a manner calculated to decrease the occurrence of inappropriate pregnancy and minimize the risk of complications associated with pregnancy and childbirth; or

(5) specifically address the frequency and severity of childhood injuries and other child and adolescent health problems in high risk target populations by providing services calculated to produce measurable decreases in mortality and morbidity. ~~However, money may be used for this purpose only if the community health board's application includes program components for the purposes in clauses (1) to (4) in the proposed geographic service area and the total expenditure for injury-related programs under this clause does not exceed ten percent of the total allocation under subdivision 3.~~

~~(b) Maternal and child health block grant money may be used for purposes other than the purposes listed in this subdivision only under the following conditions:~~

~~(1) the community health board or community health services area can demonstrate that existing programs fully address the needs of the highest risk target populations described in this subdivision; or~~

~~(2) the money is used to continue projects that received funding before creation of the maternal and child health block grant in 1981.~~

~~(c) (b) Projects that received funding before creation of the maternal and child health block grant in 1981, must be allocated at least the amount of maternal and child health special project grant funds received in 1989, unless (1) the local board of health provides equivalent alternative funding for the project from another source; or (2) the local board of health demonstrates that the need for the specific services provided by the project has significantly decreased as a result of changes in the demographic characteristics of the population, or other factors that have a major impact on the demand for services. If the amount of federal funding to the state for the maternal and child health block grant is decreased, these projects must receive a proportional decrease as required in subdivision 1. Increases in allocation amounts to local boards of health under subdivision 4 may be used to increase funding levels for these projects may be continued at the discretion of the community health board.~~

Sec. 11. Minnesota Statutes 1998, section 145.885, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REQUIREMENTS FOR COMMUNITY BOARDS OF HEALTH.] Applications by community health boards as defined in section 145A.02, subdivision 5, under section 145.882, subdivision 34a, must also contain a summary of the process used to develop the local program, including evidence that the community health board notified local public and private providers of the availability of funding through the community health board for maternal and child health services; a list of all public and private agency requests for grants submitted to the community health board indicating which requests were included in the grant application; and an explanation of how priorities were established for selecting the requests to be included in the grant application. The community health board shall include, with the grant application, a written statement of the criteria to be applied to public and private agency requests for funding.

Sec. 12. Minnesota Statutes 1998, section 148.511, is amended to read:

148.511 [SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS.]

Sections 148.511 to 148.5196 apply only to persons who are applicants for registration, who are registered, who use protected titles, or who represent that they are registered. Persons who engage in the practice of speech-language pathology or audiology and who satisfy the qualifications for registration must register under sections 148.511 to 148.5196. Sections 148.511 to 148.5196 do not apply to school personnel licensed by the board of teaching under Minnesota Rules, part 8700.5505 section 122A.28, provided that school personnel practicing within the scope of their licensed occupation preface titles protected under section 148.513 with the words "school" or "educational."

Sec. 13. Minnesota Statutes 1998, section 148.515, subdivision 3, is amended to read:

Subd. 3. [SUPERVISED CLINICAL TRAINING REQUIRED.] (a) An applicant must complete at least 375 hours of supervised clinical training as a student that meets the requirements of paragraphs (b) to (f).

(b) The supervised clinical training must be provided by the educational institution or by one of its cooperating programs.

(c) The first 25 hours of the supervised clinical training must be spent in clinical observation. Those 25 hours must concern the evaluation and treatment of children and adults with disorders of speech, language, or hearing.

(d) All applicants must complete at least 350 hours of supervised clinical training that concern the evaluation and treatment of children and adults with disorders of speech, language, and hearing. At least 250 of the 350 hours must be at the graduate level in the area in which registration is sought. At least 50 hours must be spent in each of three types of clinical settings including, but not limited to, university clinics, hospitals, private clinics, and schools, including secondary and elementary.

(e) An applicant seeking registration as a speech-language pathologist must:

(1) obtain 250 of the 350 supervised hours in speech-language pathology;

(2) complete a minimum of 20 hours of the 250 hours in each of the following eight categories:

(i) evaluation: speech disorders in children;

(ii) evaluation: speech disorders in adults;

(iii) evaluation: language disorders in children;

(iv) evaluation: language disorders in adults;

(v) treatment: speech disorders in children;

(vi) treatment: speech disorders in adults;

(vii) treatment: language disorders in children; and

(viii) treatment: language disorders in adults;

(3) complete a minimum of ~~35 hours in audiology including:~~

~~(i) 15 hours in the evaluation or screening of individuals with hearing disorders; and~~

~~(ii) 15 hours in habilitation or rehabilitation of individuals with hearing impairment~~ 20 of the 350 hours in audiology; and

(4) obtain no more than 20 hours in the major professional area that are in related disorders.

(f) An applicant seeking registration as an audiologist must:

(1) obtain 250 of the 350 hours in audiology;

(2) complete a minimum of 40 hours in each of the following four categories 40 of the 250 hours in each of the first two of the following categories, complete at least 80 hours in categories (iii) and (iv), with at least ten hours in each of categories (i) to (iv), and complete at least 20 hours in category (v):

- (i) evaluation: hearing in children;
- (ii) evaluation: hearing in adults;
- (iii) selection and use: amplification and assistive devices for children; ~~and~~
- (iv) selection and use: amplification and assistive devices for adults; and
- (v) treatment: hearing disorders in children and adults;

(3) complete a minimum of 20 hours in the category of the treatment of hearing disorders in children and adults;

~~(4) complete a minimum of 35 hours~~ 20 of the 350 hours in speech-language pathology unrelated to hearing impairment as follows:

- ~~(i) 15 hours in evaluation or screening; and~~
- ~~(ii) 15 hours in treatment; and~~

~~(5) (4) obtain no more than 20 hours in the major professional area that are in related disorders.~~

Sec. 14. Minnesota Statutes 1998, section 148.517, is amended by adding a subdivision to read:

Subd. 4. [TEMPORARY REGISTRATION.] (a) The commissioner shall issue temporary registration as a speech-language pathologist, an audiologist, or both, to applicants who have applied for registration under this section and meet the following requirements:

(1) submit a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 148.5195, subdivision 3; and

(2) either:

(i) provide a copy of a current credential as a speech-language pathologist, an audiologist, or both, held in the District of Columbia or a state or territory of the United States; or

(ii) provide a copy of a current certificate of clinical competence issued by the American Speech-Language-Hearing Association or its equivalent.

(b) A temporary registration issued to a person under this subdivision expires 90 days after it is issued or on the date the commissioner grants or denies registration, whichever occurs first.

(c) Upon application for renewal, a temporary registration shall be renewed once to a person who is able to demonstrate good cause for failure to meet the requirements for registration within the initial temporary registration period and who is not the subject of a disciplinary action or disqualified on the basis of section 148.5195, subdivision 3.

Sec. 15. Minnesota Statutes 1998, section 148B.60, subdivision 3, is amended to read:

Subd. 3. [UNLICENSED MENTAL HEALTH PRACTITIONER OR PRACTITIONER.] "Unlicensed mental health practitioner" or "practitioner" means a person who provides or purports to provide, for remuneration, mental health services as defined in subdivision 4. It does not include persons licensed by the board of medical

practice under chapter 147 or registered by the board of medical practice under chapter 147A; the board of nursing under sections 148.171 to 148.285; the board of psychology under sections 148.88 to 148.98; the board of social work under sections 148B.18 to 148B.289; the board of marriage and family therapy under sections 148B.29 to 148B.39; or another licensing board if the person is practicing within the scope of the license; or members of the clergy who are providing pastoral services in the context of performing and fulfilling the salaried duties and obligations required of a member of the clergy by a religious congregation; American Indian medicine men and women; licensed attorneys; probation officers; school counselors employed by a school district while acting within the scope of employment as school counselors; registered occupational therapists; or occupational therapy assistants. For the purposes of complaint investigation or disciplinary action relating to an individual practitioner, the term includes:

(1) persons employed by a program licensed by the commissioner of human services who are acting as mental health practitioners within the scope of their employment;

(2) persons employed by a program licensed by the commissioner of human services who are providing chemical dependency counseling services; persons who are providing chemical dependency counseling services in private practice; and

(3) clergy who are providing mental health services that are equivalent to those defined in subdivision 4.

Sec. 16. Minnesota Statutes 1998, section 148B.68, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED CONDUCT.] The commissioner may impose disciplinary action as described in section 148B.69 against any unlicensed mental health practitioner. The following conduct is prohibited and is grounds for disciplinary action:

(a) Conviction of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court in Minnesota or any other jurisdiction in the United States, reasonably related to the provision of mental health services. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.

(b) Conviction of crimes against persons. For purposes of this chapter, a crime against a person means violations of the following: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.221; 609.222; 609.223; 609.224; 609.2242; 609.23; 609.231; 609.2325; 609.233; 609.2335; 609.235; 609.24; 609.245; 609.25; 609.255; 609.26, subdivision 1, clause (1) or (2); 609.265; 609.342; 609.343; 609.344; 609.345; 609.345; 609.365; 609.498, subdivision 1; 609.50, clause (1); 609.561; 609.562; 609.595; and 609.72, subdivision 3.

(c) Failure to comply with the self-reporting requirements of section 148B.63, subdivision 7.

(d) Engaging in sexual contact with a client or former client as defined in section 148A.01, or engaging in contact that may be reasonably interpreted by a client as sexual, or engaging in any verbal behavior that is seductive or sexually demeaning to the patient, or engaging in sexual exploitation of a client or former client.

(e) Advertising that is false, fraudulent, deceptive, or misleading.

(f) Conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a client; or any other practice that may create unnecessary danger to any client's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(g) Adjudication as mentally incompetent, or as a person who is dangerous to self, or adjudication pursuant to chapter 253B, as chemically dependent, mentally ill, mentally retarded, mentally ill and dangerous to the public, or as a sexual psychopathic personality or sexually dangerous person.

- (h) Inability to provide mental health services with reasonable safety to clients.
- (i) The habitual overindulgence in the use of or the dependence on intoxicating liquors.
- (j) Improper or unauthorized personal or other use of any legend drugs as defined in chapter 151, any chemicals as defined in chapter 151, or any controlled substance as defined in chapter 152.
- (k) Revealing a communication from, or relating to, a client except when otherwise required or permitted by law.
- (l) Failure to comply with a client's request made under section 144.335, or to furnish a client record or report required by law.
- (m) Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the client.
- (n) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.
- (o) Failure to make reports as required by section 148B.63, or cooperate with an investigation of the office.
- (p) Obtaining money, property, or services from a client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud.
- (q) Undertaking or continuing a professional relationship with a client in which the objectivity of the professional would be impaired.
- (r) Failure to provide the client with a copy of the client bill of rights or violation of any provision of the client bill of rights.
- (s) Violating any order issued by the commissioner.
- (t) Failure to comply with sections 148B.60 to 148B.71, and the rules adopted under those sections.
- (u) Failure to comply with any additional disciplinary grounds established by the commissioner by rule.
- (v) Revocation, suspension, restriction, limitation, or other disciplinary action against the mental health practitioner's license, certificate, registration, or right of practice in this or another state or jurisdiction, for offenses that would be subject to disciplinary action in this state, or failure to report to the office of mental health practice that charges regarding the practitioner's license, certificate, registration, or right of practice have been brought in this or another state or jurisdiction.
- (w) Bartering for services with a client.

Sec. 17. Minnesota Statutes 1998, section 148B.69, is amended by adding a subdivision to read:

Subd. 7. [RELEASE TO OBTAIN NONPUBLIC DATA.] An unlicensed mental health practitioner who is the subject of an investigation must sign a release authorizing the commissioner to obtain criminal conviction data, reports about abuse or neglect of clients, and other information pertaining to investigations of violations of statute or rules from the bureau of criminal apprehension, the Federal Bureau of Investigation, the department of human services, the office of health facilities complaints, private certification organizations, county social service agencies, the division of driver and vehicle services in the department of public safety, adult protection services, child protection services, and other agencies that regulate provision of health care services. After the commissioner gives written notice to an individual who is the subject of an investigation, the agencies shall assist the commissioner with the investigation by giving the commissioner the requested data.

Sec. 18. Minnesota Statutes 1998, section 148B.71, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] All unlicensed mental health practitioners other than those providing services in a facility regulated under section 144.651 or a government agency or program licensed by the commissioner of health or the commissioner of human services shall provide to each client prior to providing treatment a written copy of the mental health client bill of rights. A copy must also be posted in a prominent location in the office of the mental health practitioner. Reasonable accommodations shall be made for those clients who cannot read or who have communication impairments and those who do not read or speak English. The mental health client bill of rights shall include the following:

- (a) the name, title, business address, and telephone number of the practitioner;
- (b) the degrees, training, experience, or other qualifications of the practitioner, followed by the following statement in bold print:

"THE STATE OF MINNESOTA HAS NOT ADOPTED UNIFORM EDUCATIONAL AND TRAINING STANDARDS FOR ALL MENTAL HEALTH PRACTITIONERS. THIS STATEMENT OF CREDENTIALS IS FOR INFORMATION PURPOSES ONLY."
- (c) the name, business address, and telephone number of the practitioner's supervisor, if any;
- (d) notice that a client has the right to file a complaint with the practitioner's supervisor, if any, and the procedure for filing complaints;
- (e) the name, address, and telephone number of the office of mental health practice and notice that a client may file complaints with the office;
- (f) the practitioner's fees per unit of service, the practitioner's method of billing for such fees, the names of any insurance companies that have agreed to reimburse the practitioner, or health maintenance organizations with whom the practitioner contracts to provide service, whether the practitioner accepts Medicare, medical assistance, or general assistance medical care, and whether the practitioner is willing to accept partial payment, or to waive payment, and in what circumstances;
- (g) a statement that the client has a right to reasonable notice of changes in services or charges;
- (h) a brief summary, in plain language, of the theoretical approach used by the practitioner in treating patients;
- (i) notice that the client has a right to complete and current information concerning the practitioner's assessment and recommended course of treatment, including the expected duration of treatment;
- (j) a statement that clients may expect courteous treatment and to be free from verbal, physical, or sexual abuse by the practitioner;
- (k) a statement that client records and transactions with the practitioner are confidential, unless release of these records is authorized in writing by the client, or otherwise provided by law;
- (l) a statement of the client's right to be allowed access to records and written information from records in accordance with section 144.335;
- (m) a statement that other services may be available in the community, including where information concerning services is available;
- (n) a statement that the client has the right to choose freely among available practitioners, and to change practitioners after services have begun, within the limits of health insurance, medical assistance, or other health programs;

(o) a statement that the client has a right to coordinated transfer when there will be a change in the provider of services;

(p) a statement that the client may refuse services or treatment, unless otherwise provided by law; and

(q) a statement that the client may assert the client's rights without retaliation.

Sec. 19. Minnesota Statutes 1998, section 148C.01, subdivision 2, is amended to read:

Subd. 2. [ALCOHOL AND DRUG COUNSELOR.] "Alcohol and drug counselor" or "counselor" means a person who:

(1) uses, as a representation to the public, any title, initials, or description of services incorporating the words "alcohol and drug counselor";

(2) offers to render professional alcohol and drug counseling services relative to the abuse of or the dependency on alcohol or other drugs to the general public or groups, organizations, corporations, institutions, or government agencies for compensation, implying that the person is licensed and trained, experienced or expert in alcohol and drug counseling;

(3) holds a valid license issued under sections 148C.01 to 148C.11 to engage in the practice of alcohol and drug counseling; or

(4) is an applicant for an alcohol and drug counseling license.

Sec. 20. Minnesota Statutes 1998, section 148C.01, subdivision 7, is amended to read:

Subd. 7. [ACCREDITED SCHOOL OR EDUCATIONAL PROGRAM.] "Accredited school or educational program" means a school of alcohol and drug counseling, university, college, or other post-secondary education program ~~that offers no less than the required number of education and practicum hours as described in section 148C.04, subdivision 3, and the core functions as defined in subdivision 9,~~ and that, at the time the student completes the program, is accredited by a regional accrediting association whose standards are substantially equivalent to those of the North Central Association of Colleges and Post-Secondary Education Institutions or an accrediting association that evaluates schools of alcohol and drug counseling for inclusion of the education, practicum, and core function standards in this chapter.

Sec. 21. Minnesota Statutes 1998, section 148C.01, subdivision 9, is amended to read:

Subd. 9. [CORE FUNCTIONS.] "Core functions" means the following services provided in alcohol and drug ~~dependency~~ treatment:

(1) "Screening" means the process by which a client is determined appropriate and eligible for admission to a particular program.

(2) "Intake" means the administrative and initial assessment procedures for admission to a program.

(3) "Orientation" means describing to the client the general nature and goals of the program; rules governing client conduct and infractions that can lead to disciplinary action or discharge from the program; in a nonresidential program, the hours during which services are available; treatment costs to be borne by the client, if any; and client's rights.

(4) "Assessment" means those procedures by which a counselor identifies and evaluates an individual's strengths, weaknesses, problems, and needs ~~for the development of the~~ to develop a treatment plan or make recommendations for level of care placement.

(5) "Treatment planning" means the process by which the counselor and the client identify and rank problems needing resolution; establish agreed upon immediate and long-term goals; and decide on a treatment process and the sources to be utilized.

(6) "Counseling" means the utilization of special skills to assist individuals, families, or groups in achieving objectives through exploration of a problem and its ramifications; examination of attitudes and feelings; consideration of alternative solutions; and decision making.

(7) "Case management" means activities which bring services, agencies, resources, or people together within a planned framework of action toward the achievement of established goals.

(8) "Crisis intervention" means those services which respond to an alcohol or other drug user's needs during acute emotional or physical distress.

(9) "Client education" means the provision of information to clients who are receiving or seeking counseling concerning alcohol and other drug abuse and the available services and resources.

(10) "Referral" means identifying the needs of the client which cannot be met by the counselor or agency and assisting the client to utilize the support systems and available community resources.

(11) "Reports and recordkeeping" means charting the results of the assessment and treatment plan, writing reports, progress notes, discharge summaries, and other client-related data.

(12) "Consultation with other professionals regarding client treatment and services" means communicating with other professionals in regard to client treatment and services to assure comprehensive, quality care for the client.

Sec. 22. Minnesota Statutes 1998, section 148C.01, subdivision 10, is amended to read:

Subd. 10. [PRACTICE OF ALCOHOL AND DRUG COUNSELING.] "Practice of alcohol and drug counseling" means the observation, description, evaluation, interpretation, and modification of human behavior as it relates to the harmful or pathological use or abuse of alcohol or other drugs by the application of the core functions. The practice of alcohol and drug counseling includes, but is not limited to, the following activities, regardless of whether the counselor receives compensation for the activities:

- (1) assisting clients who use alcohol or drugs, evaluating that use, and recognizing dependency if it exists;
- (2) assisting clients with alcohol or other drug problems to gain insight and motivation aimed at resolving those problems;
- (3) providing experienced professional guidance, assistance, and support for the client's efforts to develop and maintain a responsible functional lifestyle;
- (4) recognizing problems outside the scope of the counselor's training, skill, or competence and referring the client to other appropriate professional services;
- (5) assessing the level of alcohol or other drug use involvement;
- (6) individual planning to prevent a return to harmful alcohol or chemical use;
- (7) alcohol and other drug abuse education for clients;
- (8) consultation with other professionals; ~~and~~

(9) gaining cultural competence through ongoing training and education according to standards established by rule; and

(10) providing the above services, as needed, to family members or others who are directly affected by someone using alcohol or other drugs.

Sec. 23. Minnesota Statutes 1998, section 148C.01, is amended by adding a subdivision to read:

Subd. 18. [PSYCHOMETRICALLY VALID AND RELIABLE.] "Psychometrically valid and reliable" means developed on the basis of role delineation, validation, reliability, passing point, and sensitivity review factors, according to generally accepted standards.

Sec. 24. Minnesota Statutes 1998, section 148C.03, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner shall, after consultation with the advisory council or a committee established by rule:

(a) adopt and enforce rules for licensure of alcohol and drug counselors, including establishing standards and methods of determining whether applicants and licensees are qualified under section 148C.04. The rules must provide for examinations and establish standards for the regulation of professional conduct. The rules must be designed to protect the public;

(b) develop and, at least twice a year, administer an examination to assess applicants' knowledge and skills. The commissioner may contract for the administration of an examination ~~approved by the International Certification Reciprocity Consortium/Alcohol and Other Drug Abuse (ICRC/AODA) with an entity designated by the commissioner.~~ The examinations must be psychometrically valid and reliable; must be written and oral, with the oral examination based on a written case presentation; must minimize cultural bias; and must be balanced in various theories relative to the practice of alcohol and drug counseling;

(c) issue licenses to individuals qualified under sections 148C.01 to 148C.11;

(d) issue copies of the rules for licensure to all applicants;

(e) adopt rules to establish and implement procedures, including a standard disciplinary process and rules of professional conduct;

(f) carry out disciplinary actions against licensees;

(g) establish, with the advice and recommendations of the advisory council, written internal operating procedures for receiving and investigating complaints and for taking disciplinary actions as appropriate;

(h) educate the public about the existence and content of the rules for alcohol and drug counselor licensing to enable consumers to file complaints against licensees who may have violated the rules;

(i) evaluate the rules in order to refine and improve the methods used to enforce the commissioner's standards;

(j) set, collect, and adjust license fees for alcohol and drug counselors so that the total fees collected will as closely as possible equal anticipated expenditures during the biennium, as provided in section 16A.1285; fees for initial and renewal application and examinations; late fees for counselors who submit license renewal applications after the renewal deadline; and a surcharge fee. The surcharge fee must include an amount necessary to recover, over a five-year period, the commissioner's direct expenditures for the adoption of the rules providing for the licensure of alcohol and drug counselors. All fees received shall be deposited in the state treasury and credited to the special revenue fund; and

(k) prepare reports on activities related to the licensure of alcohol and drug counselors according to this subdivision by October 1 of each even-numbered year. Copies of the reports shall be delivered to the legislature in accordance with section 3.195 and to the governor. The reports shall contain the following information on the commissioner's activities relating to the licensure of alcohol and drug counselors, for the two-year period ending the previous June 30:

- (1) a general statement of the activities;
- (2) the number of staff hours spent on the activities;
- (3) the receipts and disbursements of funds;
- (4) the names of advisory council members and their addresses, occupations, and dates of appointment and reappointment;
- (5) the names and job classifications of employees;
- (6) a brief summary of rules proposed or adopted during the reporting period with appropriate citations to the State Register and published rules;
- (7) the number of persons having each type of license issued by the commissioner as of June 30 in the year of the report;
- (8) the locations and dates of the administration of examinations by the commissioner;
- (9) the number of persons examined by the commissioner with the persons subdivided into groups showing age categories, sex, and states of residency;
- (10) the number of persons licensed by the commissioner after taking the examinations referred to in clause (8) with the persons subdivided by age categories, sex, and states of residency;
- (11) the number of persons not licensed by the commissioner after taking the examinations referred to in clause (8) with the persons subdivided by age categories, sex, and states of residency;
- (12) the number of persons not taking the examinations referred to in clause (8) who were licensed by the commissioner or who were denied licensing, the reasons for the licensing or denial, and the persons subdivided by age categories, sex, and states of residency;
- (13) the number of persons previously licensed by the commissioner whose licenses were revoked, suspended, or otherwise altered in status with brief statements of the reasons for the revocation, suspension, or alteration;
- (14) the number of written and oral complaints and other communications received by the commissioner which allege or imply a violation of a statute or rule which the commissioner is empowered to enforce;
- (15) a summary, by specific category, of the substance of the complaints and communications referred to in clause (14) and, for each specific category, the responses or dispositions; and
- (16) any other objective information which the commissioner believes will be useful in reviewing the commissioner's activities.

Sec. 25. Minnesota Statutes 1998, section 148C.04, is amended by adding a subdivision to read:

Subd. 6. [TEMPORARY PRACTICE REQUIREMENTS.] (a) A person may temporarily practice alcohol and drug counseling prior to being licensed under this chapter if the person:

(1) either:

(i) meets the associate degree education and practicum requirements of subdivision 3, clause (1); or

(ii) meets the bachelor degree education and practicum requirements of subdivision 4, clause (1), item (i);

(2) within 60 days of meeting the requirements of subdivision 3, clause (1), or subdivision 4, clause (1), item (i), requests, in writing, temporary practice status with the commissioner on application forms according to section 148C.0351, which include the nonrefundable license fee and an affirmation by the person's supervisor, as defined in paragraph (b), clause (1), and which are signed and dated by the person and the person's supervisor;

(3) has not been disqualified to practice temporarily on the basis of a background investigation under section 148C.09, subdivision 1a; and

(4) has been notified in writing by the commissioner that the person is qualified to practice under this subdivision.

(b) A person practicing under this subdivision:

(1) may practice only in a program licensed by the department of human services and under the direct, on-site supervision of a person who is licensed under this chapter and employed in that licensed program;

(2) is subject to the rules of professional conduct set by rule;

(3) is not subject to the continuing education requirements of section 148C.05; and

(4) must be licensed according to this chapter within 12 months of meeting the requirements of subdivision 3, clause (1), or subdivision 4, clause (1), item (i).

(c) Upon written request, the commissioner may extend a person's temporary status if the person practices in a program described in section 148C.11, subdivision 3, paragraph (b), clause (2).

(d) A person practicing under this subdivision may not hold himself or herself out to the public by any title or description stating or implying that the person is licensed to engage in the practice of alcohol and drug counseling.

Sec. 26. Minnesota Statutes 1998, section 148C.04, is amended by adding a subdivision to read:

Subd. 7. [EFFECT AND SUSPENSION OF TEMPORARY PRACTICE.] Approval of a person's application for temporary practice creates no rights to or expectation of approval from the commissioner for licensure as an alcohol and drug counselor. The commissioner may suspend or restrict a person's temporary practice status according to section 148C.09.

Sec. 27. Minnesota Statutes 1998, section 148C.06, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] For two years from the effective date of the rules authorized in section 148C.03, subdivision 1, the commissioner shall issue a license to an applicant if the applicant meets one of the following qualifications:

(a) is credentialed as a certified chemical dependency counselor (CCDC) or certified chemical dependency counselor reciprocal (CCDCR) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.; graduates from an accredited school or education program with a certificate of completion in alcohol and drug counselor

studies that includes a minimum of 270 clock hours of formal classroom education and 880 clock hours of alcohol and drug counselor internship and passes both the written and oral examinations according to this chapter; or has 2,080 hours of supervised alcohol and drug counselor experience, 270 clock hours of alcohol and drug counselor training with a minimum of 60 hours of the training occurring within the past five years, and 300 hours of alcohol and drug counselor internship and successfully completes the examination requirements in section 148C.04, subdivision 3, clauses (2) and (3);

(b) has 6,000 hours of supervised alcohol and drug counselor experience as defined by the core functions, 270 clock hours of alcohol and drug counselor training with a minimum of 60 hours of this training occurring within the past five years, 300 hours of alcohol and drug counselor internship, and has successfully completed the examination requirements in section 148C.04, subdivision 3, clauses (2) and (3);

(c) has 10,000 hours of supervised alcohol and drug counselor experience as defined by the core functions, 270 clock hours of alcohol and drug training with a minimum of 60 hours of this training occurring within the past five years, and has successfully completed the requirements in section 148C.04, subdivision 3, clause (2) or (3), or is credentialed as a certified chemical dependency practitioner (CCDP) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.; or

(d) has 14,000 hours of supervised alcohol and drug counselor experience as defined by the core functions and 270 clock hours of alcohol and drug training with a minimum of 60 hours of this training occurring within the past five years; ~~or~~

~~(e) has met the special licensing criteria established pursuant to section 148C.11.~~

Sec. 28. Minnesota Statutes 1998, section 148C.09, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The commissioner may refuse to grant a license to, or may suspend, revoke, or restrict the license of an individual if the commissioner determines that a licensee or applicant:

(1) is incompetent to engage in alcohol and drug counseling practice or is found to be engaged in alcohol and drug counseling practice in a manner harmful or dangerous to a client or the public;

(2) has violated the rules of the commissioner or the statutes the commissioner is empowered to enforce; or any law, rule order, stipulation and consent order, agreement, or settlement;

(3) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent misrepresentation;

(4) has knowingly made a false statement on the form required to be submitted to the commissioner for licensing or license renewal;

(5) has failed to obtain continuing education credits required by the commissioner;

(6) has failed to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the commissioner. The burden of proof shall be upon the applicant to demonstrate qualifications or satisfaction of requirements;

(7) has been convicted of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court in Minnesota or any other jurisdiction in the United States, reasonably related to the provision of alcohol and drug counseling services. Conviction, as used in this subdivision, includes conviction of an offense which, if committed in this state, would be deemed a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered;

(8) has been convicted of a crime against another person. For purposes of this chapter, a crime against another person means an offense listed in section 148B.68, subdivision 1, paragraph (b);

- (9) has failed to comply with the self-reporting requirements of section 148C.095, subdivision 7;
- (10) has engaged in sexual contact with a client, or a former client, as defined in section 148A.01, or has engaged in conduct that may be reasonably interpreted by a client as sexual, or has engaged in any verbal behavior that is seductive or sexually demeaning to the client, or has engaged in sexual exploitation of a client or former client;
- (11) has engaged in false, fraudulent, deceptive, or misleading advertising;
- (12) has engaged in conduct likely to deceive, defraud, or harm the public; or has demonstrated a willful or careless disregard for the health, welfare, or safety of a client; or any other practice that may create unnecessary danger to any client's life, health, or safety, in any of which cases, proof of actual injury need not be established;
- (13) has been adjudicated as mentally incompetent, or as a person who has a psychopathic personality, or who is dangerous to self, or has been adjudicated as chemically dependent, mentally ill, mentally retarded, or mentally ill and dangerous to the public pursuant to chapter 253B;
- (14) is unable to provide alcohol and drug counseling services with reasonable safety to clients;
- (15) ~~is~~ has habitually ~~overindulgent~~ overindulged in the use of or the dependence on alcohol within the past two years;
- (16) has engaged in the improper or unauthorized personal or other use of any legend drugs as defined in section 151.01, any chemicals as defined in section 151.01, or any controlled substance as defined in section 152.01 within the past two years;
- (17) reveals a communication from, or relating to, a client except when required or permitted by law;
- (18) fails to comply with a client's request for health records made under section 144.335, or to furnish a client record or report required by law;
- (19) has engaged in fee splitting or promises to pay a portion of a fee to any other professional other than for services rendered by the other professional to the client;
- (20) has engaged in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws;
- (21) fails to make reports as required by section 148C.095, or cooperate with an investigation of the commissioner;
- (22) obtains money, property, or services from a client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud;
- (23) undertakes or continues a professional relationship with a client in which the objectivity of the alcohol and drug counselor may be impaired;
- (24) engages in conduct that constitutes grounds for discipline as established by the commissioner in rule; or
- (25) engages in bartering for services with a client.

Sec. 29. Minnesota Statutes 1998, section 148C.09, subdivision 1a, is amended to read:

Subd. 1a. [BACKGROUND INVESTIGATION.] The applicant must sign a release authorizing the commissioner to obtain information from the bureau of criminal apprehension, the Federal Bureau of Investigation, the office of mental health practice, the department of human services, the office of health facilities complaints, and other agencies specified in the rules. After the commissioner has given written notice to an individual who is the subject

of a background investigation, the agencies shall assist the commissioner with the investigation by giving the commissioner criminal conviction data, reports about ~~abuse or neglect of clients~~ substantiated maltreatment of minors and vulnerable adults, and other information specified in the rules. The commissioner may contract with the commissioner of human services to obtain criminal history data from the bureau of criminal apprehension.

Sec. 30. Minnesota Statutes 1998, section 148C.11, subdivision 1, is amended to read:

Subdivision 1. [OTHER PROFESSIONALS.] Nothing in sections 148C.01 to 148C.10 shall prevent members of other professions or occupations from performing functions for which they are qualified or licensed. This exception includes, but is not limited to, licensed physicians, registered nurses, licensed practical nurses, licensed psychological practitioners, members of the clergy, American Indian medicine men and women, licensed attorneys, probation officers, licensed marriage and family therapists, licensed social workers, licensed professional counselors, school counselors employed by a school district while acting within the scope of employment as school counselors, and registered occupational therapists or occupational therapy assistants. These persons must not, however, use a title incorporating the words "alcohol and drug counselor" or "licensed alcohol and drug counselor" or otherwise hold themselves out to the public by any title or description stating or implying that they are engaged in the practice of alcohol and drug counseling, or that they are licensed to engage in the practice of alcohol and drug counseling. Persons engaged in the practice of alcohol and drug counseling are not exempt from the commissioner's jurisdiction solely by the use of one of the above titles.

Sec. 31. Minnesota Statutes 1998, section 153A.13, subdivision 9, is amended to read:

Subd. 9. [SUPERVISION.] "Supervision" means ~~on-site observing and~~ monitoring activities of, and accepting responsibility for, the hearing instrument dispensing activities of a trainee.

Sec. 32. Minnesota Statutes 1998, section 153A.13, is amended by adding a subdivision to read:

Subd. 10. [DIRECT SUPERVISION OR DIRECTLY SUPERVISED.] "Direct supervision" or "directly supervised" means the on-site and contemporaneous location of a supervisor and trainee, when the supervisor observes the trainee engaging in hearing instrument dispensing with a consumer.

Sec. 33. Minnesota Statutes 1998, section 153A.13, is amended by adding a subdivision to read:

Subd. 11. [INDIRECT SUPERVISION OR INDIRECTLY SUPERVISED.] "Indirect supervision" or "indirectly supervised" means the remote and independent performance of hearing instrument dispensing by a trainee when authorized under section 153A.14, subdivision 4a, paragraph (b).

Sec. 34. Minnesota Statutes 1998, section 153A.14, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION FOR CERTIFICATE.] An applicant must:

- (1) be ~~18~~ 21 years of age or older;
- (2) apply to the commissioner for a certificate to dispense hearing instruments on application forms provided by the commissioner;
- (3) at a minimum, provide the applicant's name, social security number, business address and phone number, employer, and information about the applicant's education, training, and experience in testing human hearing and fitting hearing instruments;
- (4) include with the application a statement that the statements in the application are true and correct to the best of the applicant's knowledge and belief;

(5) include with the application a written and signed authorization that authorizes the commissioner to make inquiries to appropriate regulatory agencies in this or any other state where the applicant has sold hearing instruments;

(6) submit certification to the commissioner that the applicant's audiometric equipment has been calibrated to meet current ANSI standards within 12 months of the date of the application;

(7) submit evidence of continuing education credits, if required; and

(8) submit all fees as required under section 153A.17.

Sec. 35. Minnesota Statutes 1998, section 153A.14, subdivision 2a, is amended to read:

Subd. 2a. [EXEMPTION FROM WRITTEN EXAMINATION REQUIREMENT.] Persons completing the audiology registration requirements of section 148.515 after January 1, 1996, are exempt from the written examination requirements of subdivision 2h, paragraph (a), clause (1). Minnesota registration or American Speech-Language-Hearing Association certification as an audiologist is not required but may be submitted as evidence qualifying for exemption from the written examination if the requirements are completed after January 1, 1996. Persons qualifying for written examination exemption must fulfill the other credentialing requirements under subdivisions 1 and 2 before a certificate may be issued by the commissioner.

Sec. 36. Minnesota Statutes 1998, section 153A.14, subdivision 2h, is amended to read:

Subd. 2h. [CERTIFICATION BY EXAMINATION.] An applicant must achieve a passing score, as determined by the commissioner, on an examination according to paragraphs (a) to (c).

(a) The examination must include, but is not limited to:

(1) A written examination approved by the commissioner covering the following areas as they pertain to hearing instrument selling:

(i) basic physics of sound;

(ii) the anatomy and physiology of the ear;

(iii) the function of hearing instruments;

(iv) the principles of hearing instrument selection; and

(v) state and federal laws, rules, and regulations.

(2) Practical tests of proficiency in the following techniques as they pertain to hearing instrument selling:

(i) pure tone audiometry, including air conduction testing and bone conduction testing;

(ii) live voice or recorded voice speech audiometry including speech recognition (discrimination) testing, most comfortable loudness level, and uncomfortable loudness measurements of tolerance thresholds;

(iii) masking when indicated;

(iv) recording and evaluation of audiograms and speech audiometry to determine proper selection and fitting of a hearing instrument;

(v) taking ear mold impressions; and

(vi) using an otoscope for the visual observation of the entire ear canal.

(b) The examination shall be administered by the commissioner at least twice a year.

(c) An applicant must achieve a passing score on all portions of the examination within a two-year period. An applicant who does not achieve a passing score on all portions of the examination within a two-year period must retake the entire examination and achieve a passing score on each portion of the examination. An applicant who does not apply for certification within one year of successful completion of the examination must retake the examination and achieve a passing score on each portion of the examination. An applicant may not take any part of the examination more than three times in a two-year period.

Sec. 37. Minnesota Statutes 1998, section 153A.14, subdivision 4, is amended to read:

Subd. 4. [DISPENSING OF HEARING INSTRUMENTS WITHOUT CERTIFICATE.] Except as provided in ~~subdivision~~ subdivisions 4a and 4c, it is unlawful for any person not holding a valid certificate to dispense a hearing instrument as defined in section 153A.13, subdivision 3. A person who dispenses a hearing instrument without the certificate required by this section is guilty of a gross misdemeanor.

Sec. 38. Minnesota Statutes 1998, section 153A.14, subdivision 4a, is amended to read:

Subd. 4a. [TRAINEES.] (a) A person who is not certified under this section may dispense hearing instruments as a trainee for a period not to exceed 12 months if the person:

- (1) submits an application on forms provided by the commissioner;
- (2) is under the supervision of a certified dispenser meeting the requirements of this subdivision; and
- (3) meets all requirements for certification except passage of the examination required by this section.

(b) A certified hearing instrument dispenser may not supervise more than two trainees at the same time and may not directly supervise more than one trainee at a time. The certified dispenser is responsible for all actions or omissions of a trainee in connection with the dispensing of hearing instruments. A certified dispenser may not supervise a trainee if there are any commissioner, court, or other orders, currently in effect or issued within the last five years, that were issued with respect to an action or omission of a certified dispenser or a trainee under the certified dispenser's supervision.

Until taking and passing the practical examination testing, the techniques described in subdivision 2h, paragraph (a), clause (2), trainees must be directly supervised in all areas described in subdivision 4b, and the activities tested by the practical examination. Two hundred hours of on-site observations must be completed within the trainee period with a minimum of 100 hours involving the supervisor, trainee, and a consumer. In addition Thereafter, trainees may dispense hearing instruments under indirect supervision until expiration of the trainee period. Under indirect supervision, the trainee must complete two monitored activities a week. Monitored activities may be executed by correspondence, telephone, or other telephonic devices, and include, but are not limited to, evaluation of audiograms, written reports, and contracts. The time spent in supervision must be recorded and the record retained by the supervisor.

Sec. 39. Minnesota Statutes 1998, section 153A.14, is amended by adding a subdivision to read:

Subd. 4c. [RECIPROCITY.] (a) A person applying for certification as a hearing instrument dispenser under subdivision 1 and who has dispensed hearing instruments in another jurisdiction may dispense hearing instruments as a trainee under indirect supervision if the person:

- (1) satisfies provisions of subdivision 4a, paragraph (a);

(2) submits a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 153A.15, subdivision 1; and

(3) provides a copy of a current credential as a hearing instrument dispenser, an audiologist, or both, held in the District of Columbia or a state or territory of the United States.

(b) A person becoming a trainee under this subdivision who fails to take and pass the practical examination described in subdivision 2h, paragraph (a), clause (2), when next offered must cease dispensing hearing instruments unless under direct supervision.

Sec. 40. Minnesota Statutes 1998, section 153A.14, is amended by adding a subdivision to read:

Subd. 4d. [EXPIRATION OF TRAINEE PERIOD.] The trainee period automatically expires two months following notice of passing all examination requirements of subdivision 2h.

Sec. 41. Minnesota Statutes 1998, section 153A.15, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] The commissioner may take enforcement action as provided under subdivision 2 against a dispenser of hearing instruments for the following acts and conduct:

(1) prescribing or otherwise recommending to a consumer or potential consumer the use of a hearing instrument, unless the prescription from a physician or recommendation from a hearing instrument dispenser or audiologist is in writing, is based on an audiogram that is delivered to the consumer or potential consumer when the prescription or recommendation is made, and bears the following information in all capital letters of 12-point or larger boldface type: "THIS PRESCRIPTION OR RECOMMENDATION MAY BE FILLED BY, AND HEARING INSTRUMENTS MAY BE PURCHASED FROM, THE CERTIFIED DISPENSER OF YOUR CHOICE";

(2) failing to give a copy of the audiogram, upon which the prescription or recommendation is based, to the consumer when there has been a charge for the audiogram and the consumer requests a copy;

(3) dispensing a hearing instrument to a minor person 18 years or younger unless evaluated by an audiologist for purposes of hearing evaluation and hearing aid evaluation;

(4) failing to provide the consumer rights brochure required by section 153A.14, subdivision 9;

~~(5)~~ (5) being disciplined through a revocation, suspension, restriction, or limitation by another state for conduct subject to action under this chapter;

~~(6)~~ (6) presenting advertising that is false or misleading;

~~(7)~~ (7) providing the commissioner with false or misleading statements of credentials, training, or experience;

~~(8)~~ (8) engaging in conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a consumer;

~~(9)~~ (9) splitting fees or promising to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

~~(10)~~ (10) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

~~(11)~~ (11) obtaining money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

~~(11)~~ (12) failing to comply with restrictions on sales of hearing aids in sections 153A.14, subdivision 9, and 153A.19;

~~(12)~~ (13) performing the services of a certified hearing instrument dispenser in an incompetent or negligent manner;

~~(13)~~ (14) failing to comply with the requirements of this chapter as an employer, supervisor, or trainee;

~~(14)~~ (15) failing to provide information in a timely manner in response to a request by the commissioner, commissioner's designee, or the advisory council;

~~(15)~~ (16) being convicted within the past five years of violating any laws of the United States, or any state or territory of the United States, and the violation is a felony, gross misdemeanor, or misdemeanor, an essential element of which relates to hearing instrument dispensing, except as provided in chapter 364;

~~(16)~~ (17) failing to cooperate with the commissioner, the commissioner's designee, or the advisory council in any investigation;

~~(17)~~ (18) failing to perform hearing instrument dispensing with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

~~(18)~~ (19) failing to fully disclose actions taken against the applicant or the applicant's legal authorization to dispense hearing instruments in this or another state;

~~(19)~~ (20) violating a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the applicant in hearing instrument dispensing;

~~(20)~~ (21) having been or being disciplined by the commissioner of the department of health, or other authority, in this or another jurisdiction, if any of the grounds for the discipline are the same or substantially equivalent to those in sections 153A.13 to 153A.19;

~~(21)~~ (22) misrepresenting the purpose of hearing tests, or in any way communicating that the hearing test or hearing test protocol required by section 153A.14, subdivision 4b, is a medical evaluation, a diagnostic hearing evaluation conducted by an audiologist, or is other than a test to select a hearing instrument, except that the hearing instrument dispenser can determine the need for or recommend the consumer obtain a medical evaluation consistent with requirements of the United States Food and Drug Administration;

~~(22)~~ (23) violating any of the provisions of sections 153A.13 to 153A.19; and

~~(23)~~ (24) aiding or abetting another person in violating any of the provisions of sections 153A.13 to 153A.19.

Sec. 42. [REPEALER.]

Minnesota Statutes 1998, sections 145.882, subdivisions 3 and 4; and 148C.04, subdivision 5, are repealed."

Delete the title and insert:

"A bill for an act relating to health; modifying the Minnesota Health Care Administrative Simplification Act; modifying maternal and child health provisions; modifying provisions for speech-language pathologists, audiologists, unlicensed mental health practitioners, alcohol and drug counselors, and hearing instrument dispensers; amending Minnesota Statutes 1998, sections 62J.51, by adding subdivisions; 62J.52, subdivisions 1, 2, and 5; 62J.60, subdivision 1; 145.881, subdivision 2; 145.882, subdivision 7, and by adding a subdivision; 145.885, subdivision 2; 148.511; 148.515, subdivision 3; 148.517, by adding a subdivision; 148B.60, subdivision 3; 148B.68, subdivision 1; 148B.69, by adding a subdivision; 148B.71, subdivision 1; 148C.01, subdivisions 2, 7, 9, 10, and by adding a

subdivision; 148C.03, subdivision 1; 148C.04, by adding subdivisions; 148C.06, subdivision 1; 148C.09, subdivisions 1 and 1a; 148C.11, subdivision 1; 153A.13, subdivision 9, and by adding subdivisions; 153A.14, subdivisions 1, 2a, 2h, 4, 4a, and by adding subdivisions; and 153A.15, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62J; repealing Minnesota Statutes 1998, sections 145.882, subdivisions 3 and 4; and 148C.04, subdivision 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1609, A bill for an act relating to human services; making changes to long-term care provisions; changing provisions for nursing facilities payment rates; amending Minnesota Statutes 1998, sections 144D.01, subdivision 4; 256B.0911, subdivision 6; 256B.0913, subdivisions 5, 10, 12, and 16; 256B.421, subdivisions 9 and 11; 256B.431, subdivisions 1, 2b, 2d, 2i, 2r, 3a, 3f, 10, 11, 12, 13, 15, 16, 17, 18, 22, 26, and 27; 256B.434, subdivisions 3 and 13; 256B.435; 256B.48, subdivisions 1, 1a, 1b, and 6; 256B.50, subdivisions 1 and 1e; 256I.04, subdivision 3; and 256I.05, subdivisions 1 and 1a; repealing Minnesota Statutes 1998, sections 256B.03, subdivision 2; 256B.431, subdivisions 2, 2a, 2c, 2f, 2h, 2j, 2k, 2l, 2m, 2n, 2o, 2p, 2q, 3, 3b, 3d, 3e, 3h, 3j, 4, 5, 7, 8, 9, 9a, 23, 24, and 25; 256B.433; 256B.434; 256B.47, subdivisions 3 and 4; 256B.48, subdivision 9; and 256B.50, subdivisions 1f and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### LONG-TERM CARE

Section 1. Minnesota Statutes 1998, section 144D.01, subdivision 4, is amended to read:

Subd. 4. [HOUSING WITH SERVICES ESTABLISHMENT OR ESTABLISHMENT.] "Housing with services establishment" or "establishment" means an establishment providing sleeping accommodations to one or more adult residents, at least 80 percent of which are 55 years of age or older, and offering or providing, for a fee, one or more regularly scheduled health-related services or two or more regularly scheduled supportive services, whether offered or provided directly by the establishment or by another entity arranged for by the establishment.

Housing with services establishment does not include:

- (1) a nursing home licensed under chapter 144A;
- (2) a hospital, certified boarding care home, or supervised living facility licensed under sections 144.50 to 144.56;
- (3) a board and lodging establishment licensed under chapter 157 and Minnesota Rules, parts 9520.0500 to 9520.0670, 9525.0215 to 9525.0355, 9525.0500 to 9525.0660, or 9530.4100 to 9530.4450, or under chapter 245B;
- (4) a board and lodging establishment which serves as a shelter for battered women or other similar purpose;
- (5) a family adult foster care home licensed by the department of human services;
- (6) private homes in which the residents are related by kinship, law, or affinity with the providers of services;

(7) residential settings for persons with mental retardation or related conditions in which the services are licensed under Minnesota Rules, parts 9525.2100 to 9525.2140, or applicable successor rules or laws;

(8) a home-sharing arrangement such as when an elderly or disabled person or single-parent family makes lodging in a private residence available to another person in exchange for services or rent, or both;

(9) a duly organized condominium, cooperative, common interest community, or owners' association of the foregoing where at least 80 percent of the units that comprise the condominium, cooperative, or common interest community are occupied by individuals who are the owners, members, or shareholders of the units; or

(10) services for persons with developmental disabilities that are provided under a license according to Minnesota Rules, parts 9525.2000 to 9525.2140 in effect until January 1, 1998, or under chapter 245B.

Sec. 2. Minnesota Statutes 1998, section 256B.0911, subdivision 6, is amended to read:

Subd. 6. [PAYMENT FOR PREADMISSION SCREENING.] (a) The total screening payment for each county must be paid monthly by certified nursing facilities in the county. The monthly amount to be paid by each nursing facility for each fiscal year must be determined by dividing the county's annual allocation for screenings by 12 to determine the monthly payment and allocating the monthly payment to each nursing facility based on the number of licensed beds in the nursing facility.

(b) The commissioner shall include the total annual payment for screening for each nursing facility according to section 256B.431, subdivision 2b, paragraph (g), or 256B.435.

(c) Payments for screening activities are available to the county or counties to cover staff salaries and expenses to provide the screening function. The lead agency shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to conduct the preadmission screening activity while meeting the state's long-term care outcomes and objectives as defined in section 256B.0917, subdivision 1. The local agency shall be accountable for meeting local objectives as approved by the commissioner in the CSSA biennial plan.

~~(d)~~ (d) Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility.

~~(e)~~ (e) The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local screening teams.

Sec. 3. Minnesota Statutes 1998, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. [SERVICES COVERED UNDER ALTERNATIVE CARE.] (a) Alternative care funding may be used for payment of costs of:

(1) adult foster care;

(2) adult day care;

(3) home health aide;

(4) homemaker services;

(5) personal care;

(6) case management;

(7) respite care;

- (8) assisted living;
- (9) residential care services;
- (10) care-related supplies and equipment;
- (11) meals delivered to the home;
- (12) transportation;
- (13) skilled nursing;
- (14) chore services;
- (15) companion services;
- (16) nutrition services;
- (17) training for direct informal caregivers; ~~and~~
- (18) telemedicine devices to monitor recipients in their own homes as an alternative to hospital care, nursing home care, or home visits; and

(19) other services including direct cash payments to clients, approved by the county agency, subject to the provisions of paragraph (m). Total annual payments for other services for all clients within a county may not exceed either ten percent of that county's annual alternative care program base allocation or \$5,000, whichever is greater. In no case shall this amount exceed the county's total annual alternative care program base allocation.

(b) The county agency must ensure that the funds are used only to supplement and not supplant services available through other public assistance or services programs.

(c) Unless specified in statute, the service standards for alternative care services shall be the same as the service standards defined in the elderly waiver. Except for the county agencies' approval of direct cash payments to clients, persons or agencies must be employed by or under a contract with the county agency or the public health nursing agency of the local board of health in order to receive funding under the alternative care program.

(d) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board. The adult foster care daily rate shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed 75 percent of the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other alternative care services to be authorized by the case manager.

(e) Personal care services may be provided by a personal care provider organization. A county agency may contract with a relative of the client to provide personal care services, but must ensure nursing supervision. Covered personal care services defined in section 256B.0627, subdivision 4, must meet applicable standards in Minnesota Rules, part 9505.0335.

(f) A county may use alternative care funds to purchase medical supplies and equipment without prior approval from the commissioner when: (1) there is no other funding source; (2) the supplies and equipment are specified in the individual's care plan as medically necessary to enable the individual to remain in the community according to the criteria in Minnesota Rules, part 9505.0210, item A; and (3) the supplies and equipment represent an effective and appropriate use of alternative care funds. A county may use alternative care funds to purchase supplies and equipment from a non-Medicaid certified vendor if the cost for the items is less than that of a Medicaid vendor. A county is not required to contract with a provider of supplies and equipment if the monthly cost of the supplies and equipment is less than \$250.

(g) For purposes of this section, residential care services are services which are provided to individuals living in residential care homes. Residential care homes are currently licensed as board and lodging establishments and are registered with the department of health as providing special services. Residential care services are defined as "supportive services" and "health-related services." "Supportive services" means the provision of up to 24-hour supervision and oversight. Supportive services includes: (1) transportation, when provided by the residential care center only; (2) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature; (3) assisting clients in setting up meetings and appointments; (4) assisting clients in setting up medical and social services; (5) providing assistance with personal laundry, such as carrying the client's laundry to the laundry room. Assistance with personal laundry does not include any laundry, such as bed linen, that is included in the room and board rate. Health-related services are limited to minimal assistance with dressing, grooming, and bathing and providing reminders to residents to take medications that are self-administered or providing storage for medications, if requested. Individuals receiving residential care services cannot receive both personal care services and residential care services.

(h) For the purposes of this section, "assisted living" refers to supportive services provided by a single vendor to clients who reside in the same apartment building of three or more units which are not subject to registration under chapter 144D. Assisted living services are defined as up to 24-hour supervision, and oversight, supportive services as defined in clause (1), individualized home care aide tasks as defined in clause (2), and individualized home management tasks as defined in clause (3) provided to residents of a residential center living in their units or apartments with a full kitchen and bathroom. A full kitchen includes a stove, oven, refrigerator, food preparation counter space, and a kitchen utensil storage compartment. Assisted living services must be provided by the management of the residential center or by providers under contract with the management or with the county.

(1) Supportive services include:

(i) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature;

(ii) assisting clients in setting up meetings and appointments; and

(iii) providing transportation, when provided by the residential center only.

Individuals receiving assisted living services will not receive both assisted living services and homemaking or personal care services. Individualized means services are chosen and designed specifically for each resident's needs, rather than provided or offered to all residents regardless of their illnesses, disabilities, or physical conditions.

(2) Home care aide tasks means:

(i) preparing modified diets, such as diabetic or low sodium diets;

(ii) reminding residents to take regularly scheduled medications or to perform exercises;

(iii) household chores in the presence of technically sophisticated medical equipment or episodes of acute illness or infectious disease;

(iv) household chores when the resident's care requires the prevention of exposure to infectious disease or containment of infectious disease; and

(v) assisting with dressing, oral hygiene, hair care, grooming, and bathing, if the resident is ambulatory, and if the resident has no serious acute illness or infectious disease. Oral hygiene means care of teeth, gums, and oral prosthetic devices.

(3) Home management tasks means:

(i) housekeeping;

- (ii) laundry;
- (iii) preparation of regular snacks and meals; and
- (iv) shopping.

Assisted living services as defined in this section shall not be authorized in boarding and lodging establishments licensed according to sections 157.011 and 157.15 to 157.22.

(i) For establishments registered under chapter 144D, assisted living services under this section means the services described and licensed under section 144A.4605.

(j) For the purposes of this section, reimbursement for assisted living services and residential care services shall be a monthly rate negotiated and authorized by the county agency based on an individualized service plan for each resident. The rate shall not exceed the nonfederal share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, unless the services are provided by a home care provider licensed by the department of health and are provided in a building that is registered as a housing with services establishment under chapter 144D and that provides 24-hour supervision.

(k) For purposes of this section, companion services are defined as nonmedical care, supervision and oversight, provided to a functionally impaired adult. Companions may assist the individual with such tasks as meal preparation, laundry and shopping, but do not perform these activities as discrete services. The provision of companion services does not entail hands-on medical care. Providers may also perform light housekeeping tasks which are incidental to the care and supervision of the recipient. This service must be approved by the case manager as part of the care plan. Companion services must be provided by individuals or ~~nonprofit~~ organizations who are under contract with the local agency to provide the service. Any person related to the waiver recipient by blood, marriage or adoption cannot be reimbursed under this service. Persons providing companion services will be monitored by the case manager.

(l) For purposes of this section, training for direct informal caregivers is defined as a classroom or home course of instruction which may include: transfer and lifting skills, nutrition, personal and physical cares, home safety in a home environment, stress reduction and management, behavioral management, long-term care decision making, care coordination and family dynamics. The training is provided to an informal unpaid caregiver of a 180-day eligible client which enables the caregiver to deliver care in a home setting with high levels of quality. The training must be approved by the case manager as part of the individual care plan. Individuals, agencies, and educational facilities which provide caregiver training and education will be monitored by the case manager.

(m) A county agency may make payment from their alternative care program allocation for other services provided to an alternative care program recipient if those services prevent, shorten, or delay institutionalization. These services may include direct cash payments to the recipient for the purpose of purchasing the recipient's services. The following provisions apply to payments under this paragraph:

(1) a cash payment to a client under this provision cannot exceed 80 percent of the monthly payment limit for that client as specified in subdivision 4, paragraph (a), clause (7);

(2) a county may not approve any cash payment for a client who has been assessed as having a dependency in orientation, unless the client has an authorized representative under section 256.476, subdivision 2, paragraph (g), or for a client who is concurrently receiving adult foster care, residential care, or assisted living services;

(3) any service approved under this section must be a service which meets the purpose and goals of the program as listed in subdivision 1;

(4) cash payments must also meet the criteria in section 256.476, subdivision 4, paragraph (b), and recipients of cash grants must meet the requirements in section 256.476, subdivision 10; and

(5) the county shall report client outcomes, services, and costs under this paragraph in a manner prescribed by the commissioner.

Upon implementation of direct cash payments to clients under this section, any person determined eligible for the alternative care program who chooses a cash payment approved by the county agency shall receive the cash payment under this section and not under section 256.476 unless the person was receiving a consumer support grant under section 256.476 before implementation of direct cash payments under this section.

Sec. 4. Minnesota Statutes 1998, section 256B.0913, subdivision 10, is amended to read:

Subd. 10. [ALLOCATION FORMULA.] (a) The alternative care appropriation for fiscal years 1992 and beyond shall cover only 180-day eligible clients.

(b) Prior to July 1 of each year, the commissioner shall allocate to county agencies the state funds available for alternative care for persons eligible under subdivision 2. The allocation for fiscal year 1992 shall be calculated using a base that is adjusted to exclude the medical assistance share of alternative care expenditures. The adjusted base is calculated by multiplying each county's allocation for fiscal year 1991 by the percentage of county alternative care expenditures for 180-day eligible clients. The percentage is determined based on expenditures for services rendered in fiscal year 1989 or calendar year 1989, whichever is greater.

(c) If the county expenditures for 180-day eligible clients are 95 percent or more of its adjusted base allocation, the allocation for the next fiscal year is 100 percent of the adjusted base, plus inflation to the extent that inflation is included in the state budget.

(d) If the county expenditures for 180-day eligible clients are less than 95 percent of its adjusted base allocation, the allocation for the next fiscal year is the adjusted base allocation less the amount of unspent funds below the 95 percent level.

(e) For fiscal year 1992 only, a county may receive an increased allocation if annualized service costs for the month of May 1991 for 180-day eligible clients are greater than the allocation otherwise determined. A county may apply for this increase by reporting projected expenditures for May to the commissioner by June 1, 1991. The amount of the allocation may exceed the amount calculated in paragraph (b). The projected expenditures for May must be based on actual 180-day eligible client caseload and the individual cost of clients' care plans. If a county does not report its expenditures for May, the amount in paragraph (c) or (d) shall be used.

(f) Calculations for paragraphs (c) and (d) are to be made as follows: for each county, the determination of expenditures shall be based on payments for services rendered from April 1 through March 31 in the base year, to the extent that claims have been submitted by June 1 of that year. Calculations for paragraphs (c) and (d) must also include the funds transferred to the consumer support grant program for clients who have transferred to that program from April 1 through March 31 in the base year.

(g) For the biennium ending June 30, 2001, the allocation of state funds to county agencies shall be calculated as described in paragraphs (c) and (d). If the annual legislative appropriation for the alternative care program is inadequate to fund the combined county allocations for fiscal year 2000 or 2001, the commissioner shall distribute to each county the entire annual appropriation as that county's percentage of the computed base as calculated in paragraph (f).

Sec. 5. Minnesota Statutes 1998, section 256B.0913, subdivision 12, is amended to read:

Subd. 12. [CLIENT PREMIUMS.] (a) A premium is required for all 180-day eligible clients to help pay for the cost of participating in the program. The amount of the premium for the alternative care client shall be determined as follows:

(1) when the alternative care client's income less recurring and predictable medical expenses is greater than the medical assistance income standard but less than 150 percent of the federal poverty guideline, and total assets are less than ~~\$6,000~~ \$10,000, the fee is zero;

(2) when the alternative care client's income less recurring and predictable medical expenses is greater than 150 percent of the federal poverty guideline, and total assets are less than ~~\$6,000~~ \$10,000, the fee is 25 percent of the cost of alternative care services or the difference between 150 percent of the federal poverty guideline and the client's income less recurring and predictable medical expenses, whichever is less; and

(3) when the alternative care client's total assets are greater than ~~\$6,000~~ \$10,000, the fee is 25 percent of the cost of alternative care services.

For married persons, total assets are defined as the total marital assets less the estimated community spouse asset allowance, under section 256B.059, if applicable. For married persons, total income is defined as the client's income less the monthly spousal allotment, under section 256B.058.

All alternative care services except case management shall be included in the estimated costs for the purpose of determining 25 percent of the costs.

The monthly premium shall be calculated based on the cost of the first full month of alternative care services and shall continue unaltered until the next reassessment is completed or at the end of 12 months, whichever comes first. Premiums are due and payable each month alternative care services are received unless the actual cost of the services is less than the premium.

(b) The fee shall be waived by the commissioner when:

- (1) a person who is residing in a nursing facility is receiving case management only;
- (2) a person is applying for medical assistance;
- (3) a married couple is requesting an asset assessment under the spousal impoverishment provisions;
- (4) a person is a medical assistance recipient, but has been approved for alternative care-funded assisted living services;
- (5) a person is found eligible for alternative care, but is not yet receiving alternative care services; or
- (6) a person's fee under paragraph (a) is less than \$25.

(c) The county agency must collect the premium from the client and forward the amounts collected to the commissioner in the manner and at the times prescribed by the commissioner. Money collected must be deposited in the general fund and is appropriated to the commissioner for the alternative care program. The client must supply the county with the client's social security number at the time of application. If a client fails or refuses to pay the premium due, the county shall supply the commissioner with the client's social security number and other information the commissioner requires to collect the premium from the client. The commissioner shall collect unpaid premiums using the Revenue Recapture Act in chapter 270A and other methods available to the commissioner. The commissioner may require counties to inform clients of the collection procedures that may be used by the state if a premium is not paid.

(d) The commissioner shall begin to adopt emergency or permanent rules governing client premiums within 30 days after July 1, 1991, including criteria for determining when services to a client must be terminated due to failure to pay a premium.

Sec. 6. Minnesota Statutes 1998, section 256B.0913, subdivision 16, is amended to read:

Subd. 16. [CONVERSION OF ENROLLMENT.] Upon approval of the elderly waiver amendments described in section 256B.0915, subdivision 1d, persons currently receiving services shall have their eligibility for the elderly waiver program determined under section 256B.0915. Persons currently receiving alternative care services whose

income is under the special income standard according to Code of Federal Regulations, title 42, section 435.236, who are eligible for the elderly waiver program shall be transferred to that program and shall receive priority access to elderly waiver slots for six months after implementation of this subdivision, except that persons whose income is above the maintenance needs amount described in section 256B.0915, subdivision 1d, paragraph (a), shall have the option of remaining in the alternative care program. Persons currently enrolled in the alternative care program who are not eligible for the elderly waiver program shall continue to be eligible for the alternative care program ~~as long as continuous eligibility is maintained. Continued eligibility for the alternative care program shall be reviewed every six months. Persons who apply for the alternative care program after approval of the elderly waiver amendments in section 256B.0915, subdivision 1d, are not eligible for alternative care if they would qualify for the elderly waiver, with or without a spenddown.~~ Persons who apply for the alternative care program after approval of the elderly waiver amendments in section 256B.0915, subdivision 1d, whose income is under the special income standard according to the Code of Federal Regulations, title 42, section 435.236, are not eligible for alternative care if they would qualify for the elderly waiver, except that persons whose income is above the maintenance needs amount described in section 256B.0915, subdivision 1d, paragraph (a), shall have the option of remaining in the alternative care program.

Sec. 7. Minnesota Statutes 1998, section 256B.434, subdivision 3, is amended to read:

Subd. 3. [DURATION AND TERMINATION OF CONTRACTS.] (a) Subject to available resources, the commissioner may begin to execute contracts with nursing facilities November 1, 1995.

(b) All contracts entered into under this section are for a term of one year. Either party may terminate a contract at any time without cause by providing ~~30~~ 90 calendar days advance written notice to the other party. The decision to terminate a contract is not appealable. ~~If neither party provides written notice of termination the contract shall be renegotiated for additional one-year terms, for up to a total of four consecutive one-year terms Notwithstanding section 16C.05, subdivision 2, paragraph (a), clause (5), the contract shall be renegotiated for additional one-year terms, unless either party provides written notice of termination.~~ The provisions of the contract shall be renegotiated annually by the parties prior to the expiration date of the contract. The parties may voluntarily renegotiate the terms of the contract at any time by mutual agreement.

(c) If a nursing facility fails to comply with the terms of a contract, the commissioner shall provide reasonable notice regarding the breach of contract and a reasonable opportunity for the facility to come into compliance. If the facility fails to come into compliance or to remain in compliance, the commissioner may terminate the contract. If a contract is terminated, the contract payment remains in effect for the remainder of the rate year in which the contract was terminated, but in all other respects the provisions of this section do not apply to that facility effective the date the contract is terminated. The contract shall contain a provision governing the transition back to the cost-based reimbursement system established under section 256B.431, subdivision 25, and Minnesota Rules, parts 9549.0010 to 9549.0080. A contract entered into under this section may be amended by mutual agreement of the parties.

Sec. 8. Minnesota Statutes 1998, section 256B.434, subdivision 13, is amended to read:

Subd. 13. [PAYMENT SYSTEM REFORM ADVISORY COMMITTEE.] ~~(a)~~ The commissioner, in consultation with an advisory committee, shall study options for reforming the regulatory and reimbursement system for nursing facilities to reduce the level of regulation, reporting, and procedural requirements, and to provide greater flexibility and incentives to stimulate competition and innovation. The advisory committee shall include, at a minimum, representatives from the long-term care provider community, the department of health, and consumers of long-term care services. ~~The advisory committee sunsets on June 30, 1997.~~ Among other things, the commissioner shall consider the feasibility and desirability of changing from a certification requirement to an accreditation requirement for participation in the medical assistance program, options to encourage early discharge of short-term residents through the provision of intensive therapy, and further modifications needed in rate equalization. The commissioner shall also include detailed recommendations for a permanent managed care payment system to replace the contractual alternative payment demonstration project authorized under this section. The commissioner shall submit a report with findings and recommendations to the legislature by January 15, 1997.

~~(b) If a permanent managed care payment system has not been enacted into law by July 1, 1997, the commissioner shall develop and implement a transition plan to enable nursing facilities under contract with the commissioner under this section to revert to the cost-based payment system at the expiration of the alternative payment demonstration project. The commissioner shall include in the alternative payment demonstration project contracts entered into under this section a provision to permit an amendment to the contract to be made after July 1, 1997, governing the transition back to the cost-based payment system. The transition plan and contract amendments are not subject to rulemaking requirements.~~

Sec. 9. Minnesota Statutes 1998, section 256B.69, subdivision 6a, is amended to read:

~~Subd. 6a. [NURSING HOME SERVICES.] (a) Notwithstanding Minnesota Rules, part 9500.1457, subpart 1, item B, nursing facility services as defined in section 256B.0625, subdivision 2, which are provided in a nursing facility certified by the Minnesota department of health for services provided and eligible for payment under Medicaid, shall be covered under the prepaid medical assistance program for individuals who are not residing in a nursing facility at the time of enrollment in the prepaid medical assistance program. Liability for coverage of nursing facility services by a participating health plan is limited to 365 days for any person enrolled under the prepaid medical assistance program.~~

~~(b) For individuals enrolled in the Minnesota senior health options project authorized under subdivision 23, nursing facility services shall be covered according to the terms and conditions of the federal waiver governing that demonstration project.~~

Sec. 10. Minnesota Statutes 1998, section 256B.69, subdivision 6b, is amended to read:

~~Subd. 6b. [ELDERLY WAIVER SERVICES.] Notwithstanding Minnesota Rules, part 9500.1457, subpart 1, item C, elderly waiver services shall be covered under the prepaid medical assistance program for all individuals who are eligible according to section 256B.0915. For individuals enrolled in the Minnesota senior health options project authorized under subdivision 23, elderly waiver services shall be covered according to the terms and conditions of the federal waiver governing that demonstration project.~~

Sec. 11. Minnesota Statutes 1998, section 256I.04, subdivision 3, is amended to read:

Subd. 3. [MORATORIUM ON THE DEVELOPMENT OF GROUP RESIDENTIAL HOUSING BEDS.] (a) County agencies shall not enter into agreements for new group residential housing beds with total rates in excess of the MSA equivalent rate except: (1) for group residential housing establishments meeting the requirements of subdivision 2a, clause (2) with department approval; (2) for group residential housing establishments licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, provided the facility is needed to meet the census reduction targets for persons with mental retardation or related conditions at regional treatment centers; (3) to ensure compliance with the federal Omnibus Budget Reconciliation Act alternative disposition plan requirements for inappropriately placed persons with mental retardation or related conditions or mental illness; (4) up to 80 beds in a single, specialized facility located in Hennepin county that will provide housing for chronic inebriates who are repetitive users of detoxification centers and are refused placement in emergency shelters because of their state of intoxication, and planning for the specialized facility must have been initiated before July 1, 1991, in anticipation of receiving a grant from the housing finance agency under section 462A.05, subdivision 20a, paragraph (b); ~~or~~ (5) notwithstanding the provisions of subdivision 2a, for up to 190 supportive housing units in Anoka, Dakota, Hennepin, or Ramsey county for homeless adults with a mental illness, a history of substance abuse, or human immunodeficiency virus or acquired immunodeficiency syndrome. For purposes of this section, "homeless adult" means a person who is living on the street or in a shelter or discharged from a regional treatment center, community hospital, or residential treatment program and has no appropriate housing available and lacks the resources and support necessary to access appropriate housing. At least 70 percent of the supportive housing units must serve homeless adults with mental illness, substance abuse problems, or human immunodeficiency virus or acquired immunodeficiency syndrome who are about to be or, within the previous six months, has been discharged from a regional treatment center, or a state-contracted psychiatric bed in a community hospital, or a residential mental health or chemical dependency treatment program. If a person meets the requirements of subdivision 1, paragraph (a), and receives a federal or state

housing subsidy, the group residential housing rate for that person is limited to the supplementary rate under section 256I.05, subdivision 1a, and is determined by subtracting the amount of the person's countable income that exceeds the MSA equivalent rate from the group residential housing supplementary rate. A resident in a demonstration project site who no longer participates in the demonstration program shall retain eligibility for a group residential housing payment in an amount determined under section 256I.06, subdivision 8, using the MSA equivalent rate. Service funding under section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching funds are available and the services can be provided through a managed care entity. If federal matching funds are not available, then service funding will continue under section 256I.05, subdivision 1a; or (6) for group residential housing beds in settings meeting the requirements of subdivision 2, paragraph (a), clause (3), which are used exclusively for recipients receiving home and community-based waiver services under sections 256B.0915, 256B.092, subdivision 5, 256B.093, and 256B.49, and who resided in a nursing facility for the six months immediately prior to the month of entry into the group residential housing setting. The group residential housing rate for these beds must be set so that the monthly group residential housing payment for an individual occupying the bed when combined with the nonfederal share of services delivered under the waiver for that person does not exceed the nonfederal share of the monthly medical assistance payment made for the person to the nursing facility in which the person resided prior to entry into the group residential housing establishment. The rate may not exceed the MSA equivalent rate plus \$426.37 for any case.

(b) A county agency may enter into a group residential housing agreement for beds with rates in excess of the MSA equivalent rate in addition to those currently covered under a group residential housing agreement if the additional beds are only a replacement of beds with rates in excess of the MSA equivalent rate which have been made available due to closure of a setting, a change of licensure or certification which removes the beds from group residential housing payment, or as a result of the downsizing of a group residential housing setting. The transfer of available beds from one county to another can only occur by the agreement of both counties.

Sec. 12. Minnesota Statutes 1998, section 256I.05, subdivision 1, is amended to read:

Subdivision 1. [MAXIMUM RATES.] Monthly room and board rates negotiated by a county agency for a recipient living in group residential housing must not exceed the MSA equivalent rate specified under section 256I.03, subdivision 5, with the exception that a county agency may negotiate a supplementary room and board rate that exceeds the MSA equivalent rate ~~by up to \$426.37~~ for recipients of waiver services under title XIX of the Social Security Act. This exception is subject to the following conditions:

~~(1) that the Secretary of Health and Human Services has not approved a state request to include room and board costs which exceed the MSA equivalent rate in an individual's set of waiver services under title XIX of the Social Security Act; or~~

~~(2) that the Secretary of Health and Human Services has approved the inclusion of room and board costs which exceed the MSA equivalent rate, but in an amount that is insufficient to cover costs which are included in a group residential housing agreement in effect on June 30, 1994; and~~

~~(3) the amount of the rate that is above the MSA equivalent rate has been approved by the commissioner the setting is licensed by the commissioner of human services under Minnesota Rules, parts 9555.5050 to 9555.6265;~~

~~(2) the setting is not the primary residence of the license holder and in which the license holder is not the primary caregiver; and~~

~~(3) the average supplementary room and board rate in a county for a calendar year may not exceed the average supplementary room and board rate for that county in effect on January 1, 2000. If a county has not negotiated supplementary room and board rates for any facilities located in the county as of January 1, 2000, or has an average supplemental room and board rate under \$100 per person as of January 1, 2000, it may submit a supplementary room and board rate request with budget information for a facility to the commissioner for approval.~~

The county agency may at any time negotiate a higher or lower room and board rate than the average supplementary room and board rate that would otherwise be paid under this subdivision.

Sec. 13. Minnesota Statutes 1998, section 256I.05, subdivision 1a, is amended to read:

Subd. 1a. [SUPPLEMENTARY SERVICE RATES.] (a) Subject to the provisions of section 256I.04, subdivision 3, in addition to the room and board rate specified in subdivision 1, the county agency may negotiate a payment not to exceed \$426.37 for other services necessary to provide room and board provided by the group residence if the residence is licensed by or registered by the department of health, or licensed by the department of human services to provide services in addition to room and board, and if the provider of services is not also concurrently receiving funding for services for a recipient under a home and community-based waiver under title XIX of the Social Security Act; or funding from the medical assistance program under section 256B.0627, subdivision 4, for personal care services for residents in the setting; or residing in a setting which receives funding under Minnesota Rules, parts 9535.2000 to 9535.3000. If funding is available for other necessary services through a home and community-based waiver, or personal care services under section 256B.0627, subdivision 4, then the GRH rate is limited to the rate set in subdivision 1. Unless otherwise provided in law, in no case may the supplementary service rate plus the supplementary room and board rate exceed \$426.37. The registration and licensure requirement does not apply to establishments which are exempt from state licensure because they are located on Indian reservations and for which the tribe has prescribed health and safety requirements. Service payments under this section may be prohibited under rules to prevent the supplanting of federal funds with state funds. The commissioner shall pursue the feasibility of obtaining the approval of the Secretary of Health and Human Services to provide home and community-based waiver services under title XIX of the Social Security Act for residents who are not eligible for an existing home and community-based waiver due to a primary diagnosis of mental illness or chemical dependency and shall apply for a waiver if it is determined to be cost-effective.

(b) The commissioner is authorized to make cost-neutral transfers from the GRH fund for beds under this section to other funding programs administered by the department after consultation with the county or counties in which the affected beds are located. The commissioner may also make cost-neutral transfers from the GRH fund to county human service agencies for beds permanently removed from the GRH census under a plan submitted by the county agency and approved by the commissioner. The commissioner shall report the amount of any transfers under this provision annually to the legislature.

(c) The provisions of paragraph (b) do not apply to a facility that has its reimbursement rate established under section 256B.431, subdivision 4, paragraph (c).

Sec. 14. [GROUP RESIDENTIAL HOUSING STUDY.]

The commissioner of human services shall submit to the legislature by November 1, 2000, a study of the cost of providing housing for individuals eligible for group residential housing payments and an analysis of the relationship of the costs to market rate housing costs in a representative number of regions in the state.

Sec. 15. [REPEALER.]

Minnesota Statutes 1998, section 256B.434, subdivision 17, is repealed effective July 1, 1999. Laws 1997, chapter 203, article 4, section 55, is repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective July 1, 1999.

## ARTICLE 2

### NURSING FACILITIES

Section 1. Minnesota Statutes 1998, section 256B.431, subdivision 2i, is amended to read:

Subd. 2i. [OPERATING COSTS AFTER JULY 1, 1988.] (a) [OTHER OPERATING COST LIMITS.] ~~For the rate year beginning July 1, 1988, the commissioner shall increase the other operating cost limits established in Minnesota Rules, part 9549.0055, subpart 2, item E, to 110 percent of the median of the array of allowable historical~~

other operating cost per diems and index these limits as in Minnesota Rules, part 9549.0056, subparts 3 and 4. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted other operating cost limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 3 and 4. For the rate period beginning October 1, 1992, and for rate years beginning after June 30, 1993, the amount of the surcharge under section 256.9657, subdivision 1, shall be included in the plant operations and maintenance operating cost category. The surcharge shall be an allowable cost for the purpose of establishing the payment rate.

~~(b) [CARE-RELATED OPERATING COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the care-related operating cost limits established in Minnesota Rules, part 9549.0055, subpart 2, items A and B, to 125 percent of the median of the array of the allowable historical case mix operating cost standardized per diems and the allowable historical other care-related operating cost per diems and index those limits as in Minnesota Rules, part 9549.0056, subparts 1 and 2. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted care-related limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 1 and 2.~~

~~(e)~~ (b) [SALARY ADJUSTMENT PER DIEM EFFECTIVE JULY 1, 1999, AND JULY 1, 2000.] Effective July 1, ~~1998~~ 1999, to June 30, 2000; the commissioner shall make available the salary adjustment per diem calculated in clause (1) or (2) to the total operating cost payment rate of each nursing facility reimbursed under this section or section 256B.434. For July 1, 1999, nursing facilities with rates set according to section 256B.434 shall receive increases according to this paragraph but shall not receive inflation increases according to section 256B.434. Effective July 1, 2000, the commissioner shall make available an additional salary adjustment per diem as calculated in clause (1) or (2) to the total operating cost payment rate of each nursing facility reimbursed under this section or section 256B.435. The salary adjustment per diem for each nursing facility must be determined as follows:

(1) For each nursing facility that reports salaries for registered nurses, licensed practical nurses, and aides, orderlies and attendants separately, the commissioner shall determine the salary adjustment per diem by multiplying the total salaries, payroll taxes, and fringe benefits allowed in each operating cost category, except management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by ~~3.0~~ 5.0 percent and then dividing the resulting amount by the nursing facility's actual resident days.

(2) For each nursing facility that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the salary adjustment per diem is the weighted average salary adjustment per diem increase determined under clause (1).

(3) A nursing facility may apply for the salary adjustment per diem calculated under clauses (1) and (2). The application must be made to the commissioner and contain a plan by which the nursing facility will distribute the salary adjustment to employees of the nursing facility. In order to apply for a July 1, 2000, salary adjustment, a nursing facility reimbursed under section 256B.434, must report the information required by clause (1) or (2) in the application, in the manner specified by the commissioner. For nursing facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative, ~~after July 1, 1998~~, may constitute the plan for the salary distribution. The commissioner shall review the plan to ensure that the salary adjustment per diem is used solely to increase the compensation of nursing home facility employees. To be eligible, a facility must submit its plan for the salary distribution by December 31, ~~1998~~ 1999. A facility may amend its plan for the second rate year by submitting a revised plan by December 31, 2000. If a facility's plan for salary distribution is effective for its employees after ~~July 1, 1998~~ of the year that the funds are available, the salary adjustment cost per diem shall be effective the same date as its plan.

(4) Additional costs incurred by nursing facilities as a result of this salary adjustment are not allowable costs for purposes of the September 30, ~~1998~~ 1999, cost report.

~~(d) [NEW BASE YEAR.] The commissioner shall establish new base years for both the reporting year ending September 30, 1989, and the reporting year ending September 30, 1990. In establishing new base years, the commissioner must take into account:~~

- ~~(1) statutory changes made in geographic groups;~~
- ~~(2) redefinitions of cost categories; and~~
- ~~(3) reclassification, pass-through, or exemption of certain costs such as Public Employee Retirement Act contributions.~~

~~(e) (c) [NEW BASE YEAR.] The commissioner shall establish a new base year for the reporting years ending September 30, 1991, and September 30, 1992. In establishing a new base year, the commissioner must take into account:~~

- (1) statutory changes made in geographic groups;
- (2) redefinitions of cost categories; and
- (3) reclassification, pass-through, or exemption of certain costs.

Sec. 2. Minnesota Statutes 1998, section 256B.435, is amended to read:

256B.435 [NURSING FACILITY REIMBURSEMENT SYSTEM EFFECTIVE JULY 1, ~~2000~~ 2001.]

Subdivision 1. [IN GENERAL.] Effective July 1, ~~2000~~ 2001, the commissioner shall implement a performance-based contracting system to replace the current method of setting operating cost payment rates under sections 256B.431 and 256B.434 and Minnesota Rules, parts 9549.0010 to 9549.0080. Operating cost payment rates for newly established facilities under Minnesota Rules, part 9549.0057, shall be established using section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0070. A nursing facility in operation on May 1, 1998, with payment rates not established under section 256B.431 or 256B.434 on that date, is ineligible for this performance-based contracting system. In determining prospective payment rates of nursing facility services, the commissioner shall distinguish between operating costs and property-related costs. The commissioner of finance shall include an annual inflationary adjustment in operating costs for nursing facilities using the inflation factor specified in subdivision 3 and funding for incentive-based payments as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11. Property related payment rates, including real estate taxes and special assessments, shall be determined under section 256B.431 or 256B.434 or under a new property-related reimbursement system, if one is implemented by the commissioner under subdivision 3. The commissioner shall present additional recommendations for performance-based contracting for nursing facilities to the legislature by February 15, 2000, in the following specific areas:

(a) development of an interim default payment mechanism for nursing facilities that do not respond to the state's request for proposal but wish to continue participation in the medical assistance program; nursing facilities the state does not select in the request for proposal process; and nursing facilities whose contract has been canceled;

(b) development of criteria for facilities to earn performance-based incentive payments based on relevant outcomes negotiated by nursing facilities and the commissioner and that recognize both continuous quality efforts and quality improvement;

(c) development of criteria and a process under which nursing facilities can request rate adjustments for low base rates, geographic disparities, or other reasons;

(d) development of a dispute resolution mechanism for nursing facilities that are denied a contract, denied incentive payments, or denied a rate adjustment;

(e) development of a property payment system to address the capital needs of nursing facilities that will be funded with additional appropriations;

(f) establishment of a transitional plan to move from dual assessment instruments to the federally mandated resident assessment system, whereby the financial impact for each facility would be budget neutral;

(g) identification of net cost implications for facilities and to the department of preparing for and implementing performance-based contracting or any proposed alternative system;

(h) identification of facility financial and statistical reporting requirements; and

(i) identification of exemptions from current regulations and statutes applicable under performance-based contracting.

Subd. 1a. [REQUESTS FOR PROPOSALS.] (a) For nursing facilities with rates established under section 256B.434 on January 1, 2001, the commissioner shall renegotiate contracts without requiring a response to a request for proposal, notwithstanding the solicitation process described in chapter 16C.

(b) Prior to July 1, 2001, the commissioner shall publish in the State Register a request for proposals to provide nursing facility services according to this section. The commissioner will consider proposals from all nursing facilities that have payment rates established under section 256B.431. The commissioner must respond to all proposals in a timely manner.

(c) In issuing a request for proposals, the commissioner may develop reasonable requirements which, in the judgment of the commissioner, are necessary to protect residents or ensure that the performance-based contracting system furthers the interests of the state of Minnesota. The request for proposals may include, but need not be limited to:

(1) a requirement that nursing facility make reasonable efforts to maximize Medicare payments on behalf of eligible residents;

(2) requirements designed to prevent inappropriate or illegal discrimination against residents enrolled in the medical assistance program as compared to private paying residents;

(3) requirements designed to ensure that admissions to a nursing facility are appropriate and that reasonable efforts are made to place residents in home and community-based settings when appropriate;

(4) a requirement to agree to participate in the development of data collection systems and outcome-based standards. Among other requirements specified by the commissioner, each facility entering into a contract may be required to pay an annual fee not to exceed \$1,000. The commissioner must use revenue generated from the fees to contract with a qualified consultant or contractor to develop data collection systems and outcome-based contracting standards;

(5) a requirement that Medicare-certified contractors agree to maintain Medicare cost reports and to submit them to the commissioner upon request, or at times specified by the commissioner; and that contractors that are not Medicare-certified agree to maintain a uniform cost report in a format established by the commissioner and to submit the report to the commissioner upon request, or at times specified by the commissioner;

(6) a requirement that demonstrates willingness and ability to develop and maintain data collection and retrieval systems to measure outcomes; and

(7) a requirement to provide all information and assurances required by the terms and conditions of the federal waiver or federal approval.

(d) In addition to the information and assurances contained in the submitted proposals, the commissioner may consider the following criteria in developing the terms of the contract:

(1) the facility's history of compliance with federal and state laws and rules. A facility deemed to be in substantial compliance with federal and state laws and rules is eligible to respond to a request for proposals. A facility's compliance history shall not be the sole determining factor in situations where the facility has been sold and the new owners have submitted a proposal;

(2) whether the facility has a record of excessive licensure fines or sanctions or fraudulent cost reports;

(3) the facility's financial history and solvency; and

(4) other factors identified by the commissioner deemed relevant to developing the terms of the contract, including a determination that a contract with a particular facility is not in the best interests of the residents of the facility or the state of Minnesota.

(e) Notwithstanding the requirements of the solicitation process described in chapter 16C, the commissioner may contract with nursing facilities established according to section 144A.073 without issuing a request for proposals.

(f) Notwithstanding subdivision 1, after July 1, 2001, the commissioner may contract with additional nursing facilities, according to requests for proposals.

Subd. 2. [CONTRACT PROVISIONS.] (a) The performance-based contract with each nursing facility must include provisions that:

(1) apply the resident case mix assessment provisions of Minnesota Rules, parts 9549.0051, 9549.0058, and 9549.0059, or another assessment system, with the goal of moving to a single assessment system;

(2) monitor resident outcomes through various methods, such as quality indicators based on the minimum data set and other utilization and performance measures;

(3) require the establishment and use of a continuous quality improvement process that integrates information from quality indicators and regular resident and family satisfaction interviews;

(4) require annual reporting of facility statistical information, including resident days by case mix category, productive nursing hours, wages and benefits, and raw food costs for use by the commissioner in the development of facility profiles that include trends in payment and service utilization;

(5) require from each nursing facility an annual certified audited financial statement consisting of a balance sheet, income and expense statements, and an opinion from either a licensed or certified public accountant, if a certified audit was prepared, or unaudited financial statements if no certified audit was prepared; and

(6) specify the method for resolving disputes;

(7) establish additional requirements and penalties for nursing facilities not meeting the standards set forth in the performance-based contract.

(b) The commissioner may develop additional incentive-based payments for achieving specified outcomes specified in each contract. The specified facility-specific outcomes must be measurable and approved by the commissioner.

(c) The commissioner may also contract with nursing facilities in other ways through requests for proposals, including contracts on a risk or nonrisk basis, with nursing facilities or consortia of nursing facilities, to provide comprehensive long-term care coverage on a premium or capitated basis.

(d) The commissioner may negotiate different contract terms for different nursing facilities.

Subd. 2a. [DURATION AND TERMINATION OF CONTRACTS.] (a) All contracts entered into under this section are for a term of one year. Either party may terminate this contract at any time without cause by providing 90 calendar days' advance written notice to the other party. Notwithstanding section 16C.05, subdivisions 2, paragraph (a), and 5, if neither party provides written notice of termination, the contract shall be renegotiated for additional one-year terms or the terms of the existing contract will be extended for one year. The provisions of the contract shall be renegotiated annually by the parties prior to the expiration date of the contract. The parties may voluntarily renegotiate the terms of the contract at any time by mutual agreement.

(b) If a nursing facility fails to comply with the terms of a contract, the commissioner shall provide reasonable notice regarding the breach of contract and a reasonable opportunity for the facility to come into compliance. If the facility fails to come into compliance or to remain in compliance, the commissioner may terminate the contract. If a contract is terminated, provisions of section 256B.48, subdivision 1a, shall apply.

Subd. 3. [PAYMENT RATE PROVISIONS.] (a) For rate years beginning on or after July 1, ~~2000~~ 2001, within the limits of appropriations specifically for this purpose, the commissioner shall determine operating cost payment rates for each licensed and certified nursing facility by indexing its operating cost payment rates in effect on June 30, ~~2000~~ 2001, for inflation. The inflation factor to be used must be based on the change in the Consumer Price Index-All Items, United States city average (CPI-U) as forecasted by Data Resources, Inc. in the fourth quarter preceding the rate year. The CPI-U forecasted index for operating cost payment rates shall be based on the 12-month period from the midpoint of the nursing facility's prior rate year to the midpoint of the rate year for which the operating payment rate is being determined. The operating cost payment rate to be inflated shall be the total payment rate in effect on June 30, 2001, minus the portion determined to be the property-related payment rate, minus the per diem amount of the preadmission screening cost included in the nursing facility's last payment rate established under section 256B.431.

(b) Beginning July 1, 2000, each nursing facility subject to a performance-based contract under this section shall choose one of two methods of payment for property-related costs:

- (1) the method established in section 256B.434, or
- (2) the method established in section 256B.431.

Once the nursing facility has made the election in this paragraph, that election shall remain in effect for at least four years or until an alternative property payment system is developed. A per diem amount for preadmission screening will be added onto the contract payment rates according to the method of distribution of county allocation described in section 256B.0911, subdivision 6, paragraph (a).

(c) For rate years beginning on or after July 1, ~~2000~~ 2001, the commissioner may implement a new method of payment for property-related costs that addresses the capital needs of nursing facilities. Notwithstanding paragraph (b) (c), the new property payment system or systems, if implemented, shall replace the current ~~method~~ methods of setting property payment rates under sections 256B.431 and 256B.434.

Subd. 4. [CONTRACT PAYMENT RATES; APPEALS.] If an appeal is pending concerning the cost-based payment rates that are the basis for the calculation of the payment rate under this section, the commissioner and the nursing facility may agree on an interim contract rate to be used until the appeal is resolved. When the appeal is resolved, the contract rate must be adjusted retroactively according to the appeal decision.

Subd. 5. [CONSUMER PROTECTION.] In addition to complying with all applicable laws regarding consumer protection, as a condition of entering into a contract under this section, a nursing facility must agree to:

- (1) establish resident grievance procedures;
- (2) establish expedited grievance procedures to resolve complaints made by short-stay residents; and
- (3) make available to residents and families a copy of the performance-based contract and outcomes to be achieved.

Subd. 6. [CONTRACTS ARE VOLUNTARY.] Participation of nursing facilities in the medical assistance program is voluntary. The terms and procedures governing the performance-based contract are determined under this section and through negotiations between the commissioner and nursing facilities.

Subd. 7. [FEDERAL REQUIREMENTS.] The commissioner shall implement the performance-based contracting system subject to any required federal waivers or approval and in a manner that is consistent with federal requirements. If a provision of this section is inconsistent with a federal requirement, the federal requirement supersedes the inconsistent provision. The commissioner shall seek federal approval and request waivers as necessary to implement this section.

Sec. 3. Minnesota Statutes 1998, section 256B.48, subdivision 1a, is amended to read:

Subd. 1a. [TERMINATION.] If a nursing facility terminates its participation in the medical assistance program, whether voluntarily or involuntarily, the commissioner may authorize the nursing facility to receive continued medical assistance reimbursement ~~only on a temporary basis~~ until medical assistance residents can be relocated to nursing facilities participating in the medical assistance program.

Sec. 4. Minnesota Statutes 1998, section 256B.48, subdivision 1b, is amended to read:

Subd. 1b. [EXCEPTION.] Notwithstanding any agreement between a nursing facility and the department of human services or the provisions of this section or section 256B.411, other than subdivision 1a, the commissioner may authorize continued medical assistance payments to a nursing facility which ceased intake of medical assistance recipients prior to July 1, 1983, and which charges private paying residents rates that exceed those permitted by subdivision 1, paragraph (a), for (i) residents who resided in the nursing facility before July 1, 1983, or (ii) residents for whom the commissioner or any predecessors of the commissioner granted a permanent individual waiver prior to October 1, 1983. Nursing facilities seeking continued medical assistance payments under this subdivision shall make the reports required under subdivision 2, except that on or after December 31, 1985, the financial statements required need not be audited by or contain the opinion of a certified public accountant or licensed public accountant, but need only be reviewed by a certified public accountant or licensed public accountant. In the event that the state is determined by the federal government to be no longer eligible for the federal share of medical assistance payments made to a nursing facility under this subdivision, the commissioner may cease medical assistance payments, under this subdivision, to that nursing facility. ~~Between October 1, 1992, and July 1, 1993, a facility governed by this subdivision may elect to resume full participation in the medical assistance program by agreeing to comply with all of the requirements of the medical assistance program, including the rate equalization law in subdivision 1, paragraph (a), and all other requirements established in law or rule, and to resume intake of new medical assistance recipients.~~

Sec. 5. Minnesota Statutes 1998, section 256B.48, subdivision 6, is amended to read:

Subd. 6. [MEDICARE CERTIFICATION.] (a) [DEFINITION.] For purposes of this subdivision, "nursing facility" means a nursing facility that is certified as a skilled nursing facility or, after September 30, 1990, a nursing facility licensed under chapter 144A that is certified as a nursing facility.

(b) [MEDICARE PARTICIPATION REQUIRED.] All nursing facilities shall participate in Medicare part A and part B unless, after submitting an application, Medicare certification is denied by the federal health care financing administration. Medicare review shall be conducted at the time of the annual medical assistance review. Charges for Medicare-covered services provided to residents who are simultaneously eligible for medical assistance and Medicare must be billed to Medicare part A or part B before billing medical assistance. Medical assistance may be billed only for charges not reimbursed by Medicare.

(c) ~~[UNTIL SEPTEMBER 30, 1990.] Until September 30, 1990, a nursing facility satisfies the requirements of paragraph (b) if: (1) at least 50 percent of the facility's beds that are licensed under section 144A and certified as skilled nursing beds under the medical assistance program are Medicare certified; or (2) if a nursing facility's beds are licensed under section 144A, and some are medical assistance certified as skilled nursing beds and others are~~

~~medical assistance certified as intermediate care facility I beds, at least 50 percent of the facility's total skilled nursing beds and intermediate care facility I beds or 100 percent of its skilled nursing beds, whichever is less, are Medicare certified.~~

~~(d)~~ [AFTER SEPTEMBER 30, 1990.] After September 30, 1990, a nursing facility satisfies the requirements of paragraph (b) if at least 50 percent of the facility's beds certified as nursing facility beds under the medical assistance program are Medicare certified.

~~(d)~~ [CONFLICT WITH MEDICARE DISTINCT PART REQUIREMENTS.] At the request of a facility, the commissioner of human services may reduce the 50 percent Medicare participation requirement in paragraphs (c) and (d) to no less than 20 percent if the commissioner of health determines that, due to the facility's physical plant configuration, the facility cannot satisfy Medicare distinct part requirements at the 50 percent certification level. To receive a reduction in the participation requirement, a facility must demonstrate that the reduction will not adversely affect access of Medicare-eligible residents to Medicare-certified beds.

~~(e)~~ [INSTITUTIONS FOR MENTAL DISEASE.] The commissioner may grant exceptions to the requirements of paragraph (b) for nursing facilities that are designated as institutions for mental disease.

~~(f)~~ [NOTICE OF RIGHTS.] The commissioner shall inform recipients of their rights under this subdivision and section 144.651, subdivision 29.

Sec. 6. Minnesota Statutes 1998, section 256B.50, subdivision 1e, is amended to read:

Subd. 1e. [ATTORNEY'S FEES AND COSTS.] (a) Notwithstanding section 15.472, paragraph (a), for an issue appealed under subdivision 1, the prevailing party in a contested case proceeding or, if appealed, in subsequent judicial review, must be awarded reasonable attorney's fees and costs incurred in litigating the appeal, if the prevailing party shows that the position of the opposing party was not substantially justified. The procedures for awarding fees and costs set forth in section 15.474 must be followed in determining the prevailing party's fees and costs except as otherwise provided in this subdivision. For purposes of this subdivision, "costs" means subpoena fees and mileage, transcript costs, court reporter fees, witness fees, postage and delivery costs, photocopying and printing costs, amounts charged the commissioner by the office of administrative hearings, and direct administrative costs of the department; and "substantially justified" means that a position had a reasonable basis in law and fact, based on the totality of the circumstances prior to and during the contested case proceeding and subsequent review.

(b) When an award is made to the department under this subdivision, attorney fees must be calculated at the cost to the department. When an award is made to a provider under this subdivision, attorney fees must be calculated at the rate charged to the provider except that attorney fees awarded must be the lesser of the attorney's normal hourly fee or \$100 per hour.

(c) In contested case proceedings involving more than one issue, the administrative law judge shall determine what portion of each party's attorney fees and costs is related to the issue or issues on which it prevailed and for which it is entitled to an award. In making that determination, the administrative law judge shall consider the amount of time spent on each issue, the precedential value of the issue, the complexity of the issue, and other factors deemed appropriate by the administrative law judge.

(d) When the department prevails on an issue involving more than one provider, the administrative law judge shall allocate the total amount of any award for attorney fees and costs among the providers. In determining the allocation, the administrative law judge shall consider each provider's monetary interest in the issue and other factors deemed appropriate by the administrative law judge.

(e) Attorney fees and costs awarded to the department for proceedings under this subdivision must not be reported or treated as allowable costs on the provider's cost report.

(f) Fees and costs awarded to a provider for proceedings under this subdivision must be reimbursed to them by ~~reporting the amount of fees and costs awarded as allowable costs on the provider's cost report for the reporting year in which they were awarded. Fees and costs reported pursuant to this subdivision must be included in the general and administrative cost category but are not subject to categorical or overall cost limitations established in rule or statute~~ within 120 days of the final decision on the award of attorney fees and costs.

(g) If the provider fails to pay the awarded attorney fees and costs within 120 days of the final decision on the award of attorney fees and costs, the department may collect the amount due through any method available to it for the collection of medical assistance overpayments to providers. Interest charges must be assessed on balances outstanding after 120 days of the final decision on the award of attorney fees and costs. The annual interest rate charged must be the rate charged by the commissioner of revenue for late payment of taxes that is in effect on the 121st day after the final decision on the award of attorney fees and costs.

(h) Amounts collected by the commissioner pursuant to this subdivision must be deemed to be recoveries pursuant to section 256.01, subdivision 2, clause (15).

(i) This subdivision applies to all contested case proceedings set on for hearing by the commissioner on or after April 29, 1988, regardless of the date the appeal was filed.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1999."

Delete the title and insert:

"A bill for an act relating to human services; making changes to long-term care provisions; changing provisions for nursing facilities payment rates; amending Minnesota Statutes 1998, sections 144D.01, subdivision 4; 256B.0911, subdivision 6; 256B.0913, subdivisions 5, 10, 12, and 16; 256B.431, subdivision 2i; 256B.434, subdivisions 3 and 13; 256B.435; 256B.48, subdivisions 1a, 1b, and 6; 256B.50, subdivision 1e; 256B.69, subdivisions 6a and 6b; 256I.04, subdivision 3; and 256I.05, subdivisions 1 and 1a; repealing Minnesota Statutes 1998, sections 256B.434, subdivision 17; Laws 1997, chapter 203, article 4, section 55."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 1622, A bill for an act relating to commerce; regulating contracts for architects, engineers, surveyors, landscape architects, geoscientists, and interior designers; amending Minnesota Statutes 1998, sections 16C.08, subdivision 5; and 337.10, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 22, delete "subdivision" and insert "paragraph"

With the recommendation that when so amended the bill pass.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1631, A bill for an act relating to health; establishing protocol for occupational exposure to bloodborne pathogens in certain settings; providing criminal penalties; amending Minnesota Statutes 1998, sections 13.99, subdivision 38, and by adding a subdivision; 72A.20, subdivision 29; 144.4804, by adding a subdivision; 214.18, subdivision 5, and by adding a subdivision; 214.19, subdivision 1; and 611A.19, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 144; and 241; repealing Minnesota Statutes 1998, sections 144.761; 144.762; 144.763; 144.764; 144.765; 144.766; 144.767; 144.768; 144.769; and 144.7691.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 13.99, subdivision 38, is amended to read:

Subd. 38. [HEALTH TEST RESULTS.] Health test results obtained under chapter 144 are classified under section ~~144.768~~ 144.7611.

Sec. 2. Minnesota Statutes 1998, section 13.99, is amended by adding a subdivision to read:

Subd. 65f. [BLOOD TEST RESULTS.] Blood test results obtained under sections 241.33 to 241.342 are classified under section 241.339.

Sec. 3. Minnesota Statutes 1998, section 72A.20, subdivision 29, is amended to read:

Subd. 29. [HIV TESTS; CRIME VICTIMS.] No insurer regulated under chapter 61A or 62B, or providing health, medical, hospitalization, or accident and sickness insurance regulated under chapter 62A, or nonprofit health services corporation regulated under chapter 62C, health maintenance organization regulated under chapter 62D, or fraternal benefit society regulated under chapter 64B, may:

(1) obtain or use the performance of or the results of a test to determine the presence of the human immunodeficiency virus (HIV) antibody performed on an offender under section 611A.19 or performed on a crime victim who was exposed to or had contact with an offender's bodily fluids during commission of a crime that was reported to law enforcement officials, in order to make an underwriting decision, cancel, fail to renew, or take any other action with respect to a policy, plan, certificate, or contract;

(2) obtain or use the performance of or the results of a test to determine the presence of ~~the human immunodeficiency virus (HIV) antibody~~ a bloodborne pathogen performed on ~~a patient pursuant to sections 144.761 to 144.7691, or performed on emergency medical services personnel pursuant to the protocol under section 144.762, subdivision 2,~~ an individual according to sections 144.7601 to 144.7615 or 241.33 to 241.342 in order to make an underwriting decision, cancel, fail to renew, or take any other action with respect to a policy, plan, certificate, or contract; ~~for purposes of this clause, "patient" and "emergency medical services personnel" have the meanings given in section 144.761; or~~

(3) ask an applicant for coverage or a person already covered whether the person has: (i) had a test performed for the reason set forth in clause (1) or (2); or (ii) been the victim of an assault or any other crime which involves bodily contact with the offender.

A question that purports to require an answer that would provide information regarding a test performed for the reason set forth in clause (1) or (2) may be interpreted as excluding this test. An answer that does not mention the test is considered to be a truthful answer for all purposes. An authorization for the release of medical records for insurance purposes must specifically exclude any test performed for the purpose set forth in clause (1) or (2) and must be read as providing this exclusion regardless of whether the exclusion is expressly stated. This subdivision does not affect tests conducted for purposes other than those described in clause (1) or (2), including any test to determine the presence of the human immunodeficiency virus (HIV) antibody if such test was performed at the insurer's direction as part of the insurer's normal underwriting requirements.

Sec. 4. Minnesota Statutes 1998, section 144.4804, is amended by adding a subdivision to read:

Subd. 8. [TUBERCULOSIS NOTIFICATION.] If an emergency medical services person, as defined in section 144.7601, subdivision 4, is exposed to a person with active tuberculosis during the performance of duties, the treatment facility's designated infection control coordinator shall notify the emergency medical services agency's exposure control officer by telephone and by written correspondence. The facility's designated infection control coordinator shall provide the emergency medical services person with information about screening and, if indicated, follow-up.

Sec. 5. [144.7601] [DEFINITIONS.]

Subdivision 1. [SCOPE OF DEFINITIONS.] For purposes of sections 144.7601 to 144.7615, the following terms have the meanings given them.

Subd. 2. [BLOODBORNE PATHOGENS.] "Bloodborne pathogens" means pathogenic microorganisms that are present in human blood and can cause disease in humans. These pathogens include, but are not limited to, hepatitis B virus (HBV), hepatitis C virus (HCV), and human immunodeficiency virus (HIV).

Subd. 3. [EMERGENCY MEDICAL SERVICES AGENCY.] "Emergency medical services agency" means an agency, entity, or organization that employs or uses emergency medical services persons as employees or volunteers.

Subd. 4. [EMERGENCY MEDICAL SERVICES PERSON.] "Emergency medical services person" means an individual who provides out-of-hospital emergency medical services during the performance of the person's duties, including:

(1) an individual employed or receiving compensation to provide out-of-hospital emergency medical services such as a firefighter, paramedic, emergency medical technician, licensed nurse, rescue squad person, or other individual who serves as an employee or volunteer of an ambulance service as defined under chapter 144E or a member of an organized first responder squad that is formally recognized by a political subdivision in the state;

(2) an individual employed as a licensed peace officer under section 626.84, subdivision 1;

(3) an individual employed as a crime laboratory worker while working outside the laboratory and involved in a criminal investigation; and

(4) any other individual who renders emergency care or assistance at the scene of an emergency or while an injured person is being transported to receive medical care and who is acting as a good samaritan under section 604A.01.

Subd. 5. [SOURCE INDIVIDUAL.] "Source individual" means an individual, living or dead, whose blood, tissue, or potentially infectious body fluids may be a source of bloodborne pathogen exposure to an emergency medical services person. Examples include, but are not limited to, a victim of an accident, injury, or illness or a deceased person.

Subd. 6. [SIGNIFICANT EXPOSURE.] "Significant exposure" means contact likely to transmit a bloodborne pathogen, in a manner supported by the most current guidelines and recommendations of the United States Public Health Service at the time an evaluation takes place, that includes:

(1) percutaneous injury, contact of mucous membrane or nonintact skin, or prolonged contact of intact skin; and

(2) contact, in a manner that may transmit a bloodborne pathogen, with blood, tissue, or potentially infectious body fluids.

Subd. 7. [FACILITY.] "Facility" means a hospital licensed under sections 144.50 to 144.56 or a freestanding emergency medical care facility licensed under Laws 1988, chapter 467, that receives an emergency medical services person for evaluation for significant exposure or a source individual cared for by an emergency medical services person.

Sec. 6. [144.7602] [CONDITIONS FOR APPLICABILITY OF PROCEDURES.]

Subdivision 1. [REQUEST FOR PROCEDURES.] An emergency medical services person or emergency medical services agency may request that a facility follow the procedures of sections 144.7601 to 144.7615 when an emergency medical services person may have experienced a significant exposure to a source individual.

Subd. 2. [CONDITIONS.] A facility shall follow the procedures outlined in sections 144.7601 to 144.7615 when all of the following conditions are met:

(1) the facility determines that significant exposure has occurred, following the protocol under section 144.7614;

(2) the licensed physician for the emergency medical services person needs the source individual's bloodborne pathogen test results to begin, continue, modify, or discontinue treatment, in accordance with the most current guidelines of the United States Public Health Service, because of possible exposure to a bloodborne pathogen; and

(3) the emergency medical services person consents to provide a blood sample for testing for a bloodborne pathogen. If the emergency medical services person consents to blood collection, but does not consent at that time to bloodborne pathogen testing, the facility shall preserve the sample for at least 90 days. If the emergency medical services person elects to have the sample tested within 90 days, the testing shall be done as soon as feasible.

Subd. 3. [LOCATING SOURCE INDIVIDUAL.] If the source individual is not received by a facility but the facility is providing treatment to the emergency medical services person, the emergency medical services agency shall make reasonable efforts to locate the source individual and inform the facility of the source individual's identity and location. The facility shall make a reasonable effort to contact the source individual in order to follow the procedures in sections 144.7601 to 144.7615. The emergency services agency and facilities may exchange private data about the source individual as necessary to fulfill their responsibilities under this subdivision, notwithstanding any provision of law to the contrary.

Sec. 7. [144.7603] [INFORMATION REQUIRED TO BE GIVEN TO INDIVIDUALS.]

Subdivision 1. [INFORMATION TO SOURCE INDIVIDUAL.] (a) Before seeking any consent required by the procedures under sections 144.7601 to 144.7615, a facility shall inform the source individual that the source individual's bloodborne pathogen test results, without the individual's name, address, or other uniquely identifying information, shall be reported to the emergency medical services person if requested, and that test results collected under sections 144.7601 to 144.7615 are for medical purposes as set forth in section 144.7609 and may not be used as evidence in any criminal proceedings or civil proceedings, except for procedures under sections 144.4171 to 144.4186.

(b) The facility shall inform the source individual of the insurance protections in section 72A.20, subdivision 29.

(c) The facility shall inform the source individual that the individual may refuse to provide a blood sample and that the source individual's refusal may result in a request for a court order to require the source individual to provide a blood sample.

(d) The facility shall inform the source individual that the facility will advise the emergency medical services person of the confidentiality requirements and penalties before disclosing any test information.

Subd. 2. [INFORMATION TO EMS PERSON.] (a) Before disclosing any information about the source individual, the facility shall inform the emergency medical services person of the confidentiality requirements of section 144.7611 and that the person may be subject to penalties for unauthorized release of information about the source individual under section 144.7612.

(b) The facility shall inform the emergency medical services person of the insurance protections in section 72A.20, subdivision 29.

Sec. 8. [144.7604] [DISCLOSURE OF POSITIVE BLOODBORNE PATHOGEN TEST RESULTS.]

If the conditions of sections 144.7602 and 144.7603 are met, the facility shall ask the source individual and the emergency medical services person if they have ever had a positive test for a bloodborne pathogen. The facility must attempt to get existing test results under this section before taking any steps to obtain a blood sample or to test for bloodborne pathogens. The facility shall disclose the source individual's bloodborne pathogen test results to the emergency medical services person without the source individual's name, address, or other uniquely identifying information.

Sec. 9. [144.7605] [CONSENT PROCEDURES GENERALLY.]

(a) For purposes of sections 144.7601 to 144.7615, whenever the facility is required to seek consent, the facility shall follow its usual procedure for obtaining consent from an individual or an individual's representative consistent with other law applicable to consent.

(b) Consent from a source individual's representative for bloodborne pathogen testing of a blood sample obtained from the source individual is not required if the facility has made reasonable efforts to obtain the representative's consent and consent cannot be obtained within 24 hours of a significant exposure.

(c) If testing of the source individual's blood occurs without consent because the source individual is unable to provide consent or has left the facility and cannot be located, and the source individual's representative cannot be located, the facility shall provide the information required in section 144.7603 to the source individual or representative whenever it is possible to do so.

(d) If a source individual dies before an opportunity to consent to blood collection or testing under sections 144.7601 to 144.7615, the facility does not need consent of the deceased person's representative for purposes of sections 144.7601 to 144.7615.

Sec. 10. [144.7606] [TESTING OF AVAILABLE BLOOD.]

Subdivision 1. [PROCEDURES WITH CONSENT.] If the source individual is or was under the care or custody of the facility and a sample of the source individual's blood is available with the consent of the source individual, the facility shall test that blood for bloodborne pathogens with the consent of the source individual, provided the conditions in sections 144.7602 and 144.7603 are met.

Subd. 2. [PROCEDURES WITHOUT CONSENT.] If the source individual has provided a blood sample with consent but does not consent to bloodborne pathogen testing, the facility shall test for bloodborne pathogens if the emergency medical services person or emergency medical services agency requests the test, provided all of the following criteria are met:

(1) the emergency medical services person or emergency medical services agency has documented exposure to blood or body fluids during performance of that person's occupation or while acting as a good samaritan under section 604A.01;

(2) the facility has determined that a significant exposure has occurred and a licensed physician for the emergency medical services person has documented in the emergency medical services person's medical record that bloodborne pathogen test results are needed for beginning, modifying, continuing, or discontinuing medical treatment for the emergency medical services person under section 144.7614, subdivision 2;

(3) the emergency medical services person provides a blood sample for testing for bloodborne pathogens as soon as feasible;

(4) the facility asks the source individual to consent to a test for bloodborne pathogens and the source individual does not consent;

(5) the facility has provided the source individual with all of the information required by section 144.7603; and

(6) the facility has informed the emergency medical services person of the confidentiality requirements of section 144.7611 and the penalties for unauthorized release of source information under section 144.7612.

Subd. 3. [FOLLOW-UP.] The facility shall inform the source individual and the emergency medical services person of their own test results. The facility shall inform the emergency medical services person of the source individual's test results without the source individual's name, address, or other uniquely identifying information.

Sec. 11. [144.7607] [BLOOD SAMPLE COLLECTION FOR TESTING.]

Subdivision 1. [PROCEDURES WITH CONSENT.] (a) If a blood sample is not otherwise available, the facility shall obtain consent from the source individual before collecting a blood sample for testing for bloodborne pathogens. The consent process shall include informing the source individual that the individual may refuse to provide a blood sample and that the source individual's refusal may result in a request for a court order under subdivision 2 to require the source individual to provide a blood sample.

(b) If the source individual consents to provide a blood sample, the facility shall collect a blood sample and test the sample for bloodborne pathogens.

(c) The facility shall inform the emergency medical services person about the source individual's test results without the individual's name, address, or other uniquely identifying information. The facility shall inform the source individual of the test results.

(d) If the source individual refuses to provide a blood sample for testing, the facility shall inform the emergency medical services person of the source individual's refusal.

Subd. 2. [PROCEDURES WITHOUT CONSENT.] (a) An emergency medical services agency, or, if there is no agency, an emergency medical services person, may bring a petition for a court order to require a source individual to provide a blood sample for testing for bloodborne pathogens. The petition shall be filed in the district court in the county where the source individual resides or is hospitalized. The petitioner shall serve the petition on the source individual at least three days before a hearing on the petition. The petition shall include one or more affidavits attesting that:

(1) the facility followed the procedures in sections 144.7601 to 144.7615 and attempted to obtain bloodborne pathogen test results according to those sections;

(2) it has been determined under section 144.7614, subdivision 2, that a significant exposure has occurred to the emergency medical services person; and

(3) a physician with specialty training in infectious diseases, including HIV, has documented that the emergency medical services person has provided a blood sample and consented to testing for bloodborne pathogens and bloodborne pathogen test results are needed for beginning, continuing, modifying, or discontinuing medical treatment for the emergency medical services person.

(b) Facilities shall cooperate with petitioners in providing any necessary affidavits to the extent that facility staff can attest under oath to the facts in the affidavits.

(c) The court may order the source individual to provide a blood sample for bloodborne pathogen testing if:

(1) there is probable cause to believe the emergency medical services person has experienced a significant exposure to the source individual;

(2) the court imposes appropriate safeguards against unauthorized disclosure that must specify the persons who have access to the test results and the purposes for which the test results may be used;

(3) a licensed physician for the emergency medical services person needs the test results for beginning, continuing, modifying, or discontinuing medical treatment for the emergency medical services person; and

(4) the court finds a compelling need for the test results. In assessing compelling need, the court shall weigh the need for the court-ordered blood collection and test results against the interests of the source individual, including, but not limited to, privacy, health, safety, or economic interests. The court shall also consider whether the involuntary blood collection and testing would serve the public interest.

(d) The court shall conduct the proceeding in camera unless the petitioner or the source individual requests a hearing in open court or the court determines that a public hearing is necessary to the public interest and the proper administration of justice.

(e) The source individual has the right to counsel in any proceeding brought under this subdivision.

Sec. 12. [144.7608] [NO DISCRIMINATION.]

A facility shall not base decisions about admission to a facility or the provision of care or treatment on any requirement that the source individual consent to bloodborne pathogen testing under sections 144.7601 to 144.7615.

Sec. 13. [144.7609] [USE OF TEST RESULTS.]

Bloodborne pathogen test results of a source individual obtained under sections 144.7601 to 144.7615 are for diagnostic purposes and to determine the need for treatment or medical care specific to a bloodborne pathogen-related illness of an emergency medical services person. The test results may not be used as evidence in any criminal proceedings or civil proceedings, except for procedures under sections 144.4171 to 144.4186.

Sec. 14. [144.7611] [TEST INFORMATION CONFIDENTIALITY.]

Subdivision 1. [PRIVATE DATA.] Information concerning test results obtained under sections 144.7601 to 144.7615 is information protected from disclosure without consent under section 144.335 with respect to private facilities and private data as defined in section 13.02, subdivision 12, with respect to public facilities.

Subd. 2. [CONSENT TO RELEASE INFORMATION.] No facility, individual, or employer shall disclose to an emergency medical services person the name, address, or other uniquely identifying information about a source individual without a written release signed by the source individual or the source individual's legally authorized representative. The facility shall not record the name, address, or other uniquely identifying information about the source individual's test results in the emergency medical services person's medical records.

Sec. 15. [144.7612] [PENALTY FOR UNAUTHORIZED RELEASE OF INFORMATION.]

Any unauthorized release by an individual, facility, or agency of a source individual's name, address, or other uniquely identifying information under sections 144.7601 to 144.7615 is a misdemeanor. This section does not preclude the source individual from pursuing remedies and penalties under section 13.08, 13.09, or 144.335, or other private causes of action against an individual, state agency, statewide system, political subdivision, or person responsible for releasing private data or information protected from disclosure.

Sec. 16. [144.7613] [RESPONSIBILITY FOR TESTING AND TREATMENT; COSTS.]

(a) The facility shall ensure that tests under sections 144.7601 to 144.7615 are performed if requested by the emergency medical services person or emergency medical services agency, provided the conditions set forth in sections 144.7601 to 144.7615 are met.

(b) The emergency medical services agency that employs the emergency medical services person who requests testing under sections 144.7601 to 144.7615 must pay or arrange payment for the cost of counseling, testing, and treatment of the emergency medical services person and costs associated with the testing of the source individual.

(c) A facility shall have a protocol that states whether the facility will pay for the cost of counseling, testing, or treatment of a person acting as a good samaritan under section 604A.01.

Sec. 17. [144.7614] [PROTOCOLS FOR EXPOSURE TO BLOODBORNE PATHOGENS.]

Subdivision 1. [EMS AGENCY REQUIREMENTS.] The emergency medical services agency shall have procedures for an emergency medical services person to notify a facility that the person may have experienced a significant exposure from a source individual. The emergency medical services agency shall also have a protocol to locate the source individual if the facility has not received the source individual and the emergency medical services agency knows the source individual's identity.

Subd. 2. [FACILITY PROTOCOL REQUIREMENTS.] Every facility shall adopt and follow a postexposure protocol for emergency medical services persons who have experienced a significant exposure. The postexposure protocol must adhere to the most current recommendations of the United States Public Health Service and include, at a minimum, the following:

(1) a process for emergency medical services persons to report a significant exposure in a timely fashion;

(2) a process for an infectious disease specialist, or a licensed physician who is knowledgeable about the most current recommendations of the United States Public Health Service in consultation with an infectious disease specialist, (i) to determine whether a significant exposure to one or more bloodborne pathogens has occurred and (ii) to provide, under the direction of a licensed physician, a recommendation or recommendations for follow-up treatment appropriate to the particular bloodborne pathogen or pathogens for which a significant exposure has been determined;

(3) if there has been a significant exposure, a process to determine whether the source individual has a bloodborne pathogen through disclosure of test results, or through blood collection and testing as required by sections 144.7601 to 144.7615;

(4) a process for providing appropriate counseling prior to and following testing for a bloodborne pathogen regarding the likelihood of bloodborne pathogen transmission and follow-up recommendations according to the most current recommendations of the United States Public Health Service, recommendations for testing, and treatment to the emergency medical services person;

(5) a process for providing appropriate counseling under clause (4) to the emergency medical services person and the source individual; and

(6) compliance with applicable state and federal laws relating to data practices, confidentiality, informed consent, and the patient bill of rights.

Sec. 18. [144.7615] [PENALTIES AND IMMUNITY.]

Subdivision 1. [CIVIL REMEDIES.] An emergency medical services person or source individual who suffers any damage as a result of a violation of the requirements of sections 144.7601 to 144.7615 may bring an action against a facility to cover any damages sustained, plus costs and reasonable attorney fees. The district court may enjoin a

violation or proposed violation of sections 144.7601 to 144.7615. The court may make any order or judgment as may be necessary to ensure compliance with sections 144.7601 to 144.7615. This subdivision does not authorize a civil action brought by the representative of a deceased source individual.

Subd. 2. [PENALTIES.] Any facility or person who willfully violates the provisions of sections 144.7601 to 144.7615 is guilty of a misdemeanor.

Subd. 3. [IMMUNITY.] A facility, licensed physician, and designated health care personnel are immune from liability in any civil, administrative, or criminal action relating to the disclosure of test results to an emergency medical services person or emergency medical services agency and the testing of a blood sample from the source individual for bloodborne pathogens if a good faith effort has been made to comply with sections 144.7601 to 144.7615.

Sec. 19. Minnesota Statutes 1998, section 214.18, is amended by adding a subdivision to read:

Subd. 3a. [HCV.] "HCV" means the hepatitis C virus.

Sec. 20. Minnesota Statutes 1998, section 214.18, subdivision 5, is amended to read:

Subd. 5. [REGULATED PERSON.] "Regulated person" means a licensed dental hygienist, dentist, physician, nurse who is currently registered as a registered nurse or licensed practical nurse, podiatrist, a registered dental assistant, a physician's assistant, and for purposes of sections 214.19, subdivisions 4 and 5; 214.20, paragraph (a); and 214.24, a chiropractor.

Sec. 21. Minnesota Statutes 1998, section 214.19, is amended to read:

214.19 [REPORTING OBLIGATIONS.]

Subdivision 1. [PERMISSION TO REPORT.] A person with actual knowledge that a regulated person has been diagnosed as infected with HIV or HBV or HCV may file a report with the commissioner.

Subd. 2. [SELF-REPORTING.] A regulated person who is diagnosed as infected with HIV or HBV or HCV shall report that information to the commissioner promptly, and as soon as medically necessary for disease control purposes but no more than 30 days after learning of the diagnosis or 30 days after becoming licensed or registered by the state.

Subd. 3. [MANDATORY REPORTING.] A person or institution required to report HIV or HBV or HCV status to the commissioner under Minnesota Rules, parts 4605.7030, subparts 1 to 4 and 6, and 4605.7040, shall, at the same time, notify the commissioner if the person or institution knows that the reported person is a regulated person.

Subd. 4. [INFECTION CONTROL REPORTING.] A regulated person shall, within ten days, report to the appropriate board personal knowledge of a serious failure or a pattern of failure by another regulated person to comply with accepted and prevailing infection control procedures related to the prevention of HIV and HBV and HCV transmission. In lieu of reporting to the board, the regulated person may make the report to a designated official of the hospital, nursing home, clinic, or other institution or agency where the failure to comply with accepted and prevailing infection control procedures occurred. The designated official shall report to the appropriate board within 30 days of receiving a report under this subdivision. The report shall include specific information about the response by the institution or agency to the report. A regulated person shall not be discharged or discriminated against for filing a complaint in good faith under this subdivision.

Subd. 5. [IMMUNITY.] A person is immune from civil liability or criminal prosecution for submitting a report in good faith to the commissioner or to a board under this section.

Sec. 22. Minnesota Statutes 1998, section 214.20, is amended to read:

214.20 [GROUNDS FOR DISCIPLINARY OR RESTRICTIVE ACTION.]

A board may refuse to grant a license or registration or may impose disciplinary or restrictive action against a regulated person who:

(1) fails to follow accepted and prevailing infection control procedures, including a failure to conform to current recommendations of the Centers for Disease Control for preventing the transmission of HIV ~~and~~, HBV, and HCV, or fails to comply with infection control rules promulgated by the board. Injury to a patient need not be established;

(2) fails to comply with any requirement of sections 214.17 to 214.24; or

(3) fails to comply with any monitoring or reporting requirement.

Sec. 23. Minnesota Statutes 1998, section 214.22, is amended to read:

214.22 [NOTICE; ACTION.]

If the board has reasonable grounds to believe a regulated person infected with HIV ~~or~~, HBV, or HCV has done or omitted doing any act that would be grounds for disciplinary action under section 214.20, the board may take action after giving notice three business days before the action, or a lesser time if deemed necessary by the board. The board may:

(1) temporarily suspend the regulated person's right to practice under section 214.21;

(2) require the regulated person to appear personally at a conference with representatives of the board and to provide information relating to the regulated person's health or professional practice; and

(3) take any other lesser action deemed necessary by the board for the protection of the public.

Sec. 24. Minnesota Statutes 1998, section 214.23, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF HEALTH.] The board shall enter into a contract with the commissioner to perform the functions in subdivisions 2 and 3. The contract shall provide that:

(1) unless requested to do otherwise by a regulated person, a board shall refer all regulated persons infected with HIV ~~or~~, HBV, or HCV to the commissioner;

(2) the commissioner may choose to refer any regulated person who is infected with HIV ~~or~~, HBV, or HCV as well as all information related thereto to the person's board at any time for any reason, including but not limited to: the degree of cooperation and compliance by the regulated person; the inability to secure information or the medical records of the regulated person; or when the facts may present other possible violations of the regulated persons practices act. Upon request of the regulated person who is infected with HIV ~~or~~, HBV, or HCV, the commissioner shall refer the regulated person and all information related thereto to the person's board. Once the commissioner has referred a regulated person to a board, the board may not thereafter submit it to the commissioner to establish a monitoring plan unless the commissioner of health consents in writing;

(3) a board shall not take action on grounds relating solely to the HIV ~~or~~, HBV, or HCV status of a regulated person until after referral by the commissioner; and

(4) notwithstanding sections 13.39 and 13.41 and chapters 147, 147A, 148, 150A, 153, and 214, a board shall forward to the commissioner any information on a regulated person who is infected with HIV ~~or~~, HBV, or HCV that the department of health requests.

Sec. 25. Minnesota Statutes 1998, section 214.23, subdivision 2, is amended to read:

Subd. 2. [MONITORING PLAN.] After receiving a report that a regulated person is infected with HIV or HBV<sub>2</sub> or HCV, the board or the commissioner acting on behalf of the board shall evaluate the past and current professional practice of the regulated person to determine whether there has been a violation under section 214.20. After evaluation of the regulated person's past and current professional practice, the board or the commissioner, acting on behalf of the board, shall establish a monitoring plan for the regulated person. The monitoring plan may:

(1) address the scope of a regulated person's professional practice when the board or the commissioner, acting on behalf of the board, determines that the practice constitutes an identifiable risk of transmission of HIV or HBV<sub>2</sub> or HCV from the regulated person to the patient;

(2) include the submission of regular reports at a frequency determined by the board or the commissioner, acting on behalf of the board, regarding the regulated person's health status; and

(3) include any other provisions deemed reasonable by the board or the commissioner of health, acting on behalf of the board.

The board or commissioner, acting on behalf of the board, may enter into agreements with qualified persons to perform monitoring on its behalf. The regulated person shall comply with any monitoring plan established under this subdivision.

Sec. 26. Minnesota Statutes 1998, section 214.25, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER OF HEALTH DATA.] (a) All data collected or maintained as part of the commissioner of health's duties under sections 214.19, 214.23, and 214.24 shall be classified as investigative data under section 13.39, except that inactive investigative data shall be classified as private data under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, in the case of data not on individuals.

(b) Notwithstanding section 13.05, subdivision 9, data addressed in this subdivision shall not be disclosed except as provided in this subdivision or section 13.04; except that the commissioner may disclose to the boards under section 214.23.

(c) The commissioner may disclose data addressed under this subdivision as necessary: to identify, establish, implement, and enforce a monitoring plan; to investigate a regulated person; to alert persons who may be threatened by illness as evidenced by epidemiologic data; to control or prevent the spread of HIV or HBV<sub>2</sub> or HCV disease; or to diminish an imminent threat to the public health.

Sec. 27. [241.33] [DEFINITIONS.]

Subdivision 1. [SCOPE OF DEFINITIONS.] For purposes of sections 241.33 to 241.342, the following terms have the meanings given them.

Subd. 2. [BLOODBORNE PATHOGENS.] "Bloodborne pathogens" means pathogenic microorganisms that are present in human blood and can cause disease in humans. These pathogens include, but are not limited to, hepatitis B virus (HBV), hepatitis C virus (HCV), and human immunodeficiency virus (HIV).

Subd. 3. [INMATE.] "Inmate" means an individual in the custody or under the jurisdiction of the commissioner of corrections or a local correctional authority.

Subd. 4. [CORRECTIONAL FACILITY.] "Correctional facility" means a state or local correctional facility.

Subd. 5. [CORRECTIONS EMPLOYEE.] "Corrections employee" means an employee of a state or local correctional agency.

Subd. 6. [SIGNIFICANT EXPOSURE.] "Significant exposure" means contact likely to transmit a bloodborne pathogen, in a manner supported by the most current guidelines and recommendations and standards of the United States Public Health Service at the time an evaluation takes place, that includes:

- (1) percutaneous injury, contact of mucous membrane or nonintact skin, or prolonged contact of intact skin; and
- (2) contact, in a manner that may transmit a bloodborne pathogen, with blood, tissue, or potentially infectious body fluids.

Sec. 28. [241.331] [CONDITIONS FOR APPLICABILITY OF PROCEDURES.]

Subdivision 1. [REQUEST FOR PROCEDURES.] A corrections employee may request that the procedures of sections 241.33 to 241.342 be followed when the corrections employee may have experienced a significant exposure to an inmate.

Subd. 2. [CONDITIONS.] The correctional facility shall follow the procedures in sections 241.33 to 241.342 when all of the following conditions are met:

(1) a licensed physician determines that a significant exposure has occurred following the protocol under section 241.341;

(2) the licensed physician for the corrections employee needs the inmate's bloodborne pathogens test results to begin, continue, modify, or discontinue treatment in accordance with the most current guidelines of the United States Public Health Service, because of possible exposure to a bloodborne pathogen; and

(3) the corrections employee consents to providing a blood sample for testing for a bloodborne pathogen.

Sec. 29. [241.332] [INFORMATION REQUIRED TO BE GIVEN TO INDIVIDUALS.]

Subdivision 1. [INFORMATION TO INMATE.] (a) Before seeking any consent required by the procedures under sections 241.33 to 241.342, a correctional facility shall inform the inmate that the inmate's bloodborne pathogen test results, without the inmate's name or other uniquely identifying information, shall be reported to the corrections employee if requested and that test results collected under sections 241.33 to 241.342 are for medical purposes as set forth in section 241.338 and may not be used as evidence in any criminal proceedings or civil proceedings, except for procedures under sections 144.4171 to 144.4186.

(b) The correctional facility shall inform the inmate that the correctional facility will advise the corrections employee of the confidentiality requirements and penalties before the employee's health care provider discloses any test results.

Subd. 2. [INFORMATION TO CORRECTIONS EMPLOYEE.] Before disclosing any information about the inmate, the correctional facility shall inform the corrections employee of the confidentiality requirements of section 241.339 and that the person may be subject to penalties for unauthorized release of test results about the inmate under section 241.34.

Sec. 30. [241.333] [DISCLOSURE OF POSITIVE BLOODBORNE PATHOGEN TEST RESULTS.]

If the conditions of sections 241.331 and 241.332 are met, the correctional facility shall ask the inmate if the inmate has ever had a positive test for a bloodborne pathogen. The correctional facility must attempt to get existing test results under this section before taking any steps to obtain a blood sample or to test for bloodborne pathogens. The correctional facility shall disclose the inmate's bloodborne pathogen test results to the corrections employee without the inmate's name or other uniquely identifying information.

## Sec. 31. [241.334] [CONSENT PROCEDURES GENERALLY.]

(a) For purposes of sections 241.33 to 241.342, whenever the correctional facility is required to seek consent, the correctional facility shall obtain consent from an inmate or an inmate's representative consistent with other law applicable to consent.

(b) Consent is not required if the correctional facility has made reasonable efforts to obtain the representative's consent and consent cannot be obtained within 24 hours of a significant exposure.

(c) If testing of available blood occurs without consent because the inmate is unconscious or unable to provide consent, and a representative cannot be located, the correctional facility shall provide the information required in section 241.332 to the inmate or representative whenever it is possible to do so.

(d) If an inmate dies before an opportunity to consent to blood collection or testing under sections 241.33 to 241.342, the correctional facility does not need consent of the inmate's representative for purposes of sections 241.33 to 241.342.

## Sec. 32. [241.335] [TESTING OF AVAILABLE BLOOD.]

Subdivision 1. [PROCEDURES WITH CONSENT.] If a sample of the inmate's blood is available, the correctional facility shall ensure that blood is tested for bloodborne pathogens with the consent of the inmate, provided the conditions in sections 241.331 and 241.332 are met.

Subd. 2. [PROCEDURES WITHOUT CONSENT.] If the inmate has provided a blood sample, but does not consent to bloodborne pathogens testing, the correctional facility shall ensure that the blood is tested for bloodborne pathogens if the corrections employee requests the test, provided all of the following criteria are met:

(1) the corrections employee and correctional facility have documented exposure to blood or body fluids during performance of the employee's work duties;

(2) a licensed physician has determined that a significant exposure has occurred under section 241.341 and has documented that bloodborne pathogen test results are needed for beginning, modifying, continuing, or discontinuing medical treatment for the corrections employee as recommended by the most current guidelines of the United States Public Health Service;

(3) the corrections employee provides a blood sample for testing for bloodborne pathogens as soon as feasible;

(4) the correctional facility asks the inmate to consent to a test for bloodborne pathogens and the inmate does not consent;

(5) the correctional facility has provided the inmate and the corrections employee with all of the information required by section 241.332; and

(6) the correctional facility has informed the corrections employee of the confidentiality requirements of section 241.339 and the penalties for unauthorized release of inmate information under section 241.34.

Subd. 3. [FOLLOW-UP.] The correctional facility shall inform the inmate whose blood was tested of the results. The correctional facility shall inform the corrections employee's health care provider of the inmate's test results without the inmate's name or other uniquely identifying information.

## Sec. 33. [241.336] [BLOOD SAMPLE COLLECTION FOR TESTING.]

Subdivision 1. [PROCEDURES WITH CONSENT.] (a) If a blood sample is not otherwise available, the correctional facility shall obtain consent from the inmate before collecting a blood sample for testing for bloodborne pathogens. The consent process shall include informing the inmate that the inmate may refuse to provide a blood sample and that the inmate's refusal may result in a request for a court order under subdivision 2 to require the inmate to provide a blood sample.

(b) If the inmate consents to provide a blood sample, the correctional facility shall collect a blood sample and ensure that the sample is tested for bloodborne pathogens.

(c) The correctional facility shall inform the corrections employee's health care provider about the inmate's test results without the inmate's name or other uniquely identifying information. The correctional facility shall inform the inmate of the test results.

(d) If the inmate refuses to provide a blood sample for testing, the correctional facility shall inform the corrections employee of the inmate's refusal.

Subd. 2. [PROCEDURES WITHOUT CONSENT.] (a) A correctional facility or a corrections employee may bring a petition for a court order to require an inmate to provide a blood sample for testing for bloodborne pathogens. The petition shall be filed in the district court in the county where the inmate is confined. The correctional facility shall serve the petition on the inmate three days before a hearing on the petition. The petition shall include one or more affidavits attesting that:

(1) the correctional facility followed the procedures in sections 241.33 to 241.342 and attempted to obtain bloodborne pathogen test results according to those sections;

(2) a licensed physician knowledgeable about the most current recommendations of the United States Public Health Service has determined that a significant exposure has occurred to the corrections employee; and

(3) a physician has documented that the corrections employee has provided a blood sample and consented to testing for bloodborne pathogens and bloodborne pathogen test results are needed for beginning, continuing, modifying, or discontinuing medical treatment for the corrections employee under section 241.341.

(b) Facilities shall cooperate with petitioners in providing any necessary affidavits to the extent that facility staff can attest under oath to the facts in the affidavits.

(c) The court may order the inmate to provide a blood sample for bloodborne pathogen testing if:

(1) there is probable cause to believe the corrections employee has experienced a significant exposure to the inmate;

(2) the court imposes appropriate safeguards against unauthorized disclosure that must specify the persons who have access to the test results and the purposes for which the test results may be used;

(3) a licensed physician for the corrections employee needs the test results for beginning, continuing, modifying, or discontinuing medical treatment for the corrections employee; and

(4) the court finds a compelling need for the test results. In assessing compelling need, the court shall weigh the need for the court-ordered blood collection and test results against the interests of the inmate, including, but not limited to, privacy, health, safety, or economic interests. The court shall also consider whether involuntary blood collection and testing would serve the public interests.

(d) The court shall conduct the proceeding in camera unless the petitioner or the inmate requests a hearing in open court or the court determines that a public hearing is necessary to the public interest and the proper administration of justice.

(e) The inmate may arrange for counsel in any proceeding brought under this subdivision.

Sec. 34. [241.337] [NO DISCRIMINATION.]

A correctional facility shall not withhold care or treatment on the requirement that the inmate consent to bloodborne pathogen testing under sections 241.33 to 241.342.

## Sec. 35. [241.338] [USE OF TEST RESULTS.]

Bloodborne pathogen test results of an inmate obtained under sections 241.33 to 241.342 are for diagnostic purposes and to determine the need for treatment or medical care specific to a bloodborne pathogen-related illness. The test results may not be used as evidence in any criminal proceedings or civil proceedings, except for procedures under sections 144.4171 to 144.4186.

## Sec. 36. [241.339] [TEST INFORMATION CONFIDENTIALITY.]

Test results obtained under sections 241.33 to 241.342 are private data as defined in sections 13.02, subdivision 12, and 13.85, subdivision 2.

## Sec. 37. [241.34] [PENALTY FOR UNAUTHORIZED RELEASE OF INFORMATION.]

Unauthorized release of the inmate's name or other uniquely identifying information under sections 241.33 to 241.342 is a misdemeanor. This section does not preclude the inmate from pursuing remedies and penalties under sections 13.08 and 13.09 or other private causes of action against an individual, state agency, statewide system, political subdivision, or person responsible for releasing private data or confidential or private information on the inmate.

## Sec. 38. [241.341] [PROTOCOL FOR EXPOSURE TO BLOODBORNE PATHOGENS.]

Correctional facilities shall follow applicable Occupational Safety and Health Administration guidelines under Code of Federal Regulations, title 29, part 1910.1030, for bloodborne pathogens.

Every correctional facility shall adopt and follow a postexposure protocol for corrections employees who have experienced a significant exposure. The postexposure protocol must adhere to the most current recommendations of the United States Public Health Service and include, at a minimum, the following:

- (1) a process for corrections employees to report a significant exposure in a timely fashion;
- (2) a process for an infectious disease specialist, or a licensed physician who is knowledgeable about the most current recommendations of the United States Public Health Service in consultation with an infectious disease specialist, (i) to determine whether a significant exposure to one or more bloodborne pathogens has occurred and (ii) to provide, under the direction of a licensed physician, a recommendation or recommendations for follow-up treatment appropriate to the particular bloodborne pathogen or pathogens for which a significant exposure has been determined;
- (3) if there has been a significant exposure, a process to determine whether the inmate has a bloodborne pathogen through disclosure of test results or through blood collection and testing as required by sections 241.33 to 241.342;
- (4) a process for providing appropriate counseling prior to and following testing for a bloodborne pathogen regarding the likelihood of bloodborne pathogen transmission and follow-up recommendations according to the most current recommendations of the United States Public Health Service, recommendations for testing, and treatment;
- (5) a process for providing appropriate counseling under clause (4) to the corrections employee and inmate; and
- (6) compliance with applicable state and federal laws relating to data practices, confidentiality, informed consent, and the patient bill of rights.

## Sec. 39. [241.342] [IMMUNITY.]

A correctional facility, licensed physician, and designated health care personnel are immune from liability in any civil, administrative, or criminal action relating to the disclosure of test results of an inmate to a corrections employee and the testing of a blood sample from the inmate for bloodborne pathogens if a good faith effort has been made to comply with sections 241.33 to 241.342.

Sec. 40. Minnesota Statutes 1998, section 611A.19, subdivision 1, is amended to read:

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) Upon the request or with the consent of the victim, the prosecutor shall make a motion in camera and the sentencing court shall issue an order requiring an adult convicted of or a juvenile adjudicated delinquent for violating section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or any other violent crime, as defined in section 609.1095, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

(1) the crime involved sexual penetration, however slight, as defined in section 609.341, subdivision 12; or

(2) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during the commission of the crime in a manner which has been demonstrated epidemiologically to transmit the human immunodeficiency virus (HIV).

(b) When the court orders an offender to submit to testing under paragraph (a), the court shall order that the test be performed by an appropriate health professional who is trained to provide the counseling described in section ~~144.763~~ 144.7614, and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services.

Sec. 41. Minnesota Statutes 1998, section 611A.19, subdivision 2, is amended to read:

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of a test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. The results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results shall be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section ~~144.763~~ 144.7614. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.42 or 144.335 and destroyed.

Sec. 42. [REPEALER.]

Minnesota Statutes 1998, sections 144.761; 144.762; 144.763; 144.764; 144.765; 144.766; 144.767; 144.768; 144.769; and 144.7691, are repealed."

Delete the title and insert:

"A bill for an act relating to health; establishing protocol for occupational exposure to bloodborne pathogens in certain settings; providing criminal penalties; amending Minnesota Statutes 1998, sections 13.99, subdivision 38, and by adding a subdivision; 72A.20, subdivision 29; 144.4804, by adding a subdivision; 214.18, subdivision 5, and by adding a subdivision; 214.19; 214.20; 214.22; 214.23, subdivisions 1 and 2; 214.25, subdivision 2; and 611A.19, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 144; and 241; repealing Minnesota Statutes 1998, sections 144.761; 144.762; 144.763; 144.764; 144.765; 144.766; 144.767; 144.768; 144.769; and 144.7691."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Crime Prevention.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 1693, A bill for an act relating to public employment; making technical and administrative changes; amending Minnesota Statutes 1998, sections 13.43, subdivision 2; 43A.01, subdivision 2; 43A.02, subdivision 33; 43A.06, subdivision 8; 43A.07, subdivision 4; 43A.13, subdivision 3; 43A.15, subdivision 6, and by adding a subdivision; 43A.17, subdivision 8; 43A.18, subdivision 1; 43A.19, subdivision 3; 43A.20; 43A.317, subdivisions 3 and 4; 43A.38, subdivision 4; and 43A.421; Laws 1995, chapter 248, article 13, section 2, subdivisions 5, as amended, and 6, as amended; repealing Minnesota Statutes 1998, sections 43A.13, subdivision 9; 43A.40; 43A.41; 43A.42; 43A.43, subdivision 2; 43A.44; 43A.45; 43A.46; and 43A.465; Minnesota Rules, parts 3910.0100; 3910.0200; 3910.0300; 3910.0400; 3910.0500; 3910.0600; 3910.0700; 3910.0800; 3910.0900; 3910.1000; 3910.1100; 3910.1200; 3910.1300; 3910.1400; 3910.1500; 3910.1600; and 3910.1700.

Reported the same back with the following amendments:

Pages 3 and 4, delete section 2

Pages 8 and 9, delete section 15

Page 11, line 5, delete "19" and insert "17"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete "subdivision 2;"

Page 1, line 10, delete "43A.38, subdivision 4;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 1708, A bill for an act relating to insurance; property and liability; regulating FAIR plan coverage; amending Minnesota Statutes 1998, sections 65A.32; 65A.33, subdivision 3, and by adding a subdivision; 65A.34, subdivisions 1, 4, and 5; 65A.36, subdivisions 1 and 5; 65A.37; 65A.38, subdivision 1; and 65A.42.

Reported the same back with the following amendments:

Page 4, line 3, reinstate everything after the period

Page 4, line 4, reinstate the stricken language

With the recommendation that when so amended the bill pass.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 1778, A bill for an act relating to telecommunications; providing for telecommunications pricing plans for state government under oversight of public utilities commission; proposing coding for new law in Minnesota Statutes, chapter 237.

Reported the same back with the following amendments:

Page 1, line 21, before "A" insert "(a)"

Page 1, line 24, delete everything after "institutions"

Page 1, delete lines 25 and 26

Page 2, line 1, delete "colleges"

Page 2, after line 2, insert:

"(b) For purposes of this subdivision, "educational institution" means a school as defined in section 120A.22, subdivision 4, other than a home school; a Minnesota public post-secondary institution; a nonprofit two-year trade and technical school granting associate degrees; or a private, residential, nonprofit two-year or four-year, liberal arts, degree-granting college or university located in Minnesota."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 1805, A bill for an act relating to waters; implementing a joint powers agreement for St. Louis, Carlton, and Lake counties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 103F.

Reported the same back with the following amendments:

Page 2, line 28, delete everything after the period, and insert "Three nonlegislators must be appointed by the senate subcommittee on committees. Three nonlegislators must be appointed by the speaker of the house of representatives."

Page 2, delete line 29

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 1865, A bill for an act relating to courts; jury service; excusing from service certain nursing mothers; proposing coding for new law in Minnesota Statutes, chapter 593.

Reported the same back with the following amendments:

Page 1, line 7, after "shall" insert ", upon request,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 1875, A bill for an act relating to education; providing for an educational accountability council; conferring powers and duties including rulemaking authority; proposing coding for new law in Minnesota Statutes, chapter 127A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1998, chapter 398, article 6, section 38, is amended to read:

Sec. 38. [REPEALER.]

(a) Minnesota Statutes 1996, section 121.11, subdivisions 5, 7, 7b, 9, 11, 12, and 14; and Minnesota Statutes 1997 Supplement, section 121.11, subdivision 7e, are repealed effective December 31, ~~1999~~ 2000.

(b) Minnesota Statutes 1996, section 121.11, subdivision 7d, is repealed effective January 10, 1999.

(c) Minnesota Statutes 1996, section 124.647; and Minnesota Statutes 1997 Supplement, section 169.452, are repealed.

Sec. 2. Laws 1998, chapter 398, article 6, section 39, is amended to read:

Sec. 39. [EFFECTIVE DATES.]

(a) ~~Sections 1 to 13 are~~ Section 1 is effective December 31, 1999. Sections 2 to 13 are effective December 31, 2000.

(b) Sections 14, 28, 34, and 35 are effective the day following final enactment.

(c) Sections 17, 25, and 26 are effective July 1, 1998.

(d) Section 29 is effective for the 2000-2001 school year.

(e) Section 36 is effective June 30, 1998.

Sec. 3. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to education; delaying the repeal of the state board of education; amending Laws 1998, chapter 398, article 6, sections 38 and 39."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on K-12 Education Finance.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 1890, A bill for an act relating to offender rehabilitation; exempting the licensing of certain taxicab drivers from the requirements of chapter 364; amending Minnesota Statutes 1998, section 364.09.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 364.09, is amended to read:

364.09 [EXCEPTIONS.]

(a) This chapter does not apply to the licensing process for peace officers; to law enforcement agencies as defined in section 626.84, subdivision 1, paragraph (h); to fire protection agencies; to eligibility for a private detective or protective agent license; to the licensing and background study process under chapter 245A; to eligibility for school bus driver endorsements; to eligibility for special transportation service endorsements; ~~or to eligibility for a commercial driver training instructor license, which is governed by section 171.35 and rules adopted under that section;~~ or to the licensing by political subdivisions of taxicab drivers, if the applicant for such license has been discharged from sentence for a conviction within the five years immediately preceding application for such license of:

(i) a violation of section 609.185 to 609.21, 609.221 to 609.223, or 609.342 to 609.3451;

(ii) a violation of any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more; or

(iii) a violation of chapter 169 involving driving under the influence, leaving the scene of an accident, or reckless or careless driving where the traffic offense involved personal injury or death to another person.

This chapter also shall not apply to eligibility for juvenile corrections employment, where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) This chapter does not apply to a school district or to eligibility for a license issued or renewed by the board of teaching or the state board of education.

(c) Nothing in this section precludes the Minnesota police and peace officers training board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

(d) This chapter does not apply to a license to practice medicine that has been denied or revoked by the board of medical practice pursuant to section 147.091, subdivision 1a.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to all license applications pending before a political subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 1896, A bill for an act relating to public safety; regulating fireworks; modifying the definition of the term fireworks; permitting sale and distribution of certain fireworks; amending Minnesota Statutes 1998, section 624.20, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 624.

Reported the same back with the following amendments:

Page 2, line 9, after the first comma, insert "storage,"

Page 2, delete line 10 and insert "permitted fireworks, provided the fireworks also comply with the requirements of the United States Consumer Product Safety Commission and the United States Department of Transportation:"

Page 2, line 12, before the semicolon, insert "does not exceed 16 milligrams of explosive mixture"

Page 2, line 18, after "that" insert "consist of not more than 16 milligrams of explosive mixture and that"

Page 2, line 32, after the semicolon, insert "and"

Page 2, line 36, delete the semicolon and insert a period

Page 3, delete lines 1 to 10 and insert:

"Subd. 2. [REGULATION.] Notwithstanding section 624.20, subdivision 3, use of fireworks on public property is permitted only if permitted by local ordinance."

"Retail sales of fireworks are permitted from June 1 through July 8 and from December 1 through January 5. Use of fireworks is permitted from July 1 through July 7 and from December 28 through January 2."

Page 3, line 11, delete "may sell,"

Page 3, line 12, delete everything before "under" and insert "shall distribute fireworks for resale"

With the recommendation that when so amended the bill pass.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1959, A bill for an act relating to human services; modifying the implementation date for county-based purchasing and making other changes; amending Minnesota Statutes 1998, sections 256B.69, subdivision 3a, and by adding a subdivision; and 256B.692, subdivisions 2 and 5.

Reported the same back with the following amendments:

Page 6, line 36, after the period, insert "The county board of commissioners is the governing body of a county-based purchasing program. In a multicounty arrangement, the governing body is a joint powers board established under section 471.59."

Page 7, line 3, after "requirements" insert "for assurance of consumer protection and fiscal solvency"

Page 7, delete lines 19 to 25 and insert:

"(e) The commissioner, in consultation with county government, shall develop administrative and financial reporting requirements for county-based purchasing programs relating to sections 62D.041, 62D.042, 62D.045, 62D.08, 62N.28, 62N.29, and 62N.31, and other sections as necessary, that are specific to county administrative, accounting, and reporting systems and consistent with other statutory requirements of counties. The state auditor shall audit a county-based purchasing program as part of the annual audit of county records under section 6.48."

Page 9, line 4, after the comma, insert "an analysis of capitation rate equalization for MinnesotaCare and the prepaid medical assistance program, an analysis of the fiscal impact on state and county government of repealing Minnesota Statutes 1998, section 256B.69, subdivision 5d,"

Page 9, line 31, delete "and"

Page 9, line 33, before the period, insert "; and

(9) county board options to purchase health care services for MinnesotaCare enrollees under county-based purchasing"

Amend the title as follows:

Page 1, line 4, before the semicolon, insert "to county-based purchasing programs"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 2010, A bill for an act relating to insurance; regulating workers' compensation self-insurance; providing reporting and financial requirements; amending Minnesota Statutes 1998, sections 79A.21, subdivisions 2 and 3; 79A.22, subdivisions 2 and 3; 79A.23; and 79A.24, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 36, reinstate the stricken "constituting at least" and after the stricken "75" insert "50"

Page 3, lines 1 to 6, reinstate the stricken language and delete the new language

Page 4, line 4, delete "ten" and insert "12"

Page 4, delete section 4

Page 4, line 23, delete "5" and insert "4"

Page 4, line 30, reinstate the stricken language and delete the new language

Page 5, line 14, reinstate the stricken language and delete the new language

Page 6, line 36, delete "October" and strike "1" and insert "September 15"

Page 7, line 4, reinstate the stricken language

Page 7, line 5, reinstate the stricken "constituting at least" and after the stricken "50" insert "25" and reinstate the stricken "percent of the group's annual premium"

Page 7, lines 6 to 12, reinstate the stricken language and delete the new language

Page 7, line 33, delete "6" and insert "5"

Page 7, line 35, delete "110" and insert "125"

Page 8, lines 2 to 7, reinstate the stricken language

Amend the title as follows:

Page 1, line 6, delete "subdivisions" and insert "subdivision" and delete "and 3"

With the recommendation that when so amended the bill pass.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 2024, A bill for an act relating to the board of government innovation and cooperation; extending an exemption from enforcement of law granted by the board during calendar year 1998; amending Minnesota Statutes 1998, section 465.797, subdivision 5a.

Reported the same back with the following amendments:

Amend the title as follows:

Page 1, line 3, delete "an exemption" and insert "exemptions"

Page 1, line 4, delete "year 1998" and insert "years 1996 and 1998"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 2054, A bill for an act relating to agriculture; creating the dairy farming task force; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [DAIRY FARMING PROBLEM STATEMENT.]

Minnesota has experienced a dramatic downturn in milk production and the reduced number of milk producers is threatening the long-term viability of the dairy industry in the state. The purpose of this section is to improve the climate for operating dairy farms of all sizes and types in Minnesota. The study, report, and legislative

recommendations authorized in this section will increase the understanding by public officials and the general public of the challenges and opportunities that exist for Minnesota's dairy industry and provide public officials with recommendations to improve the climate for dairy farming. The goal of the study and report is to provide a strategic plan for Minnesota's residents and public officials to make Minnesota the number one dairy state in the nation.

Sec. 2. [COMMISSIONER TO STUDY, HOLD HEARINGS, AND REPORT WITH RECOMMENDATIONS.]

(a) The commissioner of agriculture shall study, in consultation with the chairs of the agriculture policy and finance committees of the senate and the house of representatives, the Minnesota Farmers Union, the Farm Bureau Federation, the National Farmers Organization, and other Minnesota farm organizations, the impact of current and projected trends in dairy farming on Minnesota's dairy farmers and processors and provide a strategic plan to make Minnesota the number one dairy state in the nation.

(b) The commissioner shall hold at least five public hearings in the agricultural regions of Minnesota on the challenges and opportunities for Minnesota's dairy farmers. At each of the hearing locations, the commissioner may organize tours of local dairy facilities of all varieties.

(c) Not later than February 15, 2000, the commissioner shall report to the legislature on the findings of the study. The report must include recommendations on improvements in state laws and rules that are in the best interest of Minnesota's dairy industry, environment, social climate, and family farming operations. The report must include:

(1) the impact of current trends on the economic, social, and environmental conditions in rural Minnesota;

(2) the impact of the current laws on dairy farming in Minnesota;

(3) the impact of current dairy farming trends on the long-term viability of the dairy processing industry in Minnesota;

(4) recommendations to provide for the financial success and long-term sustainability of dairy farming in Minnesota; and

(5) recommendations on how state government can better assist Minnesota's dairy farmers develop and use appropriate technologies, including the upgrade of milking facilities, rotational grazing, and other sustainable methods.

Sec. 3. [APPROPRIATION; DAIRY FARMING STUDY AND REPORT.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture for the dairy farming study required under section 2. This appropriation is available until June 30, 2000.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; requiring a study of dairy farmers; appropriating money."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Agriculture and Rural Development Finance.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2174, A bill for an act relating to the city of Columbia Heights; providing for the extension of and authorizing certain expenditures from certain tax increment financing districts.

Reported the same back with the following amendments:

Page 1, line 19, before the period, insert ", or to reimburse amounts paid for such purposes by the city or its economic development authority"

Page 2, line 11, before the period, insert ", and any bonds issued to refund such bonds"

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

S. F. No. 98, A bill for an act relating to crime victims; granting prosecutors discretion not to disclose a victim's or witness's date of birth; amending Minnesota Statutes 1998, section 611A.035.

Reported the same back with the following amendments:

Page 2, line 12, after "address" insert ", telephone number,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

S. F. No. 441, A bill for an act relating to crime prevention; modifying the criminal penalties for certain crimes to provide more uniformity; creating a pretrial diversion program for writers of dishonored checks; amending Minnesota Statutes 1998, sections 332.50, subdivision 2; 609.52, subdivision 3; 609.535, subdivision 2a; 609.631, subdivision 4; and 609.821, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 628.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 332.50, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING.] Whoever issues any check that is dishonored is liable for the following penalties:

(a) A service charge of up to ~~\$20~~ \$30, or actual costs of collection not to exceed ~~\$30~~ \$40, may be imposed immediately on any dishonored check, regardless of mailing a notice of dishonor, if notice of the service charge was conspicuously displayed on the premises when the check was issued. If a law enforcement agency obtains payment of a dishonored check, a service charge not to exceed ~~\$25~~ \$35 may be imposed if the service charge is retained by the law enforcement agency for its expenses. Only one service charge may be imposed under this paragraph for each dishonored check.

(b) If the amount of the dishonored check is not paid within 30 days after the payee or holder has mailed notice of dishonor pursuant to section 609.535 and a description of the penalties contained in this subdivision, whoever issued the dishonored check is liable to the payee or holder of the check for:

(1) the amount of the check, the service charge as provided in paragraph (a), plus a civil penalty of up to \$100 or the value of the check, whichever is greater. The civil penalty may not be imposed until 30 days following the mailing of the notice of dishonor. A payee or holder of the check may make a written demand for payment of the civil liability by sending a copy of this section and a description of the liability contained in this section to the issuer's last known address. Notice as provided in paragraph (a) must also include notification that additional civil penalties will be imposed for dishonored checks for nonpayment after 30 days;

(2) interest at the rate payable on judgments pursuant to section 549.09 on the face amount of the check from the date of dishonor; and

(3) reasonable attorney fees if the aggregate amount of dishonored checks issued by the issuer to all payees within a six-month period is over \$1,250.

(c) This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision, but does not nullify charges for dishonored checks, which do not exceed the charges in paragraph (a) or terms or conditions for imposing the charges which have been agreed to by the parties in an express contract.

(d) A sight draft may not be used as a means of collecting the civil penalties provided in this section without prior consent of the issuer.

(e) The issuer of a dishonored check is not liable for the penalties described in paragraph (b) if the issuer successfully completes a pretrial diversion program under section 628.69.

Sec. 2. Minnesota Statutes 1998, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the property is a firearm, or the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was an article representing a trade secret, an explosive or incendiary device, or a controlled substance listed in schedule I or II pursuant to section 152.02 with the exception of marijuana; or

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(a) the value of the property or services stolen is more than \$500 but not more than \$2,500; or

(b) the property stolen was a controlled substance listed in schedule III, IV, or V pursuant to section 152.02; or

(c) the value of the property or services stolen is more than ~~\$200~~ \$250 but not more than \$500 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.182; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United States, or a foreign jurisdiction, in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

- (d) the value of the property or services stolen is not more than \$500, and any of the following circumstances exist:
- (i) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or
  - (ii) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or
  - (iii) the property is taken from a burning, abandoned, or vacant building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or
  - (iv) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or
  - (v) the property stolen is a motor vehicle; or
- (4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than ~~\$200~~ \$250 but not more than \$500; or
- (5) in all other cases where the value of the property or services stolen is ~~\$200~~ \$250 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3), (4), and (13), the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 3. Minnesota Statutes 1998, section 609.535, subdivision 2a, is amended to read:

Subd. 2a. [PENALTIES.] (a) A person who is convicted of issuing a dishonored check under subdivision 2 may be sentenced as follows:

(1) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the value of the dishonored check, or checks aggregated under paragraph (b), is more than \$500;

(2) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the dishonored check, or checks aggregated under paragraph (b), is more than \$250 but not more than \$500;  
or

~~(3)~~ (3) to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, if the value of the dishonored check, or checks aggregated under paragraph (b), is not more than \$250.

(b) In a prosecution under this subdivision, the value of dishonored checks issued by the defendant in violation of this subdivision within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the dishonored checks was issued for all of the offenses aggregated under this paragraph.

Sec. 4. Minnesota Statutes 1998, section 609.631, subdivision 4, is amended to read:

Subd. 4. [SENTENCING.] A person who is convicted under subdivision 2 or 3 may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the forged check or checks are used to obtain or in an attempt to obtain, property or services of more than \$35,000 or the aggregate amount of the forged check or checks is more than \$35,000;

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the forged check or checks are used to obtain or in an attempt to obtain, property or services of more than \$2,500 or the aggregate amount of the forged check or checks is more than \$2,500;

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(a) the forged check or checks are used to obtain or in an attempt to obtain, property or services of more than ~~\$200~~ \$250 but not more than \$2,500, or the aggregate face amount of the forged check or checks is more than ~~\$200~~ \$250 but not more than \$2,500; or

(b) the forged check or checks are used to obtain or in an attempt to obtain, property or services of no more than ~~\$200~~ \$250, or have an aggregate face value of no more than ~~\$200~~ \$250, and the person has been convicted within the preceding five years for an offense under this section, section 609.24; 609.245; 609.52; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; or 609.821, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; and

(4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the forged check or checks are used to obtain or in an attempt to obtain, property or services of no more than ~~\$200~~ \$250, or the aggregate face amount of the forged check or checks is no more than ~~\$200~~ \$250.

In any prosecution under this subdivision, the value of the checks forged or offered by the defendant in violation of this subdivision within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the checks was forged or offered for all of the offenses aggregated under this paragraph.

Sec. 5. Minnesota Statutes 1998, section 609.821, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] (a) A person who commits financial transaction card fraud may be sentenced as follows:

(1) for a violation of subdivision 2, clause (1), (2), (5), or (8):

(i) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the value of the property the person obtained or attempted to obtain was more than \$35,000, or the aggregate amount of the transactions under this subdivision was more than \$35,000; or

(ii) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property the person obtained or attempted to obtain was more than \$2,500, or the aggregate amount of the transactions under this subdivision was more than \$2,500; or

(iii) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the value of the property the person obtained or attempted to obtain was more than ~~\$200~~ \$250 but not more than \$2,500, or the aggregate amount of the transactions under this subdivision was more than ~~\$200~~ \$250 but not more than \$2,500; or

(iv) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the value of the property the person obtained or attempted to obtain was not more than ~~\$200~~ \$250, or the aggregate amount of the transactions under this subdivision was not more than ~~\$200~~ \$250, and the person has previously been convicted within the preceding five years for an offense under this section, section 609.24; 609.245; 609.52; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; or 609.631, or a statute from another state in conformity with any

of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(v) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property the person obtained or attempted to obtain was not more than ~~\$200~~ \$250, or the aggregate amount of the transactions under this subdivision was not more than ~~\$200~~ \$250; and

~~(vi) in any prosecution under clauses (i) to (v), the value of the transactions made or attempted within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the card transactions occurred for all of the transactions aggregated under this paragraph;~~

(2) for a violation of subdivision 2, clause (3) or (4), to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both; or

(3) for a violation of subdivision 2, clause (6) or (7):

(i) if no property, other than a financial transaction card, has been obtained by the defendant by means of the false statement or false report, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both; or

(ii) if property, other than a financial transaction card, is so obtained, in the manner provided in clause (1).

~~(b) In any prosecution under paragraph (a), clause (1), the value of the transactions made or attempted within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the card transactions occurred for all of the transactions aggregated under this paragraph.~~

Sec. 6. [628.69] [PRETRIAL DIVERSION PROGRAM FOR WRITERS OF DISHONORED CHECKS.]

Subdivision 1. [DEFINITIONS.] As used in this section:

(1) a person is an "offender" if the person is charged with, or probable cause exists to arrest or charge the person with, a violation of section 609.535, but the person has not yet entered a plea in the proceedings;

(2) "pretrial diversion" means the decision of a prosecutor to refer an offender to a diversion program on condition that the criminal charges against the offender will be dismissed after a specified period of time, or the case will not be charged, if the offender successfully completes the program; and

(3) "prosecutor" means a city or county attorney.

Subd. 2. [ESTABLISHMENT OF PROGRAM.] A prosecutor may establish a pretrial diversion program for offenders. The program may be conducted by the prosecutor or by a private entity under contract with the prosecutor.

Subd. 3. [DIVERSION OF OFFENDER.] In determining whether to accept an offender for pretrial diversion, the prosecutor shall consider:

(1) the value of the dishonored check or checks;

(2) whether the offender has a criminal record or has previously been diverted under this section or any other diversion program;

- (3) the number of dishonored check grievances against the offender previously received by the prosecutor;
- (4) whether there are other dishonored check grievances currently pending against the offender;
- (5) the strength of the evidence, if any, of intent to defraud the victim; and
- (6) the wishes of the victim regarding placement in the program.

Subd. 4. [PROGRAM COMPONENTS.] At a minimum, the pretrial diversion program must require offenders to:

- (1) successfully complete an appropriate educational class or classes at their own expense which includes information on writing checks and managing money;
- (2) make full restitution to the victim of the offense; and
- (3) pay appropriate penalties under section 332.50, subdivision 2, paragraph (a).

Subd. 5. [NO CIVIL LIABILITY.] A victim of an offender who successfully completes a pretrial diversion program under this section may not recover the penalties described in section 332.50, subdivision 2, paragraph (b).

Subd. 6. [REPORTING OF DATA TO CRIMINAL JUSTICE INFORMATION SYSTEM (CJIS).] Every prosecutor who has established a pretrial diversion program under this section shall report the following information to the bureau of criminal apprehension:

- (1) the name and date of birth of each diversion program participant, and any other identifying information the superintendent considers necessary;
- (2) the date on which the individual began to participate in the diversion program;
- (3) the date on which the individual is expected to complete the diversion program;
- (4) the date on which the individual successfully completed the diversion program, where applicable; and
- (5) the date on which the individual was removed from the diversion program for failure to successfully complete the individual's goals, where applicable.

The superintendent shall cause the information described in this subdivision to be entered into and maintained in the criminal history file of the Minnesota criminal justice information system.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 and 6 are effective August 1, 1999. Sections 2 to 5 are effective August 1, 1999, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime prevention; modifying the criminal penalties for certain crimes to provide more uniformity; increasing the amount of certain civil penalties for issuance of dishonored checks; creating a pretrial diversion program for writers of dishonored checks; amending Minnesota Statutes 1998, sections 332.50, subdivision 2; 609.52, subdivision 3; 609.535, subdivision 2a; 609.631, subdivision 4; and 609.821, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 628."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Commerce.

The report was adopted.

**SECOND READING OF HOUSE BILLS**

H. F. Nos. 47, 180, 213, 249, 545, 553, 556, 643, 661, 665, 673, 712, 792, 804, 849, 853, 863, 906, 963, 1046, 1079, 1098, 1168, 1173, 1222, 1255, 1267, 1273, 1286, 1291, 1336, 1384, 1477, 1571, 1590, 1591, 1607, 1608, 1622, 1693, 1708, 1778, 1865, 1890, 1896, 2010 and 2024 were read for the second time.

**SECOND READING OF SENATE BILLS**

S. F. Nos. 685, 881 and 98 were read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Seifert, M., introduced:

H. F. No. 2237, A bill for an act relating to taxes; sales and use taxes; exempting materials used in constructing a regional emergency response and fire training center; amending Minnesota Statutes 1998, section 297A.25, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Entenza and Mares introduced:

H. F. No. 2238, A bill for an act relating to education; providing funding for a teacher licensure program to educate teachers of students with emotional and behavioral disorders; appropriating money.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Munger and Trimble introduced:

H. F. No. 2239, A bill for an act relating to economic development; appropriating money for the Lake Superior Mississippi Railroad scenic railway.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Abrams, Milbert, McElroy, Erhardt and Sviggum introduced:

H. F. No. 2240, A bill for an act relating to taxation; repealing the transit zone tax with certain exceptions; amending Minnesota Statutes 1998, section 273.13, subdivision 24; repealing Laws 1998, chapter 389, article 3, section 45.

The bill was read for the first time and referred to the Committee on Taxes.

Murphy, Huntley, Jaros and Solberg introduced:

H. F. No. 2241, A bill for an act relating to the military; appropriating money for expanding the STARBASE educational program.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Huntley, Tomassoni, Rukavina, Hausman and Jaros introduced:

H. F. No. 2242, A bill for an act relating to education funding; consolidating supplemental revenue and transition revenue; providing state aid for levies that are recognized early; amending Minnesota Statutes 1998, sections 123B.75, by adding a subdivision; 126C.10, subdivisions 1 and 19; 126C.13, subdivisions 2, 3, and 4; and 127A.45, subdivision 13, and by adding a subdivision; repealing Minnesota Statutes 1998, section 126C.10, subdivisions 9, 10, 11, and 12.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Smith introduced:

H. F. No. 2243, A bill for an act relating to education; prohibiting a district from billing special education tuition to a resident district if the child open enrolls in another district; reimbursing independent school district No. 277, Westonka, for tuition payments; appropriating money; amending Minnesota Statutes 1998, sections 125A.03; 125A.05; and 125A.11, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 125A.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Westfall introduced:

H. F. No. 2244, A bill for an act relating to appropriations; appropriating money for a park in the city of Glyndon.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

Westfall introduced:

H. F. No. 2245, A bill for an act relating to appropriations; appropriating money for the Whiskey creek restoration project in the city of Barnesville.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

Westfall introduced:

H. F. No. 2246, A bill for an act relating to appropriations; appropriating money for park construction at Lake Flora in the city of Hitterdal.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

Gunther introduced:

H. F. No. 2247, A bill for an act relating to employment; specifying that a portion of appropriations for opportunities industrialization centers be reserved to match federal welfare-to-work funds.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Mahoney introduced:

H. F. No. 2248, A bill for an act relating to community development; providing funding for employment-related empowerment groups; appropriating money.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Policy.

Harder introduced:

H. F. No. 2249, A bill for an act relating to education; providing for a grant to independent school district No. 2862, Jackson County Central, for costs related to facilities and consolidation.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Lindner, Trimble, Gunther, Rhodes and Jaros introduced:

H. F. No. 2250, A bill for an act relating to community development; providing a grant for the Asian-Pacific Community Center; appropriating money.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Cassell, Wenzel, Finseth, Kuisle, Otremba and Swenson introduced:

H. F. No. 2251, A bill for an act relating to agriculture; providing for a temporary 30-day permit for producers of Grade A or manufacturing grade milk for adulterated milk; amending Minnesota Statutes 1998, section 32.21, subdivision 4.

The bill was read for the first time and referred to the Committee on Agriculture Policy.

Paulsen, Lenczewski, Seagren, Wilkin and Rest introduced:

H. F. No. 2252, A bill for an act relating to property taxes; limiting contributions to the areawide tax base; amending Minnesota Statutes 1998, section 473F.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 473F.

The bill was read for the first time and referred to the Committee on Taxes.

Holsten introduced:

H. F. No. 2253, A bill for an act relating to taxation; levy limits; adjusting the levy limit base for the city of Grant.

The bill was read for the first time and referred to the Committee on Taxes.

Carruthers introduced:

H. F. No. 2254, A bill for an act relating to education; establishing a minimum number of days of student instruction; imposing an aid penalty if school is not held for the required minimum number of school days; amending Minnesota Statutes 1998, section 120A.41.

The bill was read for the first time and referred to the Committee on Education Policy.

Dorn, Storm and Tunheim introduced:

H. F. No. 2255, A bill for an act relating to education funding; creating district-sponsored choice magnet schools; authorizing district-sponsored choice magnet schools to qualify for start-up grants; amending Minnesota Statutes 1998, section 124D.11, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 124D.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Lenczewski; Larson, D.; Wilkin and Pawlenty introduced:

H. F. No. 2256, A bill for an act relating to airport noise; requiring the metropolitan airports commission to study and propose restrictions on certain stage 3 aircraft use of the Minneapolis-St. Paul International Airport.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Peterson and Trimble introduced:

H. F. No. 2257, A bill for an act relating to public safety; appropriating money for grants to purchase dogs that are trained to detect or locate controlled substances.

The bill was read for the first time and referred to the Committee on Judiciary Finance.

Chaudhary, Broecker and Johnson introduced:

H. F. No. 2258, A bill for an act relating to taxation; providing for an extension of the duration of a tax increment district in the city of Fridley.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Clark, J., and Dorman introduced:

H. F. No. 2259, A bill for an act relating to education; providing an inflationary increase in the general education basic formula allowance; appropriating money; amending Minnesota Statutes 1998, section 126C.10, subdivision 2.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Entenza, Solberg and Ness introduced:

H. F. No. 2260, A bill for an act relating to insurance; automobile; modifying the eligibility for a premium reduction upon completion of the required accident prevention course; amending Minnesota Statutes 1998, section 65B.28, subdivisions 1, 2, and 4.

The bill was read for the first time and referred to the Committee on Commerce.

Carlson, Tunheim, Leppik, Rhodes and Rest introduced:

H. F. No. 2261, A bill for an act relating to education; modifying the dates for payment of school district state aids; authorizing an additional appeal; amending Minnesota Statutes 1998, section 127A.45, subdivisions 2, 3, and 4.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Ness, Cassell, Biernat, Kielkucki and Entenza introduced:

H. F. No. 2262, A bill for an act relating to education; providing for timely test results; amending Minnesota Statutes 1998, section 120B.30, subdivision 1.

The bill was read for the first time and referred to the Committee on Education Policy.

Ness, Biernat, Howes, Schumacher, Cassell, Stang, Olson, Erickson, Tomassoni, Johnson, Solberg and Clark, J., introduced:

H. F. No. 2263, A bill for an act relating to education; restoring categorical funding for pupil transportation to and from school; appropriating money; amending Minnesota Statutes 1998, section 123B.92, by adding a subdivision.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Greenfield introduced:

H. F. No. 2264, A bill for an act relating to health; establishing premium growth goals; amending Minnesota Statutes 1998, sections 60A.15, subdivision 1; 62A.65, subdivision 3; 62J.04, subdivision 3, and by adding a subdivision; 62J.301, subdivision 3; 62J.38; and 62L.08, subdivision 8.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Lenczewski; Larson, D., and Seagren introduced:

H. F. No. 2265, A bill for an act relating to property taxes; eliminating Bloomington's obligation to repay its obligation to the fiscal disparities areawide tax base under certain conditions; authorizing a study; amending Minnesota Statutes 1998, section 473F.08, subdivision 3a.

The bill was read for the first time and referred to the Committee on Taxes.

Skoe and Lieder introduced:

H. F. No. 2266, A bill for an act relating to appropriations; appropriating money for a stormwater and sediment control project in Bagley.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Chaudhary, Gray, McGuire and Mariani introduced:

H. F. No. 2267, A bill for an act relating to families; creating a trust fund for families and children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 119A.

The bill was read for the first time and referred to the Committee on Family and Early Childhood Education Finance.

Kalis, Boudreau, Dorn and Wagenius introduced:

H. F. No. 2268, A bill for an act relating to motor vehicles; criminal vehicular homicide; specifying that operation of a motor vehicle at certain speeds constitutes operation in a grossly negligent manner; amending Minnesota Statutes 1998, section 609.21, subdivision 1.

The bill was read for the first time and referred to the Committee on Crime Prevention.

Trimble introduced:

H. F. No. 2269, A bill for an act relating to community development; providing a grant for the Neighborhood Development Center, Inc.; appropriating money.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Trimble introduced:

H. F. No. 2270, A bill for an act relating to the environment; modifying provisions related to contaminated land; modifying provisions relating to petroleum tank cleanup; amending Minnesota Statutes 1998, sections 115B.03, subdivisions 1 and 5; 115C.021, subdivisions 1 and 3a; 117.085; and 117.175, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Trimble introduced:

H. F. No. 2271, A bill for an act relating to the environment; modifying application content requirements for contamination cleanup grants; amending Minnesota Statutes 1998, section 116J.553, subdivision 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Trimble introduced:

H. F. No. 2272, A bill for an act relating to economic development finance; appropriating money for economic development grants.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Dempsey introduced:

H. F. No. 2273, A bill for an act relating to education; providing for a grant to independent school district No. 256, Red Wing, for the concentrating on reading enhancement program; appropriating money.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Greiling introduced:

H. F. No. 2274, A bill for an act relating to elections; requiring a polling place on every college campus with 500 or more students enrolled; amending Minnesota Statutes 1998, section 204B.16, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Seagren, Greiling, Nornes, Carlson and Cassell introduced:

H. F. No. 2275, A bill for an act relating to education; promoting professional teaching standards; appropriating money; amending Laws 1997, First Special Session chapter 4, article 5, section 22.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Chaudhary, McGuire, Mariani and Gray introduced:

H. F. No. 2276, A bill for an act relating to child care; modifying child care assistance; expanding the dependent care tax credit; providing a basic sliding fee transition credit; amending Minnesota Statutes 1998, sections 119B.03, by adding subdivisions; and 290.067, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Family and Early Childhood Education Finance.

Otremba introduced:

H. F. No. 2277, A bill for an act relating to taxation; providing that municipalities may use the Revenue Recapture Act to collect delinquent payments for ambulance services; amending Minnesota Statutes, section 270A.03, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1225, 1712, 1099, 1554 and 1600.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 567, 480, 626, 727, 303, 346 and 836.

PATRICK E. FLAHAVEN, Secretary of the Senate

**FIRST READING OF SENATE BILLS**

S. F. No. 1225, A bill for an act relating to the metropolitan council; eliminating an unnecessary report; making conforming changes; amending Minnesota Statutes 1998, sections 473.13, subdivision 1; and 473.704, subdivision 19; repealing Minnesota Statutes 1998, section 473.1623, subdivision 3.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 1712, A bill for an act relating to the metropolitan council; changing the schedule for the metropolitan transit system's operation performance audit; amending Minnesota Statutes 1998, section 473.1466.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 1099, A bill for an act relating to health; modifying training requirements for nursing assistants; amending Minnesota Statutes 1998, section 144A.61, subdivisions 2 and 3a.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

S. F. No. 1554, A bill for an act relating to port authorities; allowing an alternative name for the seaway port authority of Duluth; amending Minnesota Statutes 1998, section 469.049, subdivision 1.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

S. F. No. 1600, A bill for an act relating to motor vehicles; eliminating requirement that certain applications submitted to department of public safety be in writing; amending Minnesota Statutes 1998, sections 168.013, subdivision 3; and 168.82, subdivision 1.

The bill was read for the first time and referred to the Committee on Transportation Policy.

S. F. No. 567, A bill for an act relating to community development; clarifying and restating the powers of the rural policy and development center; amending Minnesota Statutes 1998, section 116J.421, subdivision 3, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

S. F. No. 480, A bill for an act relating to transportation; allowing port authorities to retain lease or management contract revenues from commercial navigation projects financed by the state; amending Minnesota Statutes 1998, section 457A.04, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Ways and Means.

S. F. No. 626, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water in Wabasha county.

The bill was read for the first time.

Osskopp moved that S. F. No. 626 and H. F. No. 502, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 727, A bill for an act relating to commerce; providing for continuity of contracts affected by the European currency; proposing coding for new law in Minnesota Statutes, chapter 334.

The bill was read for the first time.

Seifert, J., moved that S. F. No. 727 and H. F. No. 1336, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 303, A bill for an act relating to civil actions; clarifying admissibility of evidence regarding seat belts and child passenger restraint systems in certain actions; amending Minnesota Statutes 1998, section 169.685, subdivision 4.

The bill was read for the first time.

McGuire moved that S. F. No. 303 and H. F. No. 462, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 346, A bill for an act relating to child custody; expanding provisions for relative ex parte temporary custody; amending Minnesota Statutes 1998, section 518.158, subdivisions 1 and 2.

The bill was read for the first time.

Wagenius moved that S. F. No. 346 and H. F. No. 817, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 836, A bill for an act relating to agriculture; changing food handlers license provisions for food processors or manufacturers operating only at the state fair; amending Minnesota Statutes 1998, sections 28A.04, subdivision 1; and 28A.08, subdivision 3.

The bill was read for the first time.

Anderson, B., moved that S. F. No. 836 and H. F. No. 384, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

### CONSENT CALENDAR

H. F. No. 1421, A bill for an act relating to professions; modifying temporary permit requirements for podiatrists; amending Minnesota Statutes 1998, sections 153.16, subdivision 3; and 153.17, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holberg	Luther	Paulsen	Swenson
Abrams	Dorn	Holsten	Mahoney	Pawlenty	Sykora
Anderson, B.	Entenza	Howes	Mares	Paymar	Tingelstad
Anderson, I.	Erhardt	Huntley	Mariani	Pelowski	Tomassoni
Bakk	Erickson	Jaros	Marko	Peterson	Trimble
Biernat	Finseth	Jennings	McCollum	Pugh	Tuma
Bishop	Folliard	Johnson	McElroy	Reuter	Tunheim
Boudreau	Fuller	Juhnke	McGuire	Rhodes	Van Dellen
Bradley	Gerlach	Kahn	Milbert	Rifenberg	Vandever
Broecker	Gleason	Kalis	Molnau	Rostberg	Wagenius
Buesgens	Goodno	Kelliher	Mulder	Rukavina	Wenzel
Carlson	Gray	Kielkucki	Mullery	Schumacher	Westerberg
Carruthers	Greenfield	Knoblach	Murphy	Seagren	Westfall
Cassell	Greiling	Koskinen	Ness	Seifert, J.	Westrom
Chaudhary	Gunther	Kubly	Nornes	Seifert, M.	Wilkin
Clark, J.	Haake	Larsen, P.	Olson	Skoe	Winter
Clark, K.	Haas	Larson, D.	Opatz	Skoglund	Wolf
Daggett	Hackbarth	Leighton	Orfield	Smith	Workman
Davids	Harder	Lenczewski	Osskopp	Solberg	Spk. Sviggum
Dawkins	Hasskamp	Leppik	Osthoff	Stanek	
Dehler	Hausman	Lieder	Otremba	Stang	
Dempsey	Hilty	Lindner	Ozment	Storm	

The bill was passed and its title agreed to.

H. F. No. 1714, A bill for an act relating to occupations and professions; allowing the board of pharmacy to grant waivers to pharmacists regarding the ratio of pharmacists to pharmacy technicians; amending Minnesota Statutes 1998, section 151.102.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holsten	Luther	Paymar	Sykora
Abrams	Entenza	Howes	Mahoney	Pelowski	Tingelstad
Anderson, B.	Erhardt	Huntley	Mares	Peterson	Tomassoni
Anderson, I.	Erickson	Jaros	Marko	Pugh	Trimble
Bakk	Finseth	Jennings	McCollum	Rest	Tuma
Biernat	Folliard	Johnson	McElroy	Reuter	Tunheim
Bishop	Fuller	Juhnke	McGuire	Rhodes	Van Dellen
Boudreau	Gerlach	Kahn	Milbert	Rifenberg	Vandever
Bradley	Gleason	Kalis	Molnau	Rostberg	Wagenius
Broecker	Goodno	Kelliher	Mulder	Rukavina	Wejman
Buesgens	Gray	Kielkucki	Mullery	Schumacher	Wenzel
Carlson	Greenfield	Knobloch	Murphy	Seagren	Westerberg
Carruthers	Greiling	Koskinen	Ness	Seifert, J.	Westfall
Cassell	Gunther	Kubly	Nornes	Seifert, M.	Westrom
Chaudhary	Haake	Kuisle	Olson	Skoe	Wilkin
Clark, J.	Haas	Larsen, P.	Opatz	Skoglund	Winter
Daggett	Hackbarth	Larson, D.	Osskopp	Smith	Wolf
Davids	Harder	Leighton	Osthoff	Solberg	Workman
Dawkins	Hasskamp	Lenczewski	Otremba	Stanek	Spk. Sviggum
Dehler	Hausman	Leppik	Ozment	Stang	
Dempsey	Hilty	Lieder	Paulsen	Storm	
Dorman	Holberg	Lindner	Pawlenty	Swenson	

The bill was passed and its title agreed to.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Pawlenty from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day, immediately preceding the remaining bills on the Calendar for the Day, for Wednesday, March 24, 1999:

H. F. Nos. 1415, 2067, 2060, 1553 and 1554.

#### CALENDAR FOR THE DAY

H. F. No. 1415 was reported to the House.

Molnau moved to amend H. F. No. 1415, the second engrossment, as follows:

Page 4, line 5, delete "includes goals to ensure" and insert "ensures"

Page 4, line 6, delete "at a maximum of 1,600 wolves"

Page 4, delete lines 7 and 8

Page 4, line 9, delete everything before the period and insert "consistent with the federal wolf recovery plan"

Page 4, line 11, delete "reduce" and insert "manage" and after "the" insert "gray wolf"

Page 4, line 12, after "trappers" insert "to a level that minimizes conflicts between humans and gray wolves and the depredation of livestock and domestic pets. No hunting or trapping authorized under this section may occur before January 1 of the year following the delisting of the gray wolf from the federal endangered species act"

The motion prevailed and the amendment was adopted.

Dawkins was excused for the remainder of today's session.

The Speaker called Abrams to the Chair.

Hausman moved to amend H. F. No. 1415, the second engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 97A.331, is amended by adding a subdivision to read:

Subd. 7. [GRAY WOLF.] (a) A person who takes, harasses, destroys, buys, sells, possesses, transports, or ships a gray wolf in violation of the game and fish laws is guilty of a gross misdemeanor.

(b) The restitution value for a gray wolf under section 97A.345 is \$2,000. This amount may be amended by rule.

Sec. 2. Minnesota Statutes 1998, section 97B.645, is amended to read:

97B.645 [GRAY WOLVES.]

Subdivision 1. [USE OF DOGS AND HORSES PROHIBITED; USE OF GUARD ANIMALS.] A person may not use a dog or horse to take a ~~timber~~ gray wolf. A person may use a guard animal to harass, repel, or destroy wolves only as allowed under subdivisions 3, 4, 5, and 6.

Subd. 2. [PERMIT REQUIRED TO SNARE.] A person may not use a snare to take a wolf except under a permit from the commissioner.

Subd. 3. [DESTROYING GRAY WOLVES IN DEFENSE OF HUMAN LIFE.] A person may, at any time and without a permit, take a gray wolf in defense of the person's own life or the life of another. A person who destroys a gray wolf under this subdivision must protect all evidence and report the taking to a conservation officer within 24 hours after the gray wolf is killed.

Subd. 4. [HARASSMENT OF GRAY WOLVES.] To discourage gray wolves from contact or association with people and domestic animals, a person may, at any time and without a permit, harass a gray wolf that is within 500 yards of people, buildings, dogs, livestock, or other domestic animals. A gray wolf may not be purposely attracted, tracked, or searched out for the purpose of harassment. Harassment methods that cause physical injury to a gray wolf are prohibited.

Subd. 5. [DESTROYING GRAY WOLVES THREATENING LIVESTOCK OR GUARD ANIMALS.] An owner of livestock and guard animals, and the owner's agents, may, at any time and without a permit, shoot a gray wolf when the gray wolf is posing an immediate threat to livestock or a guard animal on property owned, leased, or occupied by the owner. A person who destroys a gray wolf under this subdivision must protect all evidence and report the taking to a conservation officer within 24 hours after the gray wolf is killed.

Subd. 6. [DESTROYING GRAY WOLVES THREATENING DOGS.] An owner of a dog may, at any time and without a permit, shoot a gray wolf when the gray wolf is posing an immediate threat to a dog under the controlled supervision of the owner. A person who destroys a gray wolf under this subdivision must protect all evidence and report the taking to a conservation officer within 24 hours after the gray wolf is killed.

Subd. 7. [INVESTIGATION OF REPORTED GRAY WOLF TAKINGS.] (a) In response to a reported gray wolf taking under subdivision 3, 5, or 6, the commissioner shall:

(1) investigate the reported taking;

(2) collect written and photographic documentation of the circumstances and site of the taking, including but not limited to documentation of animal husbandry practices;

(3) confiscate the remains of the gray wolf killed; and

(4) dispose of any salvageable gray wolf pelt confiscated under this subdivision by sale or donation for educational purposes.

(b) The commissioner shall produce monthly reports of activities under this subdivision.

(c) In response to a reported gray wolf taking under subdivision 5, the commissioner shall recommend what, if any, livestock best management practices and nonlethal wolf depredation controls are needed to prevent future wolf depredation and shall work with the owner to develop a written and signed plan with a reasonable time frame for its implementation. Any best management practices recommended by the commissioner must be consistent with the best management practices developed by the commissioner of agriculture under section 3.737, subdivision 5.

Subd. 8. [NO OPEN SEASON.] There is no open season for gray wolves.

Subd. 9. [RELEASE OF WOLF-DOG HYBRIDS AND CAPTIVE GRAY WOLVES.] A person may not release wolf-dog hybrids or captive gray wolves without a permit from the commissioner.

Subd. 10. [FEDERAL LAW.] Notwithstanding the provisions of this section, a person may not take, harass, buy, sell, possess, transport, or ship gray wolves in violation of federal law.

Subd. 11. [RULES.] The commissioner may adopt rules that may be necessary to implement and enforce this section.

Subd. 12. [DEFINITIONS.] (a) For purposes of this section, the terms used have the meanings given.

(b) "Guard animal" means a donkey, llama, dog, or other domestic animal specifically bred, trained, and used to protect livestock from gray wolf depredation.

(c) "Immediate threat" means observing a gray wolf in the act of pursuing or attacking livestock, a guard animal, or a dog under the supervised control of the owner. The mere presence of a gray wolf or a gray wolf feeding on an already dead animal is not an immediate threat.

Sec. 3. [97B.646] [GRAY WOLF MANAGEMENT PLAN.]

The commissioner shall adopt a gray wolf management plan that includes goals to ensure the long-term survival of the gray wolf in Minnesota and to reduce conflicts between gray wolves and humans.

Sec. 4. [REPORT TO THE LEGISLATURE.]

The commissioner of natural resources must submit a report to the chairs of the senate and house environment and natural resources policy and funding committees by May 15, 1999. The report must provide recommendations on appropriations needed to accomplish the gray wolf management plan.

## Sec. 5. [REVISORS INSTRUCTION.]

The revisor of statutes shall change the phrase "timber wolf" wherever it appears in Minnesota Statutes and Minnesota Rules to "gray wolf."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for wolf management; providing criminal penalties; amending Minnesota Statutes 1998, sections 97A.331, by adding a subdivision; and 97B.645; proposing coding for new law in Minnesota Statutes, chapter 97B."

A roll call was requested and properly seconded.

The question was taken on the Hausman amendment and the roll was called. There were 45 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abrams	Folliard	Kahn	Mahoney	Osthoff	Tuma
Biernat	Greenfield	Kelliher	Mariani	Ozment	Wagenius
Carlson	Greiling	Koskinen	Marko	Paymar	Wejcman
Carruthers	Haake	Larsen, P.	McCollum	Pugh	Wilkin
Chaudhary	Hausman	Leighton	McGuire	Rest	Winter
Clark, K.	Holberg	Lenczewski	Mullery	Rostberg	
Dempsey	Huntley	Leppik	Murphy	Skoglund	
Entenza	Jaros	Luther	Orfield	Trimble	

Those who voted in the negative were:

Abeler	Dorn	Holsten	McElroy	Rhodes	Tingelstad
Anderson, B.	Erhardt	Howes	Milbert	Rifenberg	Tomassoni
Anderson, I.	Erickson	Jennings	Molnau	Rukavina	Tunheim
Bakk	Finseth	Johnson	Mulder	Schumacher	Van Dellen
Bishop	Fuller	Juhnke	Ness	Seagren	Vandever
Boudreau	Gerlach	Kalis	Nornes	Seifert, J.	Wenzel
Bradley	Gleason	Kielkucki	Olson	Seifert, M.	Westerberg
Broecker	Goodno	Knoblach	Opatz	Skoe	Westfall
Buesgens	Gray	Krinkie	Osskopp	Smith	Westrom
Cassell	Gunther	Kubly	Otremba	Solberg	Wolf
Clark, J.	Haas	Kuisle	Paulsen	Stanek	Workman
Daggett	Hackbarth	Larson, D.	Pawlenty	Stang	Spk. Sviggum
Davids	Harder	Lieder	Pelowski	Storm	
Dehler	Hasskamp	Lindner	Peterson	Swenson	
Dorman	Hilty	Mares	Reuter	Sykora	

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

Bakk and Trimble moved to amend H. F. No. 1415, the second engrossment, as amended, as follows:

Page 4, after line 16, insert:

"The commissioner's management plan shall ensure that the gray wolf is reintroduced to its range before settlement of Minnesota."

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

H. F. No. 1415, A bill for an act relating to natural resources; providing for gray wolf management; providing criminal penalties; amending Minnesota Statutes 1998, sections 97A.331, by adding a subdivision; and 97B.645; proposing coding for new law in Minnesota Statutes, chapter 97B.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 94 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Abeler	Erickson	Johnson	McGuire	Reuter	Sykora
Anderson, B.	Finseth	Juhnke	Milbert	Rhodes	Tingelstad
Anderson, I.	Fuller	Kalis	Molnau	Rifenberg	Tomassoni
Bakk	Gerlach	Kielkucki	Mulder	Rostberg	Tunheim
Bishop	Goodno	Knoblach	Murphy	Rukavina	Van Dellen
Boudreau	Gray	Krinkie	Ness	Schumacher	Vandever
Bradley	Gunther	Kubly	Nornes	Seagren	Wenzel
Broecker	Haas	Kuisle	Olson	Seifert, J.	Westerberg
Buesgens	Hackbarth	Larsen, P.	Opatz	Seifert, M.	Westfall
Cassell	Harder	Larson, D.	Osskopp	Skoe	Westrom
Clark, J.	Hasskamp	Leppik	Osthoff	Smith	Winter
Daggett	Hilty	Lieder	Otremba	Solberg	Wolf
Davids	Holberg	Lindner	Paulsen	Stanek	Workman
Dorman	Holsten	Luther	Pawlenty	Stang	Spk. Sviggum
Dorn	Howes	Mares	Pelowski	Storm	
Erhardt	Jennings	McElroy	Peterson	Swenson	

Those who voted in the negative were:

Abrams	Dempsey	Huntley	Mahoney	Paymar	Wejcman
Biernat	Entenza	Jaros	Mariani	Pugh	Wilkin
Carlson	Folliard	Kahn	Marko	Rest	
Carruthers	Greenfield	Kelliher	McCollum	Skoglund	
Chaudhary	Greiling	Koskinen	Mullery	Trimble	
Clark, K.	Haake	Leighton	Orfield	Tuma	
Dehler	Hausman	Lenczewski	Ozment	Wagenius	

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

H. F. No. 2067, A bill for an act relating to juvenile justice; when an extended jurisdiction juvenile offender has stayed sentence executed for violation of stay no credit is granted for time in juvenile facility; amending Minnesota Statutes 1998, section 260.126, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holsten	Lindner	Paulsen	Storm
Abrams	Entenza	Howes	Luther	Pawlenty	Swenson
Anderson, B.	Erhardt	Huntley	Mahoney	Paymar	Sykora
Anderson, I.	Erickson	Jaros	Mares	Pelowski	Tingelstad
Bakk	Finseth	Jennings	Mariani	Peterson	Tomassoni
Biernat	Folliard	Johnson	Marko	Pugh	Trimble
Bishop	Fuller	Juhnke	McCollum	Rest	Tuma
Boudreau	Gerlach	Kahn	McElroy	Reuter	Tunheim
Bradley	Gleason	Kalis	McGuire	Rhodes	Van Dellen
Broecker	Goodno	Kelliher	Milbert	Rifenberg	Vandever
Buesgens	Gray	Kielkucki	Molnau	Rostberg	Wagenius
Carlson	Greenfield	Knoblach	Mulder	Rukavina	Wejzman
Carruthers	Greiling	Koskinen	Murphy	Schumacher	Wenzel
Cassell	Gunther	Krinkie	Ness	Seagren	Westerberg
Chaudhary	Haake	Kubly	Nornes	Seifert, J.	Westfall
Clark, J.	Haas	Kuisle	Olson	Seifert, M.	Westrom
Clark, K.	Hackbarth	Larsen, P.	Opatz	Skoe	Wilkin
Daggett	Harder	Larson, D.	Orfield	Skoglund	Winter
Davids	Hasskamp	Leighton	Osskopp	Smith	Wolf
Dehler	Hausman	Lenczewski	Osthoff	Solberg	Workman
Dempsey	Hilty	Leppik	Otremba	Stanek	Spk. Sviggum
Dorman	Holberg	Lieder	Ozment	Stang	

The bill was passed and its title agreed to.

H. F. No. 2060 was reported to the House.

Fuller moved that H. F. No. 2060 be returned to the General Register. The motion prevailed.

H. F. No. 1553, A bill for an act relating to corrections; authorizing offenders conditionally released to perform community work service to file claims for injuries sustained during compensated service; repealing a requirement for a report on training funds; authorizing expenditure of funds for staff working in licensed juvenile facilities; authorizing deduction from an inmate's account of restitution ordered for damage to staff property and personal injuries to another; authorizing Minnesota correctional facility-Red Wing to retain money collected from detention holds and federal contracts; authorizing the commissioner to require any inmate to participate in rehabilitative programs and impose disciplinary sanctions for refusal to participate; exempting licensed contractor requirement for institution work crew program; clarifying that sentence for imprisonment is only for felonies; making certain criminal justice agency records available to commissioner of corrections and probation officers; specifying criteria for commitment of juvenile male offenders at the Minnesota correctional facility-Red Wing; repealing the law

authorizing the mutual agreement rehabilitative program; amending Minnesota Statutes 1998, sections 3.739, subdivision 1; 241.01, subdivision 5; 241.0221, subdivisions 1, 2, and 4; 241.26, subdivision 5; 243.23, subdivision 3; 244.03; 244.05, subdivision 1b; 326.84, subdivision 3; 609.105, subdivision 1; and 609.115, subdivision 3; Laws 1997, chapter 239, article 9, section 45; repealing Minnesota Statutes 1998, section 244.02.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holsten	Lindner	Ozment	Stang
Abrams	Entenza	Howes	Luther	Paulsen	Storm
Anderson, B.	Erhardt	Huntley	Mahoney	Pawlenty	Swenson
Anderson, I.	Erickson	Jaros	Mares	Paymar	Sykora
Bakk	Finseth	Jennings	Mariani	Pelowski	Tingelstad
Biernat	Folliard	Johnson	Marko	Peterson	Tomassoni
Bishop	Fuller	Juhnke	McCollum	Pugh	Trimble
Boudreau	Gerlach	Kahn	McElroy	Rest	Tuma
Bradley	Gleason	Kalis	McGuire	Reuter	Tunheim
Broecker	Goodno	Kelliher	Milbert	Rhodes	Van Dellen
Buesgens	Gray	Kielkucki	Molnau	Rifenberg	Vandever
Carlson	Greenfield	Knoblach	Mulder	Rostberg	Wagenius
Carruthers	Greiling	Koskinen	Mullery	Rukavina	Wejman
Cassell	Gunther	Krinkie	Murphy	Schumacher	Wenzel
Chaudhary	Haake	Kubly	Ness	Seagren	Westerberg
Clark, J.	Haas	Kuisle	Nornes	Seifert, J.	Westfall
Clark, K.	Hackbarth	Larsen, P.	Olson	Seifert, M.	Westrom
Daggett	Harder	Larson, D.	Opatz	Skoe	Wilkin
Davids	Hasskamp	Leighton	Orfield	Skoglund	Winter
Dehler	Hausman	Lenczewski	Osskopp	Smith	Wolf
Dempsey	Hilty	Leppik	Osthoff	Solberg	Workman
Dorman	Holberg	Lieder	Otremba	Stanek	Spk. Sviggum

The bill was passed and its title agreed to.

H. F. No. 1554, A bill for an act relating to corrections; authorizing the department of corrections to contract with the department of human services to conduct criminal history background checks for job applicants for juvenile corrections facilities; amending Minnesota Statutes 1998, section 241.021, subdivision 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Bakk	Bradley	Carruthers	Clark, K.	Dempsey
Abrams	Biernat	Broecker	Cassell	Daggett	Dorman
Anderson, B.	Bishop	Buesgens	Chaudhary	Davids	Dorn
Anderson, I.	Boudreau	Carlson	Clark, J.	Dehler	Entenza

Erhardt	Hilty	Larsen, P.	Mullery	Reuter	Tingelstad
Erickson	Holberg	Larson, D.	Murphy	Rhodes	Tomassoni
Finseth	Holsten	Leighton	Ness	Rifenberg	Trimble
Folliard	Howes	Lenczewski	Nornes	Rostberg	Tuma
Fuller	Huntley	Leppik	Olson	Rukavina	Tunheim
Gerlach	Jaros	Lieder	Opatz	Schumacher	Van Dellen
Gleason	Jennings	Lindner	Orfield	Seagren	Vandev eer
Goodno	Johnson	Luther	Osskopp	Seifert, J.	Wagenius
Gray	Juhnke	Mahoney	Osthoff	Seifert, M.	Wejcman
Greenfield	Kahn	Mares	Otremba	Skoe	Wenzel
Greiling	Kalis	Mariani	Ozment	Skoglund	Westerberg
Gunther	Kelliher	Marko	Paulsen	Smith	Westfall
Haake	Kielkucki	McCollum	Pawlenty	Solberg	Westrom
Haas	Knoblach	McElroy	Paymar	Stanek	Wilkin
Hackbarth	Koskinen	McGuire	Pelowski	Stang	Winter
Harder	Krinkie	Milbert	Peterson	Storm	Wolf
Hasskamp	Kubly	Molnau	Pugh	Swenson	Workman
Hausman	Kuisle	Mulder	Rest	Sykora	Spk. Sviggum

The bill was passed and its title agreed to.

H. F. No. 1003, A bill for an act relating to legislature; prescribing the powers and duties of the legislative audit commission and the legislative auditor; making various technical changes; amending Minnesota Statutes 1998, sections 3.97; 3.971; 3.974; 3.975; 6.74; 10.48; 13.46, subdivision 8; 16A.27, subdivision 2; 37.06; 37.07; 85A.02, subdivision 5c; 89.05; 161.08; 192.551; 352.03, subdivision 6; 353.03, subdivision 3a; 353A.05, subdivision 1; 354.06, subdivision 2a; 360.015, subdivision 19; 574.20; and 609.456; Laws 1990, chapter 535, section 5; repealing Minnesota Statutes 1998, sections 3.973; 116.072, subdivision 12; 469.207, subdivision 1; and 574.02.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeler	Dehler	Hackbarth	Kubly	Mulder	Reuter
Abrams	Dempsey	Harder	Kuisle	Mullery	Rhodes
Anderson, B.	Dorman	Hasskamp	Larsen, P.	Murphy	Rifenberg
Anderson, I.	Dorn	Hausman	Larson, D.	Ness	Rostberg
Bakk	Entenza	Hilty	Leighton	Nornes	Rukavina
Biernat	Erhardt	Holberg	Lenczewski	Olson	Schumacher
Bishop	Erickson	Holsten	Leppik	Opatz	Seagren
Boudreau	Finseth	Howes	Lieder	Orfield	Seifert, J.
Bradley	Folliard	Huntley	Lindner	Osskopp	Seifert, M.
Broecker	Fuller	Jaros	Luther	Osthoff	Skoe
Buesgens	Gerlach	Jennings	Mahoney	Otremba	Skoglund
Carlson	Gleason	Johnson	Mares	Ozment	Smith
Carruthers	Goodno	Juhnke	Mariani	Paulsen	Solberg
Cassell	Gray	Kahn	Marko	Pawlenty	Stanek
Chaudhary	Greenfield	Kalis	McCollum	Paymar	Stang
Clark, J.	Greiling	Kelliher	McElroy	Pelowski	Storm
Clark, K.	Gunther	Kielkucki	McGuire	Peterson	Swenson
Daggett	Haake	Knoblach	Milbert	Pugh	Sykora
Davids	Haas	Koskinen	Molnau	Rest	Tingelstad

Tomassoni	Tunheim	Wagenius	Westerberg	Wilkin	Workman
Trimble	Van Dellen	Wejcman	Westfall	Winter	Spk. Sviggum
Tuma	Vandever	Wenzel	Westrom	Wolf	

Those who voted in the negative were:

Krinkie

The bill was passed and its title agreed to.

S. F. No. 333 was reported to the House.

Bishop moved to amend S. F. No. 333 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 112, the first engrossment:

"Section 1. [609.527] [IDENTITY THEFT.]

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

(b) "Direct victim" means any person or entity described in section 611A.01, paragraph (b), whose identity has been transferred, used, or possessed in violation of this section.

(c) "Identity" means any name, number, or data transmission that may be used, alone or in conjunction with any other information, to identify a specific individual, including any of the following:

(1) a name, social security number, date of birth, official government-issued driver's license or identification number, government passport number, or employer or taxpayer identification number;

(2) unique electronic identification number, address, account number, or routing code; or

(3) telecommunication identification information or access device.

(d) "Indirect victim" means any person or entity described in section 611A.01, paragraph (b), other than a direct victim.

(e) "Loss" means value obtained, as defined in section 609.52, subdivision 1, clause (3), and expenses incurred by a direct or indirect victim as a result of a violation of this section.

(f) "Unlawful activity" means:

(1) any felony violation of the laws of this state or any felony violation of a similar law of another state or the United States; and

(2) any non-felony violation of the laws of this state involving theft, theft by swindle, forgery, fraud, or giving false information to a public official, or any non-felony violation of a similar law of another state or the United States.

Subd. 2. [CRIME.] A person who transfers, possesses, or uses an identity that is not the person's own, with the intent to commit, aid, or abet any unlawful activity is guilty of identity theft and may be punished as provided in subdivision 3.

Subd. 3. [PENALTIES.] A person who violates subdivision 2 may be sentenced as follows:

(1) if the offense involves fewer than four direct victims and the total, combined loss to the direct victim and any indirect victims is \$200 or less, the person may be sentenced as provided in section 609.52, subdivision 3, clause (5);

(2) if the offense involves fewer than four direct victims and the total, combined loss to the direct victim and any indirect victims is more than \$200 but not more than \$500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (4);

(3) if the offense involves fewer than four direct victims and the total, combined loss to the direct victim and any indirect victims is more than \$500 but not more than \$2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (3);

(4) if the offense involves four or more direct victims, or if the total, combined loss to the direct and indirect victims is more than \$2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (2); and

(5) if the offense involves four or more direct victims, and the total, combined loss to the direct and indirect victims is more than \$35,000, the person may be sentenced as provided in section 609.52, subdivision 3, clause (1).

Subd. 4. [RESTITUTION.] A direct or indirect victim of an identity theft crime shall be considered a victim for all purposes, including any rights that accrue under chapter 61 1A and rights to court-ordered restitution.

Sec. 2. Minnesota Statutes 1998, section 609.531, subdivision 1, is amended to read:

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

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

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

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

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

(e) "Appropriate agency" means the bureau of criminal apprehension, the Minnesota state patrol, a county sheriff's department, the suburban Hennepin regional park district park rangers, the department of natural resources division of enforcement, the University of Minnesota police department, or a city or airport police department.

(f) "Designated offense" includes:

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

(2) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344,

subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.527; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 617.246; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324.

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

Sec. 3. Minnesota Statutes 1998, section 609.902, subdivision 4, is amended to read:

Subd. 4. [CRIMINAL ACT.] "Criminal act" means conduct constituting, or a conspiracy or attempt to commit, a felony violation of chapter 152, or a felony violation of section 297D.09; 299F.79; 299F.80; 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.342; 609.343; 609.344; 609.345; 609.42; 609.48; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52, subdivision 2, if the offense is punishable under subdivision 3, clause (3)(b) or clause 3(d)(v) or (vi); section 609.52, subdivision 2, clause (4); 609.527, if the crime is punishable under subdivision 3, clause (4) or (5); 609.53; 609.561; 609.562; 609.582, subdivision 1 or 2; 609.668, subdivision 6, paragraph (a); 609.67; 609.687; 609.713; 609.86; 609.894, subdivision 3 or 4; 624.713; 624.74; or 626A.02, subdivision 1, if the offense is punishable under section 626A.02, subdivision 4, paragraph (a). "Criminal act" also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation of section 609.52, subdivision 2, clause (3), (4), (15), or (16), if the violation involves an insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service plan corporation regulated under chapter 62C, a health maintenance organization regulated under chapter 62D, or a fraternal benefit society regulated under chapter 64B.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 1999, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime prevention; providing criminal penalties and forfeiture sanctions for persons who transfer, possess, or use the identity of another with intent to commit or aid in the commission of certain unlawful activity; amending Minnesota Statutes 1998, sections 609.531, subdivision 1; and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 609."

The motion prevailed and the amendment was adopted.

S. F. No. 333, A bill for an act relating to crime prevention; requiring disclosure to consumer of consumer report recipients; providing criminal penalties and forfeiture sanctions for persons who transfer, possess, or use the identity of another with intent to commit or aid in the commission of certain unlawful activity; amending Minnesota Statutes 1998, sections 609.531, subdivision 1; and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 13C; and 609.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, I.	Bishop	Broecker	Carruthers	Clark, J.
Abrams	Bakk	Boudreau	Buesgens	Cassell	Clark, K.
Anderson, B.	Biernat	Bradley	Carlson	Chaudhary	Daggett

Davids	Haas	Koskinen	Milbert	Pugh	Sykora
Dehler	Hackbarth	Krinkie	Molnau	Rest	Tingelstad
Dempsey	Harder	Kubly	Mulder	Reuter	Tomassoni
Dorman	Hasskamp	Kuisle	Mullery	Rhodes	Trimble
Dorn	Hausman	Larsen, P.	Murphy	Rifenberg	Tuma
Entenza	Hilty	Larson, D.	Ness	Rostberg	Tunheim
Erhardt	Holberg	Leighton	Nornes	Rukavina	Van Dellen
Erickson	Holsten	Lenczewski	Olson	Schumacher	Vandev eer
Finseth	Howes	Leppik	Opatz	Seagren	Wagenius
Folliard	Huntley	Lieder	Orfield	Seifert, J.	Wejcman
Fuller	Jaros	Lindner	Osskopp	Seifert, M.	Wenzel
Gerlach	Jennings	Luther	Osthoff	Skoe	Westerberg
Gleason	Johnson	Mahoney	Otremba	Skoglund	Westfall
Goodno	Juhnke	Mares	Ozment	Smith	Westrom
Gray	Kahn	Mariani	Paulsen	Solberg	Wilkin
Greenfield	Kalis	Marko	Pawlenty	Stanek	Winter
Greiling	Kelliher	McCollum	Paymar	Stang	Wolf
Gunther	Kielkucki	McElroy	Pelowski	Storm	Workman
Haake	Knoblach	McGuire	Peterson	Swenson	Spk. Sviggum

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

H. F. No. 408, A bill for an act relating to health; modifying the definition of practice of pharmacy; amending Minnesota Statutes 1998, section 151.01, subdivision 27.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Huntley	Mahoney	Pawlenty	Swenson
Abrams	Entenza	Jaros	Mares	Paymar	Sykora
Anderson, B.	Erhardt	Jennings	Mariani	Pelowski	Tingelstad
Anderson, I.	Erickson	Johnson	Marko	Peterson	Tomassoni
Bakk	Finseth	Juhnke	McCollum	Pugh	Trimble
Biernat	Folliard	Kahn	McElroy	Rest	Tuma
Bishop	Fuller	Kalis	McGuire	Reuter	Tunheim
Boudreau	Gerlach	Kelliher	Milbert	Rhodes	Van Dellen
Bradley	Gleason	Kielkucki	Molnau	Rifenberg	Vandev eer
Broecker	Goodno	Knoblach	Mulder	Rostberg	Wagenius
Buesgens	Gray	Koskinen	Mullery	Rukavina	Wejcman
Carlson	Greenfield	Krinkie	Murphy	Schumacher	Wenzel
Carruthers	Greiling	Kubly	Ness	Seagren	Westerberg
Cassell	Haake	Kuisle	Nornes	Seifert, J.	Westfall
Chaudhary	Hackbarth	Larsen, P.	Olson	Seifert, M.	Westrom
Clark, J.	Harder	Larson, D.	Opatz	Skoe	Wilkin
Clark, K.	Hasskamp	Leighton	Orfield	Skoglund	Winter
Daggett	Hausman	Lenczewski	Osskopp	Smith	Wolf
Davids	Hilty	Leppik	Osthoff	Solberg	Workman
Dehler	Holberg	Lieder	Otremba	Stanek	Spk. Sviggum
Dempsey	Holsten	Lindner	Ozment	Stang	
Dorman	Howes	Luther	Paulsen	Storm	

The bill was passed and its title agreed to.

S. F. No. 609, A bill for an act relating to water; requiring new landscape irrigation systems to have rain checks; proposing coding for new law in Minnesota Statutes, chapter 103G.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Abeler	Entenza	Howes	Mariani	Pelowski	Tingelstad
Abrams	Erhardt	Huntley	Marko	Peterson	Tomassoni
Anderson, I.	Finseth	Jaros	McCollum	Pugh	Trimble
Bakk	Folliard	Jennings	McElroy	Rest	Tuma
Biernat	Fuller	Johnson	McGuire	Reuter	Tunheim
Bishop	Gleason	Juhnke	Milbert	Rhodes	Van Dellen
Bradley	Goodno	Kahn	Mulder	Rifenberg	Vandever
Broecker	Gray	Kalis	Mullery	Rostberg	Wagenius
Carlson	Greenfield	Kelliher	Murphy	Rukavina	Wejcman
Carruthers	Greiling	Koskinen	Ness	Schumacher	Wenzel
Cassell	Gunther	Kubly	Nornes	Seagren	Westerberg
Chaudhary	Haake	Larson, D.	Opatz	Seifert, M.	Westfall
Clark, J.	Haas	Leighton	Orfield	Skoe	Westrom
Clark, K.	Hackbarth	Lenczewski	Osskopp	Skoglund	Winter
Daggett	Harder	Leppik	Osthoff	Stanek	Wolf
Davids	Hasskamp	Lieder	Otremba	Stang	Workman
Dempsey	Hausman	Luther	Ozment	Storm	Spk. Sviggum
Dorman	Hilty	Mahoney	Pawlenty	Swenson	
Dorn	Holsten	Mares	Paymar	Sykora	

Those who voted in the negative were:

Anderson, B.	Erickson	Krinkie	Molnau	Smith
Boudreau	Gerlach	Kuisle	Olson	Solberg
Buesgens	Holberg	Larsen, P.	Paulsen	Wilkin
Dehler	Kielkucki	Lindner	Seifert, J.	

The bill was passed and its title agreed to.

H. F. No. 420 was reported to the House.

Haas moved to amend H. F. No. 420, the second engrossment, as follows:

Page 1, line 20, delete "or housing and redevelopment authority"

Page 1, line 21, after "469.091" insert "or a housing and redevelopment authority created pursuant to section 469.003"

The motion prevailed and the amendment was adopted.

H. F. No. 420, A bill for an act relating to cities; modifying the authority to establish a housing improvement area; amending Minnesota Statutes 1998, sections 428A.11, subdivision 6, and by adding subdivisions; 428A.13, subdivisions 1 and 3; 428A.14, subdivision 1; 428A.15; 428A.16; 428A.17; and 428A.19; repealing Minnesota Statutes 1998, section 428A.21.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 103 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Abeler	Entenza	Howes	Luther	Paulsen	Trimble
Anderson, I.	Erhardt	Huntley	Mahoney	Paymar	Tuma
Bakk	Finseth	Jaros	Mares	Pelowski	Tunheim
Biernat	Folliard	Jennings	Mariani	Peterson	Van Dellen
Bishop	Fuller	Johnson	Marko	Pugh	Wagenius
Boudreau	Gleason	Juhnke	McCollum	Rest	Wejcman
Bradley	Gray	Kahn	McElroy	Rhodes	Wenzel
Broecker	Greenfield	Kalis	McGuire	Rifenberg	Westerberg
Carlson	Greiling	Kelliher	Milbert	Rostberg	Westfall
Carruthers	Gunther	Knoblach	Mulder	Rukavina	Winter
Cassell	Haake	Koskinen	Mullery	Schumacher	Wolf
Chaudhary	Haas	Kubly	Murphy	Skoe	Workman
Clark, K.	Harder	Larson, D.	Nornes	Skoglund	Spk. Sviggum
Daggett	Hasskamp	Leighton	Opatz	Solberg	
Davids	Hausman	Lenczewski	Orfield	Stanek	
Dempsey	Hilty	Leppik	Osthoff	Storm	
Dorman	Holberg	Lieder	Otremba	Tingelstad	
Dorn	Holsten	Lindner	Ozment	Tomassoni	

Those who voted in the negative were:

Abrams	Erickson	Krinkie	Olson	Seifert, J.	Sykora
Anderson, B.	Gerlach	Kuile	Osskopp	Seifert, M.	Vandever
Buesgens	Goodno	Larsen, P.	Pawlenty	Smith	Westrom
Clark, J.	Hackbarth	Molnau	Reuter	Stang	Wilkin
Dehler	Kielkucki	Ness	Seagren	Swenson	

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

H. F. No. 627, A bill for an act relating to Washington county; changing the length of the terms of housing and redevelopment authority commissioners; amending Laws 1974, chapter 475, section 2, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, I.	Bishop	Broecker	Carruthers	Clark, J.
Abrams	Bakk	Boudreau	Buesgens	Cassell	Clark, K.
Anderson, B.	Biernat	Bradley	Carlson	Chaudhary	Daggett

Davids	Haas	Krinkie	Molnau	Reuter	Tomassoni
Dehler	Hackbarth	Kubly	Mulder	Rhodes	Trimble
Dempsey	Harder	Kuisle	Murphy	Rifenberg	Tuma
Dorman	Hasskamp	Larsen, P.	Ness	Rostberg	Tunheim
Dorn	Hausman	Larson, D.	Nornes	Rukavina	Van Dellen
Entenza	Hilty	Leighton	Olson	Schumacher	Vandever
Erhardt	Holberg	Lenczewski	Opatz	Seagren	Wagenius
Erickson	Holsten	Leppik	Orfield	Seifert, J.	Wejcman
Finseth	Howes	Lieder	Osskopp	Seifert, M.	Wenzel
Folliard	Huntley	Lindner	Osthoff	Skoe	Westerberg
Fuller	Jaros	Luther	Otremba	Skoglund	Westfall
Gerlach	Jennings	Mahoney	Ozment	Smith	Westrom
Gleason	Johnson	Mares	Paulsen	Solberg	Wilkin
Goodno	Juhnke	Mariani	Pawlenty	Stanek	Winter
Gray	Kahn	Marko	Paymar	Stang	Wolf
Greenfield	Kalis	McCollum	Pelowski	Storm	Workman
Greiling	Kelliher	McElroy	Peterson	Swenson	Spk. Sviggum
Gunther	Kielkucki	McGuire	Pugh	Sykora	
Haake	Koskinen	Milbert	Rest	Tingelstad	

The bill was passed and its title agreed to.

S. F. No. 99, A bill for an act relating to crime; requiring offenders convicted for failure to appear after release to pay costs incurred by the prosecuting authority or governmental agency due to the failure to appear; amending Minnesota Statutes 1998, section 609.49, subdivisions 1, 2, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holsten	Luther	Pawlenty	Tingelstad
Abrams	Entenza	Howes	Mahoney	Paymar	Tomassoni
Anderson, B.	Erhardt	Huntley	Mares	Peterson	Tuma
Anderson, I.	Erickson	Jaros	Mariani	Pugh	Tunheim
Bakk	Finseth	Jennings	Marko	Rest	Van Dellen
Biernat	Folliard	Johnson	McCollum	Reuter	Vandever
Bishop	Fuller	Juhnke	McElroy	Rhodes	Wagenius
Boudreau	Gerlach	Kahn	McGuire	Rifenberg	Wejcman
Bradley	Gleason	Kalis	Milbert	Rostberg	Wenzel
Broecker	Goodno	Kelliher	Molnau	Rukavina	Westerberg
Buesgens	Gray	Kielkucki	Mulder	Schumacher	Westfall
Carlson	Greenfield	Knoblach	Murphy	Seagren	Westrom
Carruthers	Greiling	Koskinen	Ness	Seifert, J.	Wilkin
Cassell	Gunther	Krinkie	Nornes	Seifert, M.	Winter
Chaudhary	Haake	Kubly	Olson	Skoe	Wolf
Clark, J.	Haas	Kuisle	Opatz	Skoglund	Workman
Clark, K.	Hackbarth	Larsen, P.	Orfield	Smith	Spk. Sviggum
Daggett	Harder	Larson, D.	Osskopp	Stanek	
Davids	Hasskamp	Lenczewski	Osthoff	Stang	
Dehler	Hausman	Leppik	Otremba	Storm	
Dempsey	Hilty	Lieder	Ozment	Swenson	
Dorman	Holberg	Lindner	Paulsen	Sykora	

Those who voted in the negative were:

Leighton            Trimble

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

### **MOTIONS AND RESOLUTIONS**

Peterson moved that his name be stricken as an author on H. F. No. 484. The motion prevailed.

Pugh moved that his name be stricken as an author on H. F. No. 896. The motion prevailed.

Molnau moved that her name be stricken as an author on H. F. No. 1543. The motion prevailed.

Pugh moved that his name be stricken as an author on H. F. No. 1654. The motion prevailed.

Dorn moved that the name of Storm be added as an author on H. F. No. 1983. The motion prevailed.

Mulder moved that the name of Clark, J., be added as an author on H. F. No. 2047. The motion prevailed.

Tomassoni moved that the name of McCollum be added as an author on H. F. No. 2079. The motion prevailed.

Ness moved that the name of Clark, J., be added as an author on H. F. No. 2092. The motion prevailed.

Anderson, B., moved that the name of Mares be added as an author on H. F. No. 2130. The motion prevailed.

Broecker moved that her name be stricken as an author on H. F. No. 2134. The motion prevailed.

Fuller moved that his name be stricken as an author on H. F. No. 2134. The motion prevailed.

Otremba moved that the name of Clark, J., be added as an author on H. F. No. 2152. The motion prevailed.

Swenson moved that the name of Clark, J., be added as an author on H. F. No. 2158. The motion prevailed.

Clark, K., moved that the name of Luther be added as an author on H. F. No. 2203. The motion prevailed.

Knoblach moved that the name of Wejcman be added as an author on H. F. No. 2205. The motion prevailed.

Abrams moved that the names of Rest and Wilkin be added as authors on H. F. No. 2206. The motion prevailed.

Harder moved that the name of Westerberg be added as an author on H. F. No. 2229. The motion prevailed.

Mares moved that H. F. No. 722 be recalled from the Committee on Education Policy and be re-referred to the Committee on K-12 Education Finance. The motion prevailed.

Buesgens moved that H. F. No. 1367 be recalled from the Committee on K-12 Education Finance and be re-referred to the Committee on Family and Early Childhood Education Finance. The motion prevailed.

Seifert, M., moved that H. F. No. 1845 be recalled from the Committee on Education Policy and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy. The motion prevailed.

Trimble moved that H. F. No. 2216 be recalled from the Committee on Governmental Operations and Veterans Affairs Policy and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Solberg moved that S. F. No. 1012 be recalled from the Committee on Local Government and Metropolitan Affairs and together with H. F. No. 673, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

Olson moved that H. F. No. 2162 be returned to its author. The motion prevailed.

### PROTEST AND DISSENT

Pursuant to Article IV, Section 11, of the Minnesota Constitution, we, the undersigned members of the House, register our protest and dissent regarding the failure of Representative David Bishop, Chair of the Committee on Ways and Means, Representative Tim Pawlenty, Chair of the Committee on Rules and Legislative Administration and Speaker of the House Steve Sviggum, to permit the House to act upon the 2000-01 biennial budget resolution.

House Rule 4.03 requires the Committee on Ways and Means to report a budget resolution to the House "within fifteen days after the last state general fund revenue and expenditure forecast for the next fiscal biennium becomes available during the regular session. . . ." The 2000-01 forecast was made available by the Office of the Governor on Friday, February 26, 1999, and therefore the fifteen-day period expired on Saturday, March 13, 1999.

Representative Bishop has thus far failed to present a resolution that complies with all the requirements of the Permanent Rules of the House, in violation of House Rule 4.03. By his failure, Representative Bishop has caused the House to be in violation of Rule 4.03.

Speaker Sviggum, as presiding officer, and Representative Pawlenty, as Majority Leader, have failed to exercise their power over the flow of business before the House in a manner that would ensure compliance with Rule 4.03, with respect to the time limit for reporting a biennial budget resolution. They have willfully failed to permit such a resolution to be reported to the House at any time since March 11, 1999.

The acts, omissions and failures of Representative Bishop, Representative Pawlenty and Speaker Sviggum have impeded the orderly flow of business in the House. The Committee on Ways and Means has been prevented from adopting limits for finance and revenue bills as required by Rule 4.03. Because the Committee on Ways and Means cannot lawfully act, no finance committee of the House may act upon major revenue or finance legislation. This cascade of failures imperils the ability of the House to fulfill its constitutional duties and likewise imperils the ability of the Members of the House and the citizens of Minnesota to learn the contents of, and to comment or testify upon, such measures.

Signed:

THOMAS PUGH  
IRV ANDERSON  
LOREN A. SOLBERG  
LYNDON R. CARLSON  
THOMAS E. HUNTLEY  
THOMAS RUKAVINA  
TED WINTER  
MARY MURPHY  
DAVID TOMASSONI

GREGORY GRAY  
MARGARET ANDERSON KELLIHER  
ANN LENCZEWSKI  
MARY ELLEN OTREMBIA  
MYRON ORFIELD  
SHARON MARKO  
KAREN CLARK  
MARK S. GLEASON  
SATVEER CHAUDHARY

JOE MULLERY	KRIS HASSKAMP
ROB LEIGHTON	GENE PELOWSKI
BETTY MCCOLLUM	JOE OPATZ
BOB MILBERT	DARLENE LUTHER
TIM MAHONEY	CARLOS MARIANI
LOREN JENNINGS	MATT ENTENZA
BETTY FOLLIARD	THOMAS BAKK
LINDA WEJCMAN	LEN BIERNAT
MIKE JAROS	WES SKOGLUND
PHYLLIS KAHN	ALICE JOHNSON
JIM TUNHEIM	ANN H. REST
ALAN R. JUHNKE	MINDY GREILING
BERNIE LIEDER	DOUG PETERSON
DAN LARSON	STEVE WENZEL
ROD SKOE	JOHN DORN
GARY W. KUBLY	STEVE TRIMBLE
HENRY J. KALIS	BILL HILTY
LESLIE SCHUMACHER	MICHAEL PAYMAR
MARY JO MCGUIRE	LUANNE KOSKINEN
ALICE HAUSMAN	ANDY DAWKINS
LEE GREENFIELD	

#### ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 2:30 p.m., Thursday, March 25, 1999. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Thursday, March 25, 1999.

EDWARD A. BURDICK, Chief Clerk, House of Representatives