

STATE OF MINNESOTA

EIGHTY-FIRST SESSION — 2000

 ONE HUNDRED THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 6, 2000

The House of Representatives convened at 11:00 a.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Steve Tischer, Zion Lutheran Church, Crown, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Kahn and Marko were excused.

Osthoff was excused until 11:45 a.m. Larsen, P., was excused until 11:50 a.m. Rostberg was excused until 12:50 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Buesgens 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. 3338 and H. F. No. 3825, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Smith moved that the rules be so far suspended that S. F. No. 3338 be substituted for H. F. No. 3825 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3644 and H. F. No. 3960, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Nornes moved that the rules be so far suspended that S. F. No. 3644 be substituted for H. F. No. 3960 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 4, 2000

The Honorable Steve Sviggum
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Sviggum:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1590, relating to peace officers; clarifying warrant authority of alcohol and gambling agents.

H. F. No. 3169, relating to Dakota county; making or authorizing organizational, procedural, and authority changes to certain county boards, agencies, and authorities.

H. F. No. 2670, relating to human services; allowing certain individuals to simultaneously receive a one-time family support grant and community-based waived services; setting a maximum for family support grants.

H. F. No. 2940, relating to the environment; modifying the drycleaner environmental response and reimbursement law.

Sincerely,

JESSE VENTURA
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2000 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2000</i>	<i>Date Filed 2000</i>
2510		320	3:50 p.m. April 4	April 4
3369		321	3:17 p.m. April 4	April 4
3055		322	3:30 p.m. April 4	April 4
2894		323	3:32 p.m. April 4	April 4
3283		324	3:18 p.m. April 4	April 4
	1590	325	3:40 p.m. April 4	April 4
2444		326	3:20 p.m. April 4	April 4
3005		327	3:35 p.m. April 4	April 4
2905		328	3:24 p.m. April 4	April 4
	3169	329	3:27 p.m. April 4	April 4
	2670	330	3:39 p.m. April 4	April 4
3260		331	3:48 p.m. April 4	April 4
2653		332	3:42 p.m. April 4	April 4
	2940	333	3:45 p.m. April 4	April 4
2511		334	3:54 p.m. April 4	April 4

Sincerely,

MARY KIFFMEYER
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 3338 and 3644 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Abeler, Westerberg, Tingelstad, Hackbarth and Opatz introduced:

H. F. No. 4144, A bill for an act relating to taxation; providing that purchases of construction materials and equipment used to provide commuter rail services are exempt from the sales tax; 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.

Murphy; Hilty; Clark, K.; Jennings and Davids introduced:

H. F. No. 4145, A bill for an act relating to public utilities; providing for notification to property owners when trees are to be trimmed or removed; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 216B.

The bill was read for the first time and referred to the Committee on Commerce.

Skoglund and Pelowski introduced:

H. F. No. 4146, A bill for an act relating to corrections; making changes to the challenge incarceration program; requiring the commissioner of corrections to notify the county attorney when an offender is placed in the program; requiring offenders to remain in phase I of the program for at least one-half of the offender's term of imprisonment; amending Minnesota Statutes 1998, sections 244.17, subdivision 1; and 244.172, subdivision 1.

The bill was read for the first time and referred to the Committee on Crime Prevention.

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 House File, herewith returned:

H. F. No. 3331, A bill for an act relating to crime prevention; creating the position of director of domestic violence and sexual assault prevention and an interagency task force on domestic violence and sexual assault prevention; specifying the powers, duties, and organization of the director and task force; amending Minnesota Statutes 1998, sections 611A.25, by adding a subdivision; and 611A.34, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 611A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2671, A bill for an act relating to human services; mental retardation protection; requiring legislative recommendations.

The Senate has appointed as such committee:

Senators Hottinger, Berglin and Robertson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2888, A bill for an act relating to natural resources; authorizing the marking of canoe and boating routes on certain rivers; amending Minnesota Statutes 1998, section 85.32, subdivision 1, and by adding a subdivision.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2826, A bill for an act relating to elections; clarifying provisions and conforming procedures under the Minnesota election law and related provisions; amending Minnesota Statutes 1998, sections 103C.305, subdivision 6; 103C.315, subdivision 2; 123B.09, subdivision 1; 201.061, subdivision 3; 201.171; 203B.02, by adding a subdivision; 203B.06, subdivision 6; 204B.09, subdivision 1a; 204B.12, subdivision 1; 204B.14, subdivisions 2, 5, and 6; 204B.16, subdivision 1; 204B.18, subdivision 1; 204B.19, subdivision 6; 204B.40; 204B.45, subdivision 1; 204C.32, subdivision 1; 204C.37; 204D.13, subdivision 1; 204D.25, subdivision 1; 204D.27, subdivision 8; 205.13, subdivision 6, and by adding a subdivision; 205.17, subdivision 1; 205A.06, subdivision 5, and by adding a subdivision; 206.90, subdivision 6; and 447.32, subdivision 1; Minnesota Statutes 1999 Supplement, sections 10A.31, subdivision 3a; 203B.04, subdivision 1; 203B.085; 367.03, subdivision 4; and 447.32, subdivision 4; repealing Minnesota Statutes 1998, sections 203B.02, subdivision 1a; 204B.09, subdivision 2; and 204B.45, subdivision 1a.

PATRICK E. FLAHAVEN, Secretary of the Senate

Seifert, M., moved that the House refuse to concur in the Senate amendments to H. F. No. 2826, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

Pursuant to Joint Rule 3.02(a), the Conference Committee on S. F. No. 1202 was discharged after adjournment on May 17, 1999 and the bill was laid on the table.

S. F. No. 1202, 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.

S. F. No. 1202 has been taken from the table and returned to the Conference Committee as formerly constituted.

S. F. No. 1202 is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Goodno moved that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1202. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2870, A bill for an act relating to financial institutions; regulating certain loan charges and payments; making various technical changes; amending Minnesota Statutes 1998, sections 47.59, subdivisions 7, 10, and by adding a subdivision; 47.60, subdivision 2; 48.56; 52.04, subdivision 1; 56.131, subdivision 4; 58.02, subdivision 10; 58.04, subdivisions 2 and 3; 58.05, by adding a subdivision; 58.08, as amended; 58.10, subdivision 1; and 168.72, by adding a subdivision; Minnesota Statutes 1999 Supplement, sections 47.52; and 58.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 58; repealing Minnesota Statutes 1998, sections 58.02, subdivision 15; and 58.05, subdivision 2; Minnesota Rules, part 2675.4180.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Metzen, Solon and Day.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Davids moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2870. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2785, A bill for an act relating to motor vehicles; exempting utility-owned vehicles from certain weight restrictions; amending Minnesota Statutes 1998, sections 169.825, by adding a subdivision; and 169.87, by adding a subdivision.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Murphy; Johnson, D. H., and Frederickson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Workman moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2785. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2500, A bill for an act relating to charitable organizations; changing definitions; amending Minnesota Statutes 1998, section 309.501, subdivision 1.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Oliver, Spear and Flynn.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Luther moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2500. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3002, A bill for an act relating to natural resources; adding to and deleting from state parks; amending Minnesota Statutes 1998, section 85.012, subdivision 32a.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Frederickson; Johnson, D. J., and Lessard.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Swenson moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3002. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1288, A bill for an act relating to natural resources; exempting trappers from blaze orange requirements; providing that for certain turkey license applicants qualifying land may be noncontiguous; increasing hunting and fishing license fees; appropriating money; amending Minnesota Statutes 1998, sections 97A.435, subdivision 4; 97A.475, subdivisions 2, 3, 6, 7, 8, 11, 12, 13, and 20; 97A.485, subdivision 12; and 97B.071.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Lessard, Krentz and Pariseau.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Holsten moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1288. The motion prevailed.

Mr. Speaker:

I hereby announce the following change in the membership of the Conference Committee on S. F. No. 1288:

The name of Pariseau has been stricken, and the name of Stumpf has been added.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3234, A bill for an act relating to state government; authorizing legislative governmental operations committees to formally object to administrative rules; modifying the review of proposed rules; creating a rules task force; providing appointments; amending Minnesota Statutes 1998, sections 3.842, subdivision 4a; and 14.15, subdivision 4; Minnesota Statutes 1999 Supplement, section 14.26, subdivision 3.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Hottinger, Betzold and Stevens.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Seifert, M., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3234. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 3091, 2471 and 2417.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 3091, A bill for an act relating to taxation; recodifying the sales and use tax laws; making style and form and clarifying changes; amending Minnesota Statutes 1998, sections 37.13; 115A.69, subdivision 6; 116A.25; 289A.31, subdivision 7; 360.035; 458A.09; 458A.30; 458D.23; 469.127; 473.448; 473.545; and 473.608, subdivision 2; Minnesota Statutes 1999 Supplement, section 469.101, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 1998, sections 297A.01; 297A.02; 297A.022; 297A.023; 297A.03; 297A.04; 297A.041; 297A.06; 297A.065; 297A.07; 297A.09; 297A.10; 297A.11; 297A.12; 297A.13; 297A.135; 297A.14; 297A.141; 297A.15; 297A.16; 297A.17; 297A.18; 297A.21; 297A.211; 297A.213; 297A.22; 297A.23; 297A.24; 297A.25; 297A.2531; 297A.2545; 297A.255; 297A.256; 297A.2571; 297A.2572; 297A.2573; 297A.259; 297A.26; 297A.28; 297A.33, subdivision 2; 297A.44, subdivision 1; 297A.46; 297A.47; and 297A.48.

The bill was read for the first time.

Abrams moved that S. F. No. 3091 and H. F. No. 3234, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2471, A bill for an act relating to Hennepin county; making changes to provisions on its human resources board and department; amending Minnesota Statutes 1998, sections 383B.26; 383B.27; 383B.28, subdivisions 1, 3, and 4; 383B.29; 383B.30; 383B.31; 383B.32, subdivisions 2 and 3; repealing Minnesota Statutes 1998, section 383B.35.

The bill was read for the first time.

Abrams moved that S. F. No. 2471 and H. F. No. 2791, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2417, A bill for an act relating to commerce; regulating the sale, rental, discharge, and possession of paint ball guns; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

The bill was read for the first time.

Leppik moved that S. F. No. 2417 and H. F. No. 3041, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3633

A bill for an act relating to state observances; designating Mighty Eighth Air Force Week; proposing coding for new law in Minnesota Statutes, chapter 10.

April 4, 2000

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 3633, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 3633 be further amended as follows:

Page 1, line 14, after "thereafter" insert ", until 2099,"

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

House Conferees: JIM RHODES, JIM ROSTBERG AND BETTY MCCOLLUM.

Senate Conferees: ROY W. TERWILLIGER, MARTHA R. ROBERTSON AND DEANNA L. WIENER.

Rhodes moved that the report of the Conference Committee on H. F. No. 3633 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 3633, A bill for an act relating to state observances; designating Mighty Eighth Air Force Week; proposing coding for new law in Minnesota Statutes, chapter 10.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2563

A bill for an act relating to liens; modifying mechanics' lien penalties; creating a civil cause of action; authorizing attorney fees; providing that proceeds are exempt from execution; imposing criminal penalties; amending Minnesota Statutes 1998, sections 514.02, subdivision 1, and by adding a subdivision; and 550.37, by adding a subdivision.

April 4, 2000

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 2563, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H. F. No. 2563, the unofficial engrossment, be further amended as follows:

Page 2, line 21, after "any" insert "shareholders," and after "corporation" insert "who are"

Page 2, line 24, delete "a shareholder" and insert "any shareholders, officers, directors, or agents"

Page 2, line 25, delete "receives" and insert "receive"

Page 2, line 27, delete "is" and insert "are"

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

House Conferees: JULIE STORM, ELAINE HARDER AND TIM MAHONEY.

Senate Conferees: JOHN C. HOTTINGER, DENNIS R. FREDERICKSON AND TWYLA RING.

Storm moved that the report of the Conference Committee on H. F. No. 2563 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2563, A bill for an act relating to liens; modifying mechanics' lien penalties; creating a civil cause of action; authorizing attorney fees; providing that proceeds are exempt from execution; imposing criminal penalties; amending Minnesota Statutes 1998, sections 514.02, subdivision 1, and by adding a subdivision; and 550.37, by adding a subdivision.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by Conference, and its title agreed to.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1202:

Goodno, Knoblach and Greenfield.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2500:

Luther, Van Dellen and Wenzel.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2785:

Workman, Buesgens and Juhnke.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2870:

Dauids, Rifenberg and Entenza.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3002:

Swenson, Ozment and Bakk.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3234:

Seifert, M.; Rhodes and Pelowski.

The Speaker called Abrams to the Chair.

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 following the remaining bills on the Calendar for the Day, for Thursday, April 6, 2000:

S. F. Nos. 1231, 1699, 1618 and 2845; H. F. No. 2489; S. F. Nos. 2806, 3016 and 2972; H. F. Nos. 2830 and 2591; S. F. Nos. 2677, 2830 and 3139; H. F. No. 2757; and S. F. Nos. 2827 and 3028.

CALENDAR FOR THE DAY

S. F. No. 2200 was reported to the House.

Ozment moved to amend S. F. No. 2200 as follows:

Page 6, line 26, delete "LIMITATIONS" and insert "LIMITATION"

Page 6, line 27, delete "initial"

Page 6, line 28, delete everything after the period

Page 6, delete lines 29 to 35

The motion prevailed and the amendment was adopted.

S. F. No. 2200, A bill for an act relating to public safety; providing for creation of a propane education and research council.

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 44 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holsten	Lindner	Ozment	Tuma
Abrams	Erhardt	Howes	Mahoney	Rhodes	Van Dellen
Anderson, B.	Erickson	Kalis	Mares	Seifert, J.	Westfall
Bishop	Fuller	Kubly	Milbert	Skoe	Wolf
Daggett	Goodno	Kuise	Murphy	Smith	
Davids	Hackbarth	Larson, D.	Olson	Stanek	
Dehler	Harder	Leppik	Osskopp	Swenson	
Dorman	Hilty	Lieder	Osthoff	Tingelstad	

Those who voted in the negative were:

Anderson, I.	Clark, K.	Haake	Knoblach	Mullery	Rest
Bakk	Dawkins	Haas	Koskinen	Ness	Reuter
Biernat	Dempsey	Hasskamp	Krinkie	Nornes	Rifenberg
Boudreau	Entenza	Hausman	Larsen, P.	Opatz	Rukavina
Bradley	Finseth	Holberg	Leighton	Orfield	Schumacher
Broecker	Folliard	Huntley	Lenczewski	Otremba	Seagren
Buesgens	Gerlach	Jaros	Luther	Paulsen	Seifert, M.
Carlson	Gleason	Jennings	Mariani	Pawlenty	Skoglund
Carruthers	Gray	Johnson	McCollum	Paymar	Solberg
Cassell	Greenfield	Juhnke	McGuire	Pelowski	Stang
Chaudhary	Greiling	Kelliher	Molnau	Peterson	Storm
Clark, J.	Gunther	Kielkucki	Mulder	Pugh	Swapinski

Sykora	Tunheim	Wejcman	Westrom	Workman
Tomassoni	Vandev eer	Wenzel	Wilkin	Spk. Sviggum
Trimble	Wagenius	Westerberg	Winter	

The bill was not passed, as amended.

H. F. No. 3491 was reported to the House.

Dauids moved to amend H. F. No. 3491, the first engrossment, as follows:

Page 4, after line 27, insert:

"Sec. 4. [60K.081] [BROKERAGE BUSINESS.]

Every insurance agent duly licensed to transact business in this state has the right to procure the insurance of risks, or parts of risks, in the class or classes of insurance for which the agent is licensed, from an insurer duly authorized to transact business in this state, when the agent is not a duly appointed agent of the insurer, but the insurance must be consummated only through a duly appointed agent of the insurer."

Page 11, line 27, after the period, insert "Section 4 is effective the day following final enactment."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dauids moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 11, after line 21, insert:

"Sec. 14. Minnesota Statutes 1998, section 79.34, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS REQUIRING MEMBERSHIP.] ~~The nonprofit association known as the workers' compensation reinsurance association may be incorporated under chapter 317A with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40, sections 79.34 to 79.40 govern~~ is a division of the department of commerce directed by a deputy commissioner appointed by the commissioner. Each insurer as defined by section 79.01, subdivision 2, shall, as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and is bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in chapter 60D are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved under section 176.181 and each political subdivision that self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and is bound by its plan of operation; provided that:

(1) all affiliated companies within a holding company system, as determined by the commissioner of ~~labor and industry~~ commerce in a manner consistent with the standards and definitions in chapter 60D, are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association; and

(2) all group self-insurers granted authority to self-insure pursuant to section 176.181 are considered single entities for purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of its authority to self-insure workers' compensation liability, and for losses incurred after December 31, 1983, the state is a member of the reinsurance association and is bound by its plan of operation. The commissioner of employee relations represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of employee relations, except that the University of Minnesota shall pay its portion of workers' compensation reinsurance premiums directly to the workers' compensation reinsurance association. For the purposes of this section, "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of finance may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. ~~The reinsurance association is not a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of labor and industry with respect to the reinsurance association are not subject to chapters 13 and 15. All property owned by the association is exempt from taxation.~~ The reinsurance association is not obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 15. Minnesota Statutes 1998, section 79.34, subdivision 2, is amended to read:

Subd. 2. [LOSSES; RETENTION LIMITS.] The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of a low, a high, or a super retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering disablement due to occupational disease is considered to be involved in a separate loss occurrence. On January 1, 1995, the lower retention limit is \$250,000, which shall also be known as the 1995 base retention limit. On each January 1 thereafter, the cumulative annual percentage changes in the statewide average weekly wage after October 1, 1994, as determined in accordance with section 176.011, subdivision 20, shall first be multiplied by the 1995 base retention limit, the result of which shall then be added to the 1995 base retention limit. The resulting figure shall be rounded to the nearest \$10,000, yielding the low retention limit for that year, provided that the low retention limit shall not be reduced in any year. The high retention limit shall be two times the low retention limit and shall be adjusted when the low retention limit is adjusted. The super retention limit shall be four times the low retention limit and shall be adjusted when the low retention limit is adjusted. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. For losses incurred on or after January 1, 1979, any amounts paid by a member pursuant to sections 176.183, 176.221, 176.225, and 176.82 shall not be included in ultimate loss and shall not be indemnified by the reinsurance association. A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the highest retention limit selected by any of the members in effect at the time the loss was incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.

A member that chooses the high or super retention limit shall retain the liability for all losses below the chosen retention limit itself and shall not transfer the liability to any other entity or reinsure or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries,

control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims pursuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; (d) when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b) and (c); or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c).

Whenever it appears to the commissioner of ~~labor and industry commerce~~ that any member that chooses the high or super retention limit has participated in the transfer of liability to any other entity or reinsured or otherwise contracted for reimbursement or indemnification of losses below its retention limit in a manner inconsistent with the bases for exception provided under clauses (a), (b), (c), (d), and (e), the commissioner may, after giving notice and an opportunity to be heard, order the member to pay to the state of Minnesota an amount not to exceed twice the difference between the reinsurance premium for the high or super retention limit, as appropriate, and the low retention limit applicable to the member for each year in which the prohibited reinsurance or contract was in effect. Any member subject to this penalty provision shall continue to be bound by its selection of the high or super retention limit for purposes of membership in the reinsurance association.

Sec. 16. Minnesota Statutes 1998, section 79.34, subdivision 2a, is amended to read:

Subd. 2a. [DEFICIENCY.] If the ~~board~~ commissioner of commerce determines that a distribution of excess surplus resulted in inadequate funds being available to pay claims that arose during the period upon which that distribution was calculated, the ~~board commissioner~~ shall determine the amount of the deficiency. The deficiency shall be made up by imposing an assessment rate against self-insured members and policyholders of insurer members. ~~The board shall notify the commissioner of commerce of the amount of the deficiency and recommend an assessment rate.~~ The commissioner shall order an assessment at a rate and for the time period necessary to eliminate the deficiency. The assessment rate shall be applied to the exposure base of self-insured employers and insured employers. The assessment may not be retroactive and applies only prospectively. The assessment may be spread over a period of time that will cause the least financial hardship to employers. All assessments under this subdivision are payable to the association. The commissioner may issue orders necessary to administer this section.

Sec. 17. Minnesota Statutes 1998, section 79.34, subdivision 6, is amended to read:

Subd. 6. [IDENTIFYING LOSSES IN REPORT.] The commissioner of ~~labor and industry commerce~~ shall require each member to identify the portion of all losses which exceed its retention limit selected under this section in any report filed with the workers' compensation insurers rating association of Minnesota or filed with the department of labor and industry for use in reviewing the workers' compensation schedule of rates.

Sec. 18. Minnesota Statutes 1998, section 79.35, is amended to read:

79.35 [DUTIES; RESPONSIBILITIES; POWERS.]

The reinsurance association shall do the following on behalf of its members:

(a) Assume 100 percent of the liability as provided in section 79.34;

(b) Establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur, together with incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies and actual claim payments to be made by members, during the period to which this premium applies, for claims in excess of the prefunded limit in effect at the time the loss was incurred. Each member shall be charged a premium established by the board as sufficient to cover the reinsurance association's incurred liabilities and expenses between the member's selected retention limit and the prefunded limit. The prefunded limit shall be 20 times the lower retention limit established in section 79.34, subdivision 2. Each member shall be charged a proportion of the total premium calculated for its selected retention limit in an amount equal to its proportion of the exposure base of all members during the period to which the reinsurance association premium will apply. The exposure base shall be determined by the ~~board and is subject to the approval of the~~ commissioner of ~~labor and industry~~ commerce. In determining the exposure base, the ~~board~~ commissioner shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to audit, and degree of risk refinement. Each member shall also be charged a premium determined by the ~~board~~ commissioner to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit. The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. ~~All premiums shall be approved by the commissioner of labor and industry;~~

(e) Require and accept the payment of premiums from members of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association;

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association. The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; and

(h) Provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the ~~board of directors~~ commissioner of commerce may specify.

Sec. 19. Minnesota Statutes 1998, section 79.36, is amended to read:

79.36 [ADDITIONAL POWERS.]

In addition to the powers granted in section 79.35, the reinsurance association may do the following:

(a) Sue and be sued. A judgment against the reinsurance association shall not create any direct liability against the individual members of the reinsurance association. The reinsurance association shall provide in the plan of operation for the indemnification, to the extent provided in the plan of operation, of the members, members of the board of directors of the reinsurance association, and officers, employees and other persons lawfully acting on behalf of the reinsurance association;

(b) Reinsure all or any portion of its potential liability, including potential liability in excess of the prefunded limit, with reinsurers licensed to transact insurance in this state or otherwise approved by the commissioner of ~~labor and industry~~ commerce;

(c) Provide for appropriate housing, equipment, and personnel as may be necessary to assure the efficient operation of the reinsurance association;

(d) Contract for goods and services, including but not limited to independent claims management, actuarial, investment, and legal services from others within or without this state to assure the efficient operation of the reinsurance association;

(e) Adopt operating rules, consistent with the plan of operation, for the administration of the reinsurance association, enforce those operating rules, and delegate authority as necessary to assure the proper administration and operation of the reinsurance association;

(f) Intervene in or prosecute at any time, including but not limited to intervention or prosecution as subrogee to the member's rights in a third party action, any proceeding under this chapter or chapter 176 in which liability of the reinsurance association may, in the opinion of the ~~board of directors of the reinsurance association or its designee~~ commissioner of commerce, be established, or the reinsurance association affected in any other way;

(g) The net proceeds derived from intervention or prosecution of any subrogation interest, or other recovery, shall first be used to reimburse the reinsurance association for amounts paid or payable pursuant to this chapter, together with any expenses of recovery, including attorney's fees, and any excess shall be paid to the member or other person entitled thereto, as determined by the ~~board of directors of the reinsurance association~~ commissioner of commerce, unless otherwise ordered by a court.

(h) Hear and determine complaints of a company or other interested party concerning the operation of the reinsurance association; and

(i) Perform other acts not specifically enumerated in this section which are necessary or proper to accomplish the purposes of the reinsurance association and which are not inconsistent with sections 79.34 to 79.40 or the plan of operation.

Sec. 20. Minnesota Statutes 1998, section 79.361, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] This section governs the distribution of excess surplus of the workers' compensation reinsurance association declared after January 1, 1993. A distribution of excess surplus is declared on the date the ~~board votes~~ commissioner of commerce determines to make a distribution. No distribution of excess surplus other than that provided by this section may be made.

Sec. 21. Minnesota Statutes 1998, section 79.37, is amended to read:

79.37 [ADVISORY BOARD OF DIRECTORS.]

A board of directors of the reinsurance association is created and is responsible for the operation of the reinsurance association consistent with the plan of operation and sections 79.34 to 79.40. The commissioner of commerce shall appoint an advisory board consists consisting of 13 directors. Four ~~directors shall~~ members must represent insurers; two ~~directors shall~~ members must represent employers; two ~~shall~~ members must represent self-insurers; two ~~directors shall~~ members must represent employees; the commissioner of finance and the executive director of the state board of investment or their designees shall serve as ~~directors~~ members; and one ~~director shall~~ member must represent the public. Insurer members of the reinsurance association ~~shall elect~~ may nominate the ~~directors~~ members who represent insurers; self-insurer members of the reinsurance association ~~shall elect~~ may nominate the ~~directors~~ members who represent self-insurers; and the commissioner of ~~labor and industry~~ commerce shall appoint the remaining directors for the terms authorized in the plan of operation. ~~Each director is entitled to one vote. Terms~~

of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of more than four years. The board shall select a chair and other officers it deems appropriate.

A majority of the directors currently holding office constitutes a quorum. Action may be taken by a majority vote of the directors present.

The board shall take reasonable and prudent action regarding the management of the reinsurance association including but not limited to determining the entity who shall manage the daily affairs of the reinsurance association. The board shall report to the governor of its actions regarding the entity selected to manage the reinsurance association and the reasons for the selection.

Sec. 22. Minnesota Statutes 1998, section 79.371, subdivision 2, is amended to read:

Subd. 2. [PERSONAL LIABILITY; EXCLUDED.] The members of the advisory board and ~~officers~~ or employees of the association are not liable personally, either jointly or severally, for the obligation created by this section.

Sec. 23. Minnesota Statutes 1998, section 79.38, subdivision 1, is amended to read:

Subdivision 1. [PROVISIONS.] The commissioner of commerce shall by rule adopt a plan of operation ~~shall~~ to provide for all of the following:

- (a) The establishment of necessary facilities;
- (b) The management and operation of the reinsurance association;
- (c) A preliminary premium, payable by each member in proportion to its total premium in the year preceding the inauguration of the reinsurance association, for initial expenses necessary to commence operation of the reinsurance association;
- (d) Procedures to be utilized in charging premiums, including adjustments from excess or deficient premiums from prior periods;
- (e) Procedures governing the actual payment of premiums to the reinsurance association;
- (f) Reimbursement of each member of the advisory board by the reinsurance association for actual and necessary expenses incurred on reinsurance association business; and
- (g) ~~The composition, terms, compensation and other necessary rules consistent with section 79.37 for boards of directors of the reinsurance association;~~
- (h) ~~The investment policy of the reinsurance association; and~~
- (i) Any other matters required by or necessary to effectively implement sections 79.34 to 79.40.

Sec. 24. [TRANSFER.]

Powers and responsibilities relating to the workers' compensation reinsurance association are transferred from the commissioner of labor and industry to the commissioner of commerce in accordance with Minnesota Statutes, section 15.039."

Page 11, line 24, after the period, insert "Minnesota Statutes 1998, sections 79.362; 79.371, subdivision 1; 79.38, subdivisions 2 and 3; and 79.39, are repealed."

Page 11, line 27, after the period, insert "Sections 14 to 24 are effective July 1, 2000."

The motion prevailed and the amendment was adopted.

Dauids moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 7, after line 19, insert:

"Sec. 20. Minnesota Statutes 1998, section 62E.04, subdivision 4, is amended to read:

Subd. 4. [MAJOR MEDICAL COVERAGE.] Each insurer and fraternal shall affirmatively offer coverage of major medical expenses to every applicant who applies to the insurer or fraternal for a new unqualified policy, which has a lifetime benefit limit of less than \$1,000,000, at the time of application and annually to every holder of such an unqualified policy of accident and health insurance renewed by the insurer or fraternal. The coverage shall provide that when a covered individual incurs out-of-pocket expenses of \$5,000 or more within a calendar year for services covered in section 62E.06, subdivision 1, benefits shall be payable, subject to any copayment authorized by the commissioner, up to a maximum lifetime limit of \$500,000. The offer of coverage of major medical expenses may consist of the offer of a rider on an existing unqualified policy or a new policy which is a qualified plan."

Page 8, after line 8, insert:

"Sec. 12. Minnesota Statutes 1998, section 65B.29, subdivision 2, is amended to read:

Subd. 2. [INSURANCE REQUIRED.] No motor vehicle service contract may be issued, sold, or offered for sale in this state unless the provider of the service contract is insured under a motor vehicle service contract reimbursement insurance policy issued by an insurer authorized to do business in this state. Insurers issuing such a policy are required to have capital and surplus equal to at least \$5,000,000 at the end of the preceding year. Capital and surplus must be calculated using the accounting standards required by section 60A.13.

Sec. 13. Minnesota Statutes 1998, section 65B.29, subdivision 3, is amended to read:

Subd. 3. [FILING REQUIREMENTS.] No motor vehicle service contract may be issued, sold, or offered for sale in this state unless a true and correct copy of the service contract and the provider's reimbursement insurance policy have been filed with the commissioner and either (1) the commissioner has approved it or (2) 60 days have elapsed and the commissioner has not disapproved it as misleading or violative of public policy. The commissioner may, by written notice to the provider, extend the review for an additional period not to exceed 60 days."

Page 10, line 36, before "In" insert "(a)"

Page 11, line 9, restore the stricken language

Page 11, line 15, delete the new language and insert a period

Page 11, line 16, delete "(3)" and insert "(b)"

Page 11, after line 21, insert:

"Sec. 17. Minnesota Statutes 1998, section 79A.04, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL SECURING OF LIABILITY.] Each year every private self-insuring employer shall secure incurred liabilities for the payment of compensation and the performance of ~~the~~ its obligations and the obligations of all self-insuring employers imposed under chapter 176 by renewing the prior year's security deposit or by making a new deposit of security. If a new deposit is made, it must be posted within 60 days of the filing of the self-insured employer's annual report with the commissioner, but in no event later than July 1.

Sec. 18. Minnesota Statutes 1998, section 79A.04, subdivision 2, is amended to read:

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 110 percent of the private self-insurer's estimated future liability. ~~Up to ten percent of that~~ The deposit may be used to secure payment of all administrative and legal costs, and unpaid assessments required by section 79A.12, subdivision 2, relating to or arising from ~~the employer's~~ ~~its or other employers'~~ self-insuring. As used in this section, "private self-insurer" includes both current and former members of the self-insurers' security fund; and "private self-insurers' estimated future liability" means the private self-insurers' total of estimated future liability as determined by an Associate or Fellow of the Casualty Actuarial Society every year for group member private self-insurers and, for a nongroup member private self-insurer's authority to self-insure, every year for the first five years. After the first five years, the nongroup member's total shall be as determined by an Associate or Fellow of the Casualty Actuarial Society at least every two years, and each such actuarial study shall include a projection of future losses during the period until the next scheduled actuarial study, less payments anticipated to be made during that time.

All data and information furnished by a private self-insurer to an Associate or Fellow of the Casualty Actuarial Society for purposes of determining private self-insurers' estimated future liability must be certified by an officer of the private self-insurer to be true and correct with respect to payroll and paid losses, and must be certified, upon information and belief, to be true and correct with respect to reserves. The certification must be made by sworn affidavit. In addition to any other remedies provided by law, the certification of false data or information pursuant to this subdivision may result in a fine imposed by the commissioner of commerce on the private self-insurer up to the amount of \$5,000, and termination of the private self-insurers' authority to self-insure. The determination of private self-insurers' estimated future liability by an Associate or Fellow of the Casualty Actuarial Society shall be conducted in accordance with standards and principles for establishing loss and loss adjustment expense reserves by the Actuarial Standards Board, an affiliate of the American Academy of Actuaries. The commissioner may reject an actuarial report that does not meet the standards and principles of the Actuarial Standards Board, and may further disqualify the actuary who prepared the report from submitting any future actuarial reports pursuant to this chapter. Within 30 days after the actuary has been served by the commissioner with a notice of disqualification, an actuary who is aggrieved by the disqualification may request a hearing to be conducted in accordance with chapter 14. Based on a review of the actuarial report, the commissioner of commerce may require an increase in the minimum security deposit in an amount the commissioner considers sufficient.

Estimated future liability is determined by first taking the total amount of the self-insured's future liability of workers' compensation claims and then deducting the total amount which is estimated to be returned to the self-insurer from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits or second injury benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits or second injury benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the reports required thereunder are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the last retention limit selected by the self-insurer with the workers' compensation reinsurance association, provided that the commissioner may allow former members to post less than the workers' compensation reinsurance association retention level if that amount is adequate to secure payment of the self-insurers' estimated future liability, as defined in this subdivision, including payment of claims, administrative and legal costs, and unpaid assessments required by section 79A.12, subdivision 2. The posting or depositing of security pursuant to this section shall release all previously posted or deposited security from any obligations under the posting or depositing and any surety bond so released shall be returned to the surety. Any other security shall be returned to the depositor or the person posting the bond.

As a condition for the granting or renewing of a certificate to self-insure, the commissioner may require a private self-insurer to furnish any additional security the commissioner considers sufficient to insure payment of all claims under chapter 176.

Sec. 19. Minnesota Statutes 1998, section 79A.04, subdivision 7, is amended to read:

Subd. 7. [PERFECTION OF SECURITY.] Upon the commissioner sending a request to renew, request to post, or request to increase a security deposit, a perfected security interest is created in the private self-insured's assets in favor of the commissioner to the extent of any then unsecured portion of the self-insured's incurred liabilities. That perfected security interest is transferred to any cash or securities thereafter posted by the private self-insured with the state treasurer and is released only upon either of the following:

- (1) the acceptance by the commissioner of a surety bond or irrevocable letter of credit for the full amount of the incurred liabilities for the payment of compensation; or
- (2) the return of cash or securities by the commissioner.

The private self-insured employer loses all right, title, and interest in and any right to control all assets or obligations posted or left on deposit as security. In the event of ~~a declaration of bankruptcy or insolvency by a court of competent jurisdiction that a private self-insurer is the subject of a voluntary or involuntary petition under the United States Bankruptcy Code, title 11, or a court of competent jurisdiction has declared the private self-insurer to be bankrupt or insolvent,~~ or in the event of the issuance of a certificate of default by the commissioner, the commissioner shall liquidate the deposit as provided in this chapter, and transfer it to the self-insurer's security fund for application to the self-insured employer's incurred liability and other current or future obligations of the self-insurers' security fund. In the event that a private self-insurer is the subject of a voluntary or involuntary petition under the United States Bankruptcy Code, title 11, or a court of competent jurisdiction has declared the private self-insurer to be bankrupt or insolvent, or in the event of the issuance of a certificate of default by the commissioner, all right, title, and interest in and any right to control all assets or obligations which have been posted or deposited as security must be transferred to the self-insurers' security fund.

Sec. 20. Minnesota Statutes 1998, section 79A.04, subdivision 9, is amended to read:

Subd. 9. [INSOLVENCY, BANKRUPTCY, OR DEFAULT; UTILIZATION OF SECURITY DEPOSIT.] The commissioner of labor and industry shall notify the commissioner and the security fund if the commissioner of labor and industry has knowledge that any private self-insurer has failed to pay workers' compensation benefits as required by chapter 176. If the commissioner determines that a private self-insurer is the subject of a voluntary or involuntary petition under the United States Bankruptcy Code, title 11, or the commissioner determines that a court of competent jurisdiction has declared the private self-insurer to be bankrupt or insolvent, and the private self-insurer has failed to pay workers' compensation as required by chapter 176 or, if the commissioner issues a certificate of default against a private self-insurer for failure to pay workers' compensation as required by chapter 176, or failure to pay an assessment to the self-insurers' security fund when due, then the security deposit shall be utilized to administer and pay the private self-insurers' workers' compensation or assessment obligations or any other current or future obligations of the self-insurers' security fund.

Sec. 21. Minnesota Statutes 1998, section 79A.11, subdivision 2, is amended to read:

Subd. 2. [SECURITY DEPOSITS.] The security fund shall have the right and obligation to obtain ~~from and retain~~ the security deposit of an insolvent private self-insurer the amount of to apply to the private self-insurer's current or future compensation obligations, including reasonable administrative and legal costs, paid or assumed by the security fund and to other current or future obligations of the security fund. Reimbursement of administrative costs, including legal costs, shall be subject to approval by a majority of the security fund's voting trustees. The security fund shall be a party in interest in any action to obtain the security deposit for the payment of compensation obligations of an insolvent self-insurer.

Sec. 22. Minnesota Statutes 1998, section 79A.11, is amended by adding a subdivision to read:

Subd. 2a. [REPLACEMENT INSURANCE POLICY.] The insolvent self-insurer may obtain an insurance policy as described in section 79A.06, subdivision 5, to discharge further workers' compensation obligations assumed by the self-insurers' security fund on behalf of the insolvent insurer. At the self-insurers' security fund's option and in

its sole discretion, any part of the insolvent self-insurers' security deposit may be used to fund the acquisition of this policy. After the security deposit has been used to: (1) fund the acquisition of this policy; (2) pay all direct and indirect administrative and professional expenses of the fund related to the insolvent self-insurer; and (3) to the extent not covered by the insurance policy, pay the insolvent self-insurers' losses, allocated loss expense and unallocated loss expense, any part of the insolvent self-insurers' security deposit that remains must be promptly returned to the insolvent self-insurer.

Sec. 23. Minnesota Statutes 1999 Supplement, section 79A.22, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL STANDARDS.] Commercial self-insurance groups shall have and maintain:

(1) combined net worth of all of the members in an amount at least equal to ~~12~~ 10 times the group's selected retention level of the workers' compensation reinsurance association. For purposes of this clause, the amount of any retained surplus by the group is considered part of the combined net worth of all the members;

(2) sufficient assets and liquidity in the group's common claims fund to promptly and completely meet all obligations of its members under this chapter and chapter 176.

Sec. 24. Minnesota Statutes 1998, section 79A.22, subdivision 3, is amended to read:

Subd. 3. [NEW MEMBERSHIP.] The commercial self-insurance group shall file with the commissioner the name of any new employer that has been accepted in the group prior to the initiation date of membership along with the member's signed indemnity agreement and evidence the member has deposited sufficient premiums with the group as required by the commercial self-insurance group's bylaws or plan of operation. The security deposit of the group ~~will~~ shall be increased quarterly to an amount equal to 50 percent of the new ~~member's premium~~ members' premiums for that quarter. If the total increase of new members' premiums for the first quarter is less than five percent of the total annual premium of the group, no quarterly increase is necessary until the cumulative quarterly increases for that calendar year exceed five percent of the total premium of the group. The ~~department of commerce~~ commissioner may, at ~~its~~ the commissioner's option, review the financial statement of any applicant whose premium equals 25 percent or more of the group's total premium.

Sec. 25. Minnesota Statutes 1998, section 79A.22, subdivision 11, is amended to read:

Subd. 11. [DISBURSEMENT OF FUND SURPLUS.] (a) One hundred percent of any surplus money for a fund year in excess of 125 percent of the amount necessary to fulfill all obligations under the Workers' Compensation Act, chapter 176, for that fund year may be declared refundable to a member at any time. The date shall be no earlier than 18 months following the end of such fund year. The first disbursement of fund surplus may not be made prior to the ~~completion of an operational audit by the commissioner~~ written approval of the commissioner. There can be no more than one refund made in any 12-month period. When all the claims of any one fund year have been fully paid, as certified by an actuary, all surplus money from that fund year may be declared refundable.

(b) The commercial self-insurance group shall give notice to the commissioner of any refund. Said notice shall be accompanied by a statement from the commercial self-insurer group's certified public accountant certifying that the proposed refund is in compliance with paragraph (a).

Sec. 26. Minnesota Statutes 1999 Supplement, section 79A.23, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED REPORTS TO COMMISSIONER.] Each commercial self-insurance group shall submit the following documents to the commissioner.

(a) An annual report shall be submitted by April 1 showing the incurred losses, paid and unpaid, specifying indemnity and medical losses by classification, payroll by classification, and current estimated outstanding liability for workers' compensation on a calendar year basis, in a manner and on forms available from the commissioner. In addition each group will submit a quarterly interim loss report showing incurred losses for all its membership.

(b) Each commercial self-insurance group shall submit within 45 days of the end of each quarter:

(1) a schedule showing all the members who participate in the group, their date of inception, and date of withdrawal, if applicable;

(2) a separate section identifying which members were added or withdrawn during that quarter; and

(3) an internal financial statement and copies of the fiscal agent's statements supporting the balances in the common claims fund.

(c) The commercial self-insurance group shall submit an annual certified financial audit report of the commercial self-insurance group fund by April 1 of the following year. The report must be accompanied by an expense schedule showing the commercial self-insurance group's operational costs for the same year including service company charges, accounting and actuarial fees, fund administration charges, reinsurance premiums, commissions, and any other costs associated with the administration of the group program.

(d) An officer of the commercial self-insurance group shall, under oath, attest to the accuracy of each report submitted under paragraphs (a), (b), and (c). Upon sufficient cause, the commissioner shall require the commercial self-insurance group to submit a certified audit of payroll and claim records conducted by an independent auditor approved by the commissioner, based on generally accepted accounting principles and generally accepted auditing standards, and supported by an actuarial review and opinion of the future contingent liabilities. The basis for sufficient cause shall include the following factors:

(1) where the losses reported appear significantly different from similar types of groups;

(2) where major changes in the reports exist from year to year, which are not solely attributable to economic factors; or

(3) where the commissioner has reason to believe that the losses and payroll in the report do not accurately reflect the losses and payroll of the commercial self-insurance group.

If any discrepancy is found, the commissioner shall require changes in the commercial self-insurance group's business plan or service company recordkeeping practices.

(e) Each commercial self-insurance group shall submit by September 15 a copy of the group's annual federal and state income tax returns or provide proof that it has received an exemption from these filings.

(f) With the annual loss report each commercial self-insurance group shall report to the commissioner any worker's compensation claim where the full, undiscounted value is estimated to exceed \$50,000, in a manner and on forms prescribed by the commissioner.

(g) Each commercial self-insurance group shall submit by May 1 a list of all members and the percentage of premium each represents to the total group's premium for the previous calendar year.

(h) Each commercial self-insurance group shall submit by October 15 the following documents prepared by the group's certified public accountant:

(1) a compiled combined financial statement of group members and a list of members included in this statement. An "Agreed Upon Procedures" report, as determined by the commissioner, indicating combined net worth, total assets, ~~cash flow~~, and net income of the group members may be filed in lieu of the compiled combined financial statement; and

(2) a report that the statements which were combined have met the requirements of subdivision 2.

(i) If any group member comprises over 25 percent of total group premium, that member's financial statement must be reviewed or audited, and, at the commissioner's option, must be filed with the ~~department of commerce commissioner~~ by October 15 of the following year.

(j) Each commercial self-insurance group shall submit a copy of each member's accountant's report letter from the reports used in compiling the combined financial statements. This requirement does not apply to any group that has been in existence for at least three years.

Sec. 27. Minnesota Statutes 1999 Supplement, section 79A.23, subdivision 2, is amended to read:

Subd. 2. [REQUIRED REPORTS FROM MEMBERS TO GROUP.] (a) Each member of the commercial self-insurance group shall, by September 15, submit to the group its most recent annual financial statement, together with other financial information the group may require. These financial statements submitted must not have a fiscal year end date older than January 15 of the group's calendar year end. Individual group members constituting at least 25 percent of the group's annual premium shall submit to the group reviewed or audited financial statements. The remaining members must submit compilation level statements.

(b) For groups that have been in existence for at least three years, individual group members may satisfy the requirements of paragraph (a) by submitting compiled, reviewed, or audited statements or the most recent federal income tax return filed by the member.

Sec. 28. Minnesota Statutes 1999 Supplement, section 79A.23, subdivision 3, is amended to read:

Subd. 3. [OPERATIONAL AUDIT.] (a) The commissioner, prior to authorizing surplus distribution of a commercial self-insurance group's first fund year or no later than after the third anniversary of the group's authority to self-insure, ~~shall~~ may conduct an operational audit of the commercial self-insurance group's claim handling and reserve practices as well as its underwriting procedures to determine if they adhere to the group's business plan. The commissioner may select outside consultants to assist in conducting the audit. After completion of the audit, the commissioner shall either renew or revoke the commercial self-insurance group's authority to self-insure. The commissioner may also order any changes deemed necessary in the claims handling, reserving practices, or underwriting procedures of the group.

(b) The cost of the operational audit shall be borne by the commercial self-insurance group.

Sec. 29. Minnesota Statutes 1999 Supplement, section 79A.24, subdivision 2, is amended to read:

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 125 percent of the commercial self-insurance group's estimated future liability for the payment of compensation as determined by an actuary. ~~If all the members of the commercial self-insurance group have submitted reviewed or audited financial statements to the group's accountant~~ has been in existence for three years, this minimum deposit shall be 110 percent of the commercial self-insurance group's estimated future liability for the payment of workers' compensation as determined by an actuary. The group must file a letter with the commissioner from the group's accountant which confirms that the compiled combined financial statements were prepared from members reviewed or audited financial statements only before the lower security deposit is allowed. Each actuarial study shall include a projection of future losses during a one-year period until the next scheduled actuarial study, less payments anticipated to be made during that time. Deduction should be made for the total amount which is estimated to be returned to the commercial self-insurance group from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the required reports are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the group's selected retention limit of the workers' compensation reinsurance association. The posting or depositing of security under this section shall release all previously posted or deposited security from any obligations under the posting or depositing and any surety bond so released shall be returned to the surety. Any other security shall be returned to the depositor or the person posting the bond."

Page 11, line 27, after the period, insert "Section 12 is effective January 1, 2001. Sections 17 to 29 are effective the day following final enactment."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dauids moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 5, after line 26, insert:

"Sec. 5. Minnesota Statutes 1999 Supplement, section 60K.19, subdivision 8, is amended to read:

Subd. 8. [MINIMUM EDUCATION REQUIREMENT.] Each person subject to this section shall complete a minimum of 30 credit hours of courses accredited by the commissioner during each 24-month licensing period, ~~two hours of which must be devoted to state law, regulations, and rules applicable to the line or lines of insurance for which the agent is licensed.~~ Any person whose initial licensing period extends more than six months shall complete 15 hours of courses accredited by the commissioner during the initial license period. Any person teaching or lecturing at an accredited course qualifies for 1-1/2 times the number of credit hours that would be granted to a person completing the accredited course. No more than 15 credit hours per licensing period may be credited to a person for courses sponsored by, offered by, or affiliated with an insurance company or its agents. Courses sponsored by, offered by, or affiliated with an insurance company or agent may restrict its students to agents of the company or agency."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Davids amendment and the roll was called. There were 96 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gunther	Kalis	Mariani	Otremba
Abrams	Dehler	Haake	Kielkucki	McElroy	Ozment
Anderson, B.	Dempsey	Haas	Knoblach	Milbert	Paulsen
Anderson, I.	Dorman	Hackbarth	Krinkie	Molnau	Pawlenty
Bishop	Dorn	Harder	Kubly	Mulder	Pelowski
Boudreau	Erhardt	Hasskamp	Kuisle	Murphy	Peterson
Bradley	Erickson	Holberg	Larsen, P.	Ness	Reuter
Broecker	Finseth	Holsten	Larson, D.	Nornes	Rhodes
Buesgens	Fuller	Howes	Lenczewski	Olson	Rifenberg
Carlson	Gerlach	Huntley	Leppik	Opatz	Schumacher
Cassell	Goodno	Jennings	Lieder	Orfield	Seifert, J.
Clark, J.	Gray	Johnson	Lindner	Osskopp	Seifert, M.
Daggett	Greiling	Juhnke	Mares	Osthoff	Smith

Stanek	Swenson	Tuma	Vandev eer	Westfall	Wolf
Stang	Tingelstad	Tunheim	Wenzel	Westrom	Workman
Storm	Tomassoni	Van Dellen	Westerberg	Wilkin	Spk. Sviggum

Those who voted in the negative were:

Bakk	Folliard	Kelliher	McGuire	Seagren	Wagenius
Biernat	Gleason	Koskinen	Mullery	Skoglund	Wejcman
Carruthers	Greenfield	Leighton	Paymar	Solberg	Winter
Chaudhary	Hausman	Luther	Pugh	Swapinski	
Clark, K.	Hilty	Mahoney	Rest	Sykora	
Entenza	Jaros	McCollum	Rukavina	Trimble	

The motion prevailed and the amendment was adopted.

Dauids moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 11, after line 21, insert:

"Sec. 14. Laws 1999, chapter 177, section 89, is amended to read:

Sec. 89. [EFFECTIVE DATES.]

(a) Sections 1, 3, 5 to 8, 20, 22 to 28, 31, 34, 35, 38, 39, 44 to 51, 54 to 56, 58 to 60, 66, 67, 69 to 87, and 88, paragraph (b), are effective the day following final enactment.

(b) Sections 13 to 15 are effective the day following final enactment and apply to plans of merger approved on or after that date by the board of directors of the first of the constituent corporations to grant such approval. Merging or consolidating insurance corporations may, however, elect to have the changes made by sections 13 to 15 not apply to a merger or consolidation arising out of a joint agreement entered into prior to January 1, 2000.

(c) Section 32 is effective July 1, ~~2000~~ 2001.

(d) Section 33 is effective December 1, 1999, and applies to all license renewals on or after that date.

(e) Section 30 is effective as follows:

(1) The amendment to Minnesota Statutes, section 60K.03, subdivision 2, paragraph (d), is effective January 1, 2000.

(2) The amendment to Minnesota Statutes, section 60K.03, subdivision 2, paragraph (e), is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Abeler, Luther, Davids, Bradley, Mulder, Dorn, Greenfield and Huntley moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 7, after line 19, insert:

"Sec. 10. 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. 11. 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. 12. 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. 13. 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 suppliers, 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. 14. 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. 15. [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 United States Code, title 42, sections 1320d to 1320d-8, and as amended 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. The commissioner and the administrative uniformity committee must consult with the Minnesota Dental Association and Delta Dental Plan of Minnesota before requiring the use of any paper documents for dental care services under this section.

Subd. 5. [EFFECTIVE DATE.] The requirements in subdivisions 1 and 2 are effective 12 months after the date of required compliance with the standards for the electronic remittance advice transaction under United States Code, title 42, sections 1320d to 1320d-8, and as amended 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. 16. 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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

POINT OF ORDER

Haas raised a point of order pursuant to rule 3.21 that the Abeler et al amendment was not in order. Speaker pro tempore Abrams ruled the point of order not well taken and the Abeler et al amendment in order.

Haas moved to amend the Abeler et al amendment to H. F. No. 3491, the first engrossment, as amended, as follows:

Page 5, line 1, after "payer" insert ", excluding commercial health insurance"

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

The question recurred on the Abeler et al amendment, as amended, to H. F. No. 3491, the first engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Carlson, Davids and Seagren moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 11, after line 21, insert:

"Section 14. [SPOUSE INSURANCE COVERAGE.]

(a) If the spouse of a retired employee who received employer-paid hospital, medical, and dental benefits under Laws 1993, chapter 224, article 8, section 18, was covered as a dependent of the retired employee when the employee retired, the spouse may continue coverage under the retired employee's group until the latter of the time the spouse

or the retired employee attains the age of 65. The spouse must pay for coverage after the retired employee attains the age of 65. Eligibility is subject to changes in coverage and payment amounts that apply to employees in positions from which the retired employee retired. This section does not apply if the retired employee terminated coverage because the employee became eligible for employer-paid health insurance from a new employer.

(b) A spouse whose coverage had been discontinued before the effective date of this section because the retired employee attained the age of 65 may receive coverage for which the spouse becomes eligible under paragraph (a) only if the spouse notifies the former employer within 180 days of the effective date of this act."

Page 11, after line 25, insert:

"Section 14 is effective the day following final enactment. In addition to application to a spouse of a retired employee when the retired employee attains the age of 65 after the effective date, section 14 also applies to a spouse who was terminated from coverage before the effective date because the retired employee attained the age of 65."

Page 11, line 26, delete "to 14" and insert ", 13, and 15"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Rukavina, Tomassoni and Smith moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 8, after line 8, insert:

"Sec. 11. [65B.565] [BENEFIT TERMINATIONS OR DENIALS; ARBITRATION.]

No reparation obligor shall terminate basic economic loss benefits or deny a claim by an insured for basic economic loss benefits unless this action is taken based on an award obtained in an arbitration proceeding pursuant to section 65B.525."

Page 11, line 26, before "Sections" insert "(a)"

Page 11, after line 27, insert:

"(b) Section 11 is effective August 1, 2000, and applies to basic economic benefits claims arising from incidents occurring on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Rukavina et al amendment and the roll was called. There were 66 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Biernat	Chaudhary	Dorn	Gleason	Greiling
Anderson, I.	Carlson	Clark, K.	Entenza	Gray	Hasskamp
Bakk	Carruthers	Dawkins	Folliard	Greenfield	Hausman

Hilty	Koskinen	Mariani	Osskopp	Rukavina	Tomassoni
Huntley	Kubly	McCollum	Osthoff	Schumacher	Trimble
Jaros	Larson, D.	McGuire	Otremba	Seifert, M.	Tuma
Jennings	Leighton	Milbert	Paymar	Skoe	Tunheim
Johnson	Lenczewski	Mullery	Pelowski	Skoglund	Wagenius
Juhnke	Lieder	Murphy	Peterson	Smith	Wejzman
Kalis	Luther	Opatz	Pugh	Solberg	Wenzel
Kelliher	Mahoney	Orfield	Rest	Swapinski	Winter

Those who voted in the negative were:

Abeler	Dehler	Haas	Leppik	Pawlenty	Sykora
Anderson, B.	Dempsey	Hackbarth	Lindner	Reuter	Tingelstad
Bishop	Dorman	Harder	Mares	Rhodes	Van Dellen
Boudreau	Erhardt	Holberg	McElroy	Rifenberg	Vandever
Bradley	Erickson	Holsten	Molnau	Rostberg	Westerberg
Broecker	Finseth	Howes	Mulder	Seagren	Westfall
Buesgens	Fuller	Kielkucki	Ness	Seifert, J.	Westrom
Cassell	Gerlach	Knoblach	Nornes	Stanek	Wilkin
Clark, J.	Goodno	Krinkie	Olson	Stang	Wolf
Daggett	Gunther	Kuisle	Ozment	Storm	Workman
Davids	Haake	Larsen, P.	Paulsen	Swenson	Spk. Sviggum

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

Erhardt and Davids moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 11, after line 21, insert:

"Sec. 14. Minnesota Statutes 1998, section 80A.122, is amended by adding a subdivision to read:

Subd. 4a. [EXPIRATION.] (a) A filing made in connection with the securities of an open-end investment company, whether owned by an insurance company, bank, securities firm, or any other entity, under subdivision 1 expires the next June 30 unless renewed. To renew a notice filing, an issuer shall:

(1) before expiration of a current notice filing, file with the commissioner the documents specified by the commissioner under subdivision 1, clause (2), together with any fees required by section 80A.28, subdivision 1, paragraph (c); and

(2) no later than September 1 following expiration, file a sales report for the prior fiscal year with the commissioner specifying:

(i) the registered sales;

(ii) the actual sales; and

(iii) the balance that could be sold without an additional filing under section 80A.28, subdivision 1, paragraph (c).

(b) No portion of the unsold balance of shares indicated on the issuer's sales report may be lawfully sold in this state in connection with a renewed notice filing until fees have been paid to renew the shares.

Sec. 15. Minnesota Statutes 1998, section 80A.28, subdivision 1, is amended to read:

Subdivision 1. (a) There shall be a filing fee of \$100 for every application for registration or notice filing. There shall be an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the maximum combined fees shall not exceed \$300.

(b) When an application for registration is withdrawn before the effective date or a preeffective stop order is entered under section 80A.13, subdivision 1, all but the \$100 filing fee shall be returned. If an application to register securities is denied, the total of all fees received shall be retained.

(c) Where a filing is made in connection with a federal covered security under section 18(b)(2) of the Securities Act of 1933, there is a fee of \$100 for every initial filing. If the filing is made in connection with redeemable securities issued by an open end management company or unit investment trust, as defined in the Investment Company Act of 1940, there is an additional annual fee of 1/20 of one percent of the maximum aggregate offering price at which the securities are to be offered in this state during the notice filing period. The fee must be paid at the time of the initial filing and thereafter in connection with each renewal no later than July 1 of each year and must be sufficient to cover the shares the issuer expects to sell in this state over the next 12 months. If during a current notice filing the issuer determines it is likely to sell shares in excess of the shares for which fees have been paid to the commissioner, the issuer shall submit an amended notice filing to the commissioner under section 80A.122, subdivision 1, clause (3), together with a fee of 1/20 of one percent of the maximum aggregate offering price of the additional shares. Shares for which a fee has been paid, but which have not been sold at the time of expiration of the notice filing, may not be sold unless an additional fee to cover the shares has been paid to the commissioner as provided in this section and section 80A.122, subdivision 4a. If the filing is made in connection with redeemable securities issued by such a company or trust, there is no maximum fee for securities filings made according to this paragraph. If the filing is made in connection with any other federal covered security under Section 18(b)(2) of the Securities Act of 1933, there is an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the combined fees shall not exceed \$300. Beginning with fiscal year 2001 and continuing each fiscal year thereafter, as of the last day of each fiscal year, the commissioner shall determine the total amount of all fees that were collected under this paragraph in connection with any filings made for that fiscal year for securities of an open-end investment company on behalf of a security that is a federal covered security pursuant to section 18(b)(2) of the Securities Act of 1933. To the extent the total fees collected by the commissioner in connection with these filings exceed \$25,000,000, the commissioner shall refund, on a pro rata basis, to all persons who paid any fees for that fiscal year, the amount of fees collected by the commissioner in excess of \$25,000,000. No individual refund is required of amounts of \$100 or less for a fiscal year."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Osthoff and Haas moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 1, after line 15, insert:

"Section 1. [60A.033] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For purposes of sections 60A.033 to 60A.039, the definitions in this section have the meanings given them.

Subd. 2. [INSURANCE COMPLIANCE SELF-AUDIT.] "Insurance compliance self-audit" or "self-audit" means a voluntary internal evaluation, review, assessment, process, or audit, not expressly required by law of an insurer and designed to identify, correct, or prevent noncompliance or to improve compliance with statutes, rules, and orders of an activity regulated under chapters 60A to 79A or other laws of this state or other states or federal law applicable to an insurer.

Subd. 3. [INSURANCE COMPLIANCE SELF-AUDIT DOCUMENT.] "Insurance compliance self-audit document" or "self-audit document" means a document prepared as a result of or in connection with and not before an insurance compliance self-audit and includes, but is not limited to, any of the following:

(1) correspondence, instructions, field notes and records of observations, findings, opinions, suggestions, conclusions, drafts, checklists, memoranda, drawings, photographs, computer-generated or electronically recorded information, telephone records, maps, charts, graphs, and surveys, if this information is collected or developed for the primary purpose and in the course of an insurance compliance self-audit;

(2) a report prepared by an auditor, who may be an employee of the insurer or an independent contractor, which may include the scope of the audit, the information gained in the audit, and conclusions and recommendations, with exhibits and appendices;

(3) memoranda and documents analyzing portions or all of the report and discussing potential implementation issues;

(4) an implementation plan that addresses correcting past noncompliance, improving current compliance, and preventing future noncompliance identified as part of the self-audit;

(5) analytic data generated in the course of conducting the insurance compliance self-audit; or

(6) a written response to the findings of an insurance compliance self-audit.

An "insurance compliance self-audit document" does not include (1) a document or other information contained within an insurance compliance self-audit document, but not prepared in connection with or result of a self-audit, or (2) a document, not prepared in connection with or as a result of a self-audit, requested by the commissioner in conjunction with the investigation of a consumer complaint where the document relates solely to the complainant's policy or any claim made against the policy and the complainant has provided the commissioner with written authorization requesting its release.

Sec. 2. [60A.034] [SCOPE OF PRIVILEGE.]

Subdivision 1. [PRIVILEGED INFORMATION.] An insurance compliance self-audit document is privileged information and is not discoverable or admissible as evidence in a civil or criminal legal action except as otherwise provided in section 60A.035. If an insurance compliance self-audit document provided by an insurer to the commissioner is disclosed to a third party by the commissioner, the document is not admissible as evidence in a civil or criminal legal action. This privilege does not extend to self-audits initiated after the insurer has received notice of an examination by state or federal regulators. Assertion of the privilege established under this subdivision to prevent disclosure of an insurance compliance self-audit document does not constitute a fraudulent purpose under section 60A.035.

Subd. 2. [EXAMINATION PROHIBITED.] If an insurer, person, or entity performs or directs the performance of an insurance compliance self-audit, an officer or employee involved with the insurance compliance self-audit, or consultant who is hired for the purpose of performing or assisting in the performance of the insurance compliance self-audit, may not be examined in a civil or criminal proceeding as to the insurance compliance self-audit or an insurance compliance self-audit document. This subdivision does not apply if the privilege is determined under section 60A.035 not to apply.

Subd. 3. [SUBMISSION PURSUANT TO EXAMINATION.] An insurer must submit, in connection with examinations conducted under chapter 60A or 60D, an insurance compliance self-audit document to the commissioner. The submission does not waive the privilege established under this section to which the insurer is otherwise entitled, and the submission is subject to sections 60A.03, subdivision 9, and 60A.031, subdivision 4, paragraph (f).

Sec. 3. [60A.035] [PRIVILEGE WAIVED OR DISCLOSURE ORDERED.]

Subdivision 1. [WAIVER.] The insurance compliance self-audit privilege does not apply to the extent the insurer that prepared or caused to be prepared the insurance compliance self-audit document expressly waives the privilege by so stating its intent in writing.

Subd. 2. [REQUIRED DISCLOSURE.] In a civil proceeding, a court of record may, after an in-camera review, require disclosure of material for which the insurance compliance self-audit privilege is asserted, if the court determines one of the following:

- (1) the privilege is asserted for a fraudulent purpose; or
- (2) the material is not subject to the privilege.

Sec. 4. [60A.036] [BURDEN OF PROOF.]

Subdivision 1. [BURDEN.] An insurer asserting the insurance compliance self-audit privilege has the burden of demonstrating the applicability of the privilege.

Subd. 2. [STIPULATION.] The parties may at any time stipulate in proceedings under section 60A.035 to entry of an order directing that specific information contained in an insurance compliance self-audit document is or is not subject to the insurance compliance self-audit privilege.

Sec. 5. [60A.037] [EXCEPTIONS TO PRIVILEGE.]

The insurance compliance self-audit privilege does not apply to the following:

(1) documents, communications, data, reports, or other information, other than an insurance self-audit document, required to be collected, developed, maintained, reported, or otherwise made available to the commissioner, or under federal or state law, rule, or order;

(2) information obtained by observation or monitoring by the commissioner of commerce or commissioner or head of any other regulatory agency; or

(3) information obtained from a source independent of the insurance compliance self-audit.

Sec. 6. [60A.038] [STATUTORY OR COMMON LAW PRIVILEGE PRESERVED.]

Nothing in sections 60A.033 to 60A.037 limits, waives, or abrogates the scope or nature of any statutory or common law privilege including, but not limited to, the work product doctrine, the attorney-client privilege, or the subsequent remedial measures exclusion.

Sec. 7. [60A.039] [COMMISSIONER'S AUTHORITY NOT RESTRICTED.]

Nothing in sections 60A.033 to 60A.037, restricts the authority of the commissioner to examine and investigate insurers or conduct appropriate disciplinary actions or other administrative proceedings."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Molnau and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Molnau moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Huntley was excused between the hours of 1:50 p.m. and 3:05 p.m.

The question recurred on the Osthoff and Haas amendment and the roll was called.

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

There were 71 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Kielkucki	McElroy	Pelowski	Tingelstad
Bishop	Erickson	Knoblach	Milbert	Rest	Trimble
Boudreau	Finseth	Krinkie	Molnau	Rifenberg	Van Dellen
Bradley	Gunther	Kuisle	Mulder	Rostberg	Vandeveer
Broecker	Haake	Larsen, P.	Ness	Schumacher	Wejman
Buesgens	Haas	Larson, D.	Nornes	Seagren	Westfall
Daggett	Harder	Lenczewski	Opatz	Seifert, J.	Westrom
Davids	Holberg	Lieder	Osskopp	Skoe	Wilkin
Dawkins	Holsten	Lindner	Osthoff	Stanek	Wolf
Dehler	Howes	Mahoney	Ozment	Stang	Workman
Dempsey	Jennings	Mares	Paulsen	Swenson	Spk. Sviggum
Entenza	Juhnke	Mariani	Pawlenty	Sykora	

Those who voted in the negative were:

Abeler	Clark, K.	Hasskamp	Leppik	Peterson	Swapinski
Anderson, B.	Dorman	Hausman	Luther	Pugh	Tomassoni
Anderson, I.	Dorn	Hilty	McCollum	Reuter	Tuma
Bakk	Fuller	Jaros	McGuire	Rhodes	Tunheim
Biernat	Gerlach	Johnson	Mullery	Rukavina	Wagenius
Carlson	Gleason	Kalis	Murphy	Seifert, M.	Wenzel
Carruthers	Goodno	Kelliher	Olson	Skoglund	Westerberg
Cassell	Greenfield	Koskinen	Orfield	Smith	Winter
Chaudhary	Greiling	Kubly	Otremba	Solberg	
Clark, J.	Hackbarth	Leighton	Paymar	Storm	

The motion prevailed and the amendment was adopted.

Wilkin and Davids moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 7, after line 19, insert:

"Sec. 9. Minnesota Statutes 1999 Supplement, section 62J.535, subdivision 2, is amended to read:

Subd. 2. [COMPLIANCE.] (a) Concurrent with the ~~effective dates~~ date of required compliance established under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, for uniform electronic billing standards, all health care providers must conform to the uniform billing standards developed under subdivision 1.

(b) Notwithstanding paragraph (a), the requirements for the uniform remittance advice report shall be effective 12 months after the date of the required compliance of the standards for the electronic remittance advice transaction are effective under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time."

Page 11, line 27, after the period, insert "Section 9 is effective the day following final enactment."

Re-number the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Opatz moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 6, after line 10, insert:

"Sec. 6. Minnesota Statutes 1998, section 62A.041, subdivision 2, is amended to read:

Subd. 2. [LIMITATION ON COVERAGE PROHIBITED.] Each group policy of accident and health insurance, except for policies which only provide coverage for specified diseases, or each group subscriber contract of accident and health insurance or health maintenance contract, issued or renewed after August 1, 1987, shall include maternity benefits in the same manner as any other illness covered under the policy or contract, except that policy waiting periods for these benefits may not be imposed.

Sec. 7. Minnesota Statutes 1998, section 62A.0411, is amended to read:

62A.0411 [MATERNITY CARE.]

Every health plan as defined in section 62Q.01, subdivision 3, that provides maternity benefits must, consistent with other coinsurance, copayment, deductible, and related contract terms, provide coverage of a minimum of 48 hours of inpatient care following a vaginal delivery and a minimum of 96 hours of inpatient care following a caesarean section for a mother and her newborn. The health plan may not impose waiting periods for these benefits. The health plan shall not provide any compensation or other nonmedical remuneration to encourage a mother and newborn to leave inpatient care before the duration minimums specified in this section.

The health plan must also provide coverage for postdelivery care to a mother and her newborn if the duration of inpatient care is less than the minimums provided in this section.

Postdelivery care consists of a minimum of one home visit by a registered nurse. Services provided by the registered nurse include, but are not limited to, parent education, assistance and training in breast and bottle feeding, and conducting any necessary and appropriate clinical tests. The home visit must be conducted within four days following the discharge of the mother and her child.

Sec. 8. Minnesota Statutes 1998, section 62A.047, is amended to read:

62A.047 [CHILDREN'S HEALTH SUPERVISION SERVICES AND PRENATAL CARE SERVICES.]

A policy of individual or group health and accident insurance regulated under this chapter, or individual or group subscriber contract regulated under chapter 62C, health maintenance contract regulated under chapter 62D, or health benefit certificate regulated under chapter 64B, issued, renewed, or continued to provide coverage to a Minnesota resident, must provide coverage for child health supervision services and prenatal care services. The policy, contract, or certificate must specifically exempt reasonable and customary charges for child health supervision services and prenatal care services from a deductible, copayment, or other coinsurance or dollar limitation requirement. ~~This section does not prohibit~~ and the use of policy waiting periods or preexisting condition limitations for these services. Minimum benefits may be limited to one visit payable to one provider for all of the services provided at each visit cited in this section subject to the schedule set forth in this section. Nothing in this section applies to a commercial health insurance policy issued as a companion to a health maintenance organization contract, a policy designed primarily to provide coverage payable on a per diem, fixed indemnity, or nonexpense incurred basis, or a policy that provides only accident coverage.

"Child health supervision services" means pediatric preventive services, appropriate immunizations, developmental assessments, and laboratory services appropriate to the age of a child from birth to age six, and appropriate immunizations from ages six to 18, as defined by Standards of Child Health Care issued by the American Academy of Pediatrics. Reimbursement must be made for at least five child health supervision visits from birth to 12 months, three child health supervision visits from 12 months to 24 months, once a year from 24 months to 72 months.

"Prenatal care services" means the comprehensive package of medical and psychosocial support provided throughout the pregnancy, including risk assessment, serial surveillance, prenatal education, and use of specialized skills and technology, when needed, as defined by Standards for Obstetric-Gynecologic Services issued by the American College of Obstetricians and Gynecologists."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Opatz amendment and the roll was called.

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

There were 65 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abeler	Fuller	Johnson	Mahoney	Paymar	Tomassoni
Anderson, I.	Gleason	Juhnke	Mariani	Pelowski	Trimble
Bakk	Gray	Kalis	McCollum	Peterson	Tuma
Biernat	Greenfield	Kelliher	McGuire	Pugh	Tunheim
Carlson	Greiling	Koskinen	Milbert	Rest	Vandever
Carruthers	Hasskamp	Kubly	Mullery	Rukavina	Wagenius
Chaudhary	Hausman	Larson, D.	Murphy	Schumacher	Wejcman
Clark, K.	Hilty	Leighton	Opatz	Skoe	Wenzel
Dawkins	Howes	Lenczewski	Orfield	Skoglund	Westerberg
Dorn	Jaros	Lieder	Osthoff	Solberg	Winter
Entenza	Jennings	Luther	Otremba	Swapinski	

Those who voted in the negative were:

Abrams	Dehler	Hackbarth	Mares	Reuter	Swenson
Anderson, B.	Dempsey	Harder	McElroy	Rhodes	Sykora
Bishop	Dorman	Holberg	Molnau	Rifenberg	Tingelstad
Boudreau	Erhardt	Holsten	Mulder	Rostberg	Van Dellen
Bradley	Erickson	Kielkucki	Ness	Seagren	Westfall
Broecker	Finseth	Knoblach	Nornes	Seifert, J.	Westrom
Buesgens	Gerlach	Krinkie	Olson	Seifert, M.	Wilkin
Cassell	Goodno	Kuisele	Osskopp	Smith	Wolf
Clark, J.	Gunther	Larsen, P.	Ozment	Stanek	Workman
Daggett	Haake	Leppik	Paulsen	Stang	Spk. Sviggum
Davids	Haas	Lindner	Pawlenty	Storm	

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

Mullery moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 6, after line 18, insert:

"Sec. 7. [62A.81] [DEFINITIONS.]

Subdivision 1. [ENROLLEE.] "Enrollee" means an individual who is covered by a health carrier, health insurance, or health coverage plan, including an insured, policy holder, subscriber, contract holder, member-covered person, or certificate holder.

Subd. 2. [HEALTH CARE PROVIDER.] "Health care provider" or "provider" means a person defined in section 144.335, subdivision 1, paragraph (b).

Subd. 3. [HEALTH CARE TREATMENT DECISION.] "Health care treatment decision" means a determination or decision made that affects the quality of the diagnosis, care, or treatment provided to an enrollee. A health care treatment decision includes, but is not limited to, a determination that a service, treatment, or procedure is not medically necessary.

Subd. 4. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue an individual or group policy of accident and sickness insurance as defined in section 62A.01; a nonprofit health service plan corporation operating under chapter 62C; a health maintenance organization operating under chapter 62D; a joint self-insurance employee health plan operating under chapter 62H; a community integrated systems network licensed under chapter 62N; a fraternal benefit society operating under chapter 64B; or an association, partnership, corporation, or limited liability corporation organized for the purpose of providing, arranging, or administering health care services or treatment.

Subd. 5. [MEDICALLY NECESSARY CARE.] "Medically necessary care" means diagnostic testing, preventative services, and health care services that are appropriate, in terms of types, frequency, level, setting, and duration, to the enrollee's diagnosis or condition. Medically necessary care must be consistent with generally accepted practice parameters, as determined by licensed health care providers in the same or similar general specialty as typically manages the condition, procedure, or treatment at issue and must:

- (1) help restore, establish, maintain, or improve the enrollee's health condition or function;
- (2) prevent deterioration of the enrollee's health condition or function; or
- (3) prevent the reasonably likely onset of a health problem or detect an incipient problem.

Subd. 6. [ORDINARY CARE.] "Ordinary care" means, in the case of a health carrier, that degree of care that a health carrier of ordinary prudence would use under the same or similar circumstances. In the case of a person who is an employee, agent, or representative of a health carrier, ordinary care means that degree of care that a person of ordinary prudence in the same profession, specialty, or area of practice would use in the same or similar circumstances.

Sec. 8. [62A.82] [APPLICATION.]

Subdivision 1. [DUTY OF ORDINARY CARE.] A health carrier has the duty to exercise ordinary care when making health care treatment decisions and is liable for damages to an enrollee for harm proximately caused by its failure to exercise ordinary care.

Subd. 2. [RESPONSIBILITY FOR ACTIONS OF OTHERS.] A health carrier is also liable for damages to an enrollee for harm proximately caused by a health care treatment decision made by its:

- (1) employees;
- (2) agents; or
- (3) representatives who are acting on its behalf and over whom it has the right to exercise influence or control or has actually exercised influence or control that results in the failure to exercise ordinary care.

In an action against a health carrier, a finding that a health care provider is an employee, agent, or representative of the health carrier shall not be based solely on proof that the person's name appears in a listing of approved health care providers made available to enrollees under a health plan.

Subd. 3. [DEFENSES.] It shall be a defense to an action asserted against a health carrier that:

- (1) neither the health carrier, nor any employee, agent, or representative for whose conduct the health carrier is liable under subdivision 2, controlled, influenced, or participated in the health care treatment decision; and
- (2) the health carrier did not deny or delay payment for any service, treatment, or procedure prescribed or recommended by a provider to the enrollee.

Subd. 4. [LIMITATIONS.] (a) The standards in subdivisions 1 and 2 create no obligation on the part of the health carrier to provide to an enrollee a service, treatment, or procedure that is not covered by the health plan.

(b) This section does not create liability on the part of an employer or an employer group purchasing organization that purchases coverage or assumes risk on behalf of its employees.

Subd. 5. [LIMITATION ON DEFENSES.] Nothing in any law of this state prohibiting a health carrier from practicing medicine or being licensed to practice medicine may be asserted as a defense by the health carrier in an action brought against it pursuant to this section or any other law.

Subd. 6. [NONAPPLICATION.] This section does not apply to workers' compensation insurance coverage under chapter 79, workers' compensation self-insurance under chapter 79A, or health coverage for state employees. This section does not apply to governmental programs. For the purposes of this subdivision, "governmental programs" means the prepaid medical assistance program, the MinnesotaCare program, the prepaid general assistance medical care program, and the federal Medicare program.

Subd. 7. [RECOVERY OF ATTORNEY FEES AND OTHER EXPENSES.] If an enrollee is the prevailing party in a proceeding under this section, the court may award attorney fees and other reasonable expenses to the enrollee. This subdivision does not preclude an enrollee from recovering costs, disbursements, fees, and expenses under other applicable law.

Subd. 8. [TRANSFER OF LIABILITY.] Any agreement or directive that attempts to transfer to a health care provider, by indemnification or otherwise, any tort liability relating to the activities, actions, or omissions of a health carrier is contrary to state public policy and is null and void.

Subd. 9. [WAIVER OF LIABILITY.] Any agreement or waiver by an enrollee of the provisions of this section is contrary to state public policy and is null and void.

Subd. 10. [EXHAUSTION OF APPEALS.] An enrollee must exhaust the external review process to the extent authorized by law before a claim can be brought against a health carrier under this chapter."

Page 11, line 27, after the period, insert "Sections 7 and 8 apply to claims arising from events that occur on or after January 1, 2001, for health plan contracts issued or renewed on or after that date."

A roll call was requested and properly seconded.

The question was taken on the Mullery amendment and the roll was called.

Rukavina moved that those not voting be excused from voting. The motion did not prevail.

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

There were 100 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abeler	Bakk	Carruthers	Clark, K.	Dempsey	Erickson
Abrams	Biernat	Cassell	Daggett	Dorman	Folliard
Anderson, B.	Buesgens	Chaudhary	Dawkins	Dorn	Fuller
Anderson, I.	Carlson	Clark, J.	Dehler	Entenza	Gerlach

Gleason	Juhnke	Mahoney	Osthoff	Schumacher	Tomassoni
Gray	Kalis	Mariani	Otremba	Seagren	Trimble
Greiling	Kelliher	McCollum	Paulsen	Seifert, J.	Tuma
Haake	Knoblach	McGuire	Pawlenty	Seifert, M.	Tunheim
Hackbarth	Koskinen	Milbert	Paymar	Skoe	Vandever
Harder	Kubly	Molnau	Pelowski	Skoglund	Wagenius
Hasskamp	Larsen, P.	Mulder	Peterson	Smith	Wejzman
Hausman	Larson, D.	Mullery	Pugh	Solberg	Wenzel
Hilty	Leighton	Murphy	Rest	Stanek	Westerberg
Howes	Lenczewski	Nornes	Rhodes	Stang	Westrom
Jaros	Leppik	Olson	Rifenberg	Storm	Winter
Jennings	Lieder	Opatz	Rostberg	Swapinski	
Johnson	Luther	Osskopp	Rukavina	Swenson	

Those who voted in the negative were:

Bishop	Erhardt	Haas	Kuisle	Ozment	Westfall
Boudreau	Finseth	Holberg	Lindner	Reuter	Wilkin
Bradley	Goodno	Holsten	Mares	Sykora	Wolf
Broecker	Greenfield	Kielkucki	McElroy	Tingelstad	Workman
Davids	Gunther	Krinkie	Ness	Van Dellen	Spk. Sviggum

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE LIFTED

Rukavina moved that the call of the House be suspended. The motion prevailed and it was so ordered.

Tuma moved to amend H. F. No. 3491, the first engrossment, as amended, as follows:

Page 11, after line 21, insert:

"Sec. 14. Minnesota Statutes 1998, section 325F.68, subdivision 2, is amended to read:

Subd. 2. "Merchandise" means any objects, wares, goods, commodities, intangibles, real estate, loans, ~~or~~ services, or an insurance policy.

Sec. 15. Minnesota Statutes 1998, section 325F.68, is amended by adding a subdivision to read:

Subd. 6. "Insurance policy" means an insurance policy or contract issued, executed, renewed, maintained, or delivered in this state, other than a policy or contract in respect of workers' compensation insurance.

Sec. 16. Minnesota Statutes 1998, section 325F.68, is amended by adding a subdivision to read:

Subd. 7. "Insurer" means an individual, corporation, association, partnership, or other legal entity that issues, executes, renews, maintains, or delivers an insurance policy in this state.

Sec. 17. Minnesota Statutes 1998, section 325F.69, subdivision 1, is amended to read:

Subdivision 1. [FRAUD, MISREPRESENTATION, DECEPTIVE PRACTICES.] The act, use, or employment by any person of any fraud, false pretense, false promise, misrepresentation, misleading statement or deceptive practice, with the intent that others rely thereon in connection with the sale of any merchandise or any matter involving a claim under an insurance policy by which the insurer acts in bad faith in its claim or settlement practices, whether or not any person has in fact been misled, deceived, or damaged thereby, is enjoined as provided herein.

Sec. 18. Minnesota Statutes 1998, section 325F.69, is amended by adding a subdivision to read:

Subd. 6. [INSURER BAD FAITH.] An insurer acts in bad faith if the insurer delays or denies payment without a reasonable basis for its delay or denial."

Page 11, line 27, after the period, insert "Sections 14 to 18 are effective August 1, 2000, and apply to violations occurring on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Dauids raised a point of order pursuant to rule 3.21 that the Tuma amendment was not in order. Speaker pro tempore Abrams ruled the point of order not well taken and the Tuma amendment in order.

Dauids moved that H. F. No. 3491, as amended, be continued on the Calendar for the Day. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2826:

Seifert, M.; Paulsen and Wenzel.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1288:

Holsten, Bakk and Hackbarth.

CALENDAR FOR THE DAY, Continued

S. F. No. 2865 was reported to the House.

Tingelstad moved that S. F. No. 2865 be returned to the General Register. The motion prevailed.

S. F. No. 2686 was reported to the House.

Rest moved to amend S. F. No. 2686 as follows:

Page 25, after line 16, insert:

"Sec. 38. [EFFECTIVE DATE.]

Section 10 is effective January 1, 2001, and applies to all contracts entered into on or after that date."

The motion prevailed and the amendment was adopted.

Rest moved to amend S. F. No. 2686, as amended, as follows:

Page 1, line 5, delete "modifying licensing"

Page 1, line 6, delete "requirements for funeral establishments;"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

S. F. No. 2686, A bill for an act relating to health; establishing requirements for the sale of funeral goods and services and preneed funeral arrangements; modifying the enforcement authority of the commissioner of health; modifying licensing requirements for funeral establishments; prohibiting certain solicitations of sales by funeral providers; requiring certain disclosures by funeral providers; prohibiting certain deceptive acts and practices for funeral providers; establishing requirements for preneed funeral agreements; amending Minnesota Statutes 1998, sections 149A.02, subdivision 22, and by adding subdivisions; 149A.08, subdivisions 1, 3, 4, and by adding a subdivision; 149A.70, by adding subdivisions; 149A.71, subdivisions 1, 2, 3, and 4; 149A.72, subdivisions 5, 6, 7, 9, 10, 11, 12, and 13; 149A.73, subdivisions 1, 3, 4, and by adding a subdivision; 149A.75; and 149A.97, subdivisions 1, 2, 3, 6, 9, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 149A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Broecker	Davids	Finseth	Gunther	Holsten
Abrams	Buesgens	Dawkins	Folliard	Haake	Howes
Anderson, B.	Carlson	Dehler	Fuller	Haas	Jaros
Anderson, I.	Carruthers	Dempsey	Gerlach	Hackbarth	Jennings
Bakk	Cassell	Dorman	Gleason	Harder	Johnson
Biernat	Chaudhary	Dorn	Goodno	Hasskamp	Juhnke
Bishop	Clark, J.	Entenza	Gray	Hausman	Kalis
Boudreau	Clark, K.	Erhardt	Greenfield	Hilty	Kelliher
Bradley	Daggett	Erickson	Greiling	Holberg	Kielkucki

Knoblach	Mares	Opatz	Reuter	Stanek	Wagenius
Koskinen	Mariani	Orfield	Rhodes	Stang	Wejcman
Krinkie	McCollum	Osskopp	Rifenberg	Storm	Wenzel
Kubly	McElroy	Osthoff	Rostberg	Swapinski	Westerberg
Kuisle	McGuire	Otremba	Rukavina	Swenson	Westfall
Larsen, P.	Milbert	Ozment	Schumacher	Sykora	Westrom
Larson, D.	Molnau	Paulsen	Seagren	Tingelstad	Wilkin
Lenczewski	Mulder	Pawlenty	Seifert, J.	Tomassoni	Winter
Leppik	Mullery	Paymar	Seifert, M.	Trimble	Wolf
Lieder	Murphy	Pelowski	Skoe	Tuma	Workman
Lindner	Ness	Peterson	Skoglund	Tunheim	Spk. Sviggum
Luther	Nornes	Pugh	Smith	Van Dellen	
Mahoney	Olson	Rest	Solberg	Vandev eer	

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

MOTION FOR RECONSIDERATION

Kuisle moved that the vote whereby H. F. No. 2610, as amended, was not passed on Tuesday, April 4, 2000, be now reconsidered. The motion prevailed.

H. F. No. 2610, as amended, was reported to the House.

Boudreau moved that H. F. No. 2610, as amended, be placed on the General Register. The motion prevailed.

S. F. No. 2761 was reported to the House.

Holberg moved that S. F. No. 2761 be returned to the General Register. The motion prevailed.

S. F. No. 2521 was reported to the House.

Rest moved to amend S. F. No. 2521 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 2673, the third engrossment:

"ARTICLE 1

CORPORATIONS CREATED BY POLITICAL SUBDIVISIONS

Section 1. [465.717] [CREATION OF CORPORATIONS BY POLITICAL SUBDIVISIONS.]

Subdivision 1. [STATUTORY AUTHORIZATION REQUIRED.] A county, home rule charter city, statutory city, town, school district, or other political subdivision, including a joint powers entity operating under section 471.59, may not create a corporation, whether for profit or not for profit, unless explicitly authorized to do so by law.

Subd. 2. [AUTHORITY TO INCORPORATE A JOINT POWERS ENTITY.] A joint powers entity created under section 471.59 may incorporate itself as a nonprofit under chapter 317A. A corporation created under this subdivision shall comply with every law that applies to the participating political subdivisions and shall possess no greater authority or power than that held by the joint powers entity itself.

Sec. 2. [465.719] [EXISTING CORPORATIONS CREATED BY POLITICAL SUBDIVISIONS.]

Subdivision 1. [DEFINITIONS.] The following definitions apply to this section:

(a) "Political subdivision" means a county, a statutory or home rule charter city, a town, a school district, or other political subdivision of the state. Political subdivision includes a political subdivision acting individually or jointly as provided under section 471.59.

(b) "Corporation" means a corporation created by a political subdivision before May 31, 1997, in which (1) the corporation's articles of incorporation or bylaws provide for the governing body of the political subdivision to serve as a corporation's governing board; (2) the articles of incorporation or bylaws provide for appointed officials of the political subdivision or members of the governing body of the political subdivision or both to be automatically appointed to the board solely by virtue of their appointment or election to office and they constitute a majority of the corporation's board members; or (3) the governing body of the political subdivision approves the budget or expenditures of the corporation for purposes other than those related to oversight of public grants or loans made to the corporation under a competitive process for which other entities are eligible. Corporation does not include:

(1) a corporation established under chapters 453, 453A, or sections 119A.374 to 119A.376; 245.62 to 245.66;

(2) a nonprofit corporation created to raise funds for use by a political subdivision if less than a majority of the board of directors of the corporation are members of the governing body of the political subdivision appointed to the board of directors by virtue of their election to office; or

(3) a corporation created by a political subdivision pursuant to state statute or special law or federal law.

Subd. 2. [RESOLUTION REQUIRED.] In order to provide for the continued existence of a corporation created by a political subdivision, the political subdivision, or its successor, that created the corporation must adopt a resolution at a regularly scheduled meeting of the governing body of the political subdivision. The resolution must include the information required in subdivisions 4 to 9. A certified copy of the resolution must be filed with the secretary of state. If a resolution is not adopted within three years of the effective date of this section, the board of directors of the corporation shall direct and authorize an officer or designee of the corporation to file with the secretary of state immediately a notice of intent to dissolve the corporation and then as soon as possible, complete dissolution of the corporation as provided in the corporation's articles of incorporation and bylaws, and the law under which the corporation was formed.

Subd. 3. [AMENDED ARTICLES OF INCORPORATION, BYLAWS.] If the political subdivision adopts a resolution under subdivision 2, the board of directors of the corporation shall direct and authorize an officer or designee of the corporation to file amended articles of incorporation, if necessary, as soon as practicable after adoption of the resolution to make the articles of incorporation consistent with the resolution and to provide for the application of the laws under subdivision 9. Thereafter, the corporation may not amend its articles of incorporation unless the political subdivision adopts a resolution in support of the change as provided in subdivision 2 for ratifying existing corporations and a certified copy of the resolution is attached to the amended articles of incorporation filed with the secretary of state.

Subd. 4. [EXISTING CONTRACTS.] If on the effective date of this section the corporation has contracts or other obligations that are inconsistent with any requirement of this section, the resolution may provide for the delayed application of that requirement for the time necessary to avoid a breach or impairment of the contract or obligation.

Subd. 5. [NEED FOR CORPORATION.] The resolution must make a detailed and specific finding regarding the purpose of the corporation, and why the corporation is the best alternative for accomplishing the purpose.

Subd. 6. [AUTHORITIES AND POWERS OF CORPORATION LIMITED.] The resolution must specify what authorities and powers the corporation possesses. The authorities and powers of the corporation must not exceed the authorities and powers of the political subdivision that created it, except as otherwise authorized in this section.

Subd. 7. [BOARD MEMBERSHIP.] If a majority of the corporation's governing board includes elected or appointed officials of the political subdivision creating the corporation, the resolution must make a detailed and specific finding regarding the purpose of those officials serving on the board, and why the corporation cannot accomplish its purpose unless those officials serve on the board. Alternatively, the resolution may provide for other board membership and the articles of incorporation amended to be consistent with the resolution.

Subd. 8. [ALLOCATION OF ASSETS AND LIABILITIES.] If the political subdivision that created the corporation is a joint powers board, the joint powers agreement and the resolution must specify how the assets and liabilities of the corporation are allocated or attributed to each member of the joint powers board, including, but not limited to, for the purposes of any applicable levy or debt limits. If a corporation is created by more than one political subdivision, each political subdivision that ratifies creation of the corporation must adopt a resolution required by this section and, among other requirements, each resolution must specify and agree with the resolution of the other political subdivisions as to how the assets and liabilities of the corporation are allocated or attributed to each political subdivision, including, but not limited to, for the purposes of any applicable levy or debt limits.

Subd. 9. [APPLICATION OF OTHER LAWS.] A corporation created by a political subdivision under this section must comply with every law that applies to the political subdivision, as if the corporation is a part of the political subdivision, unless the resolution ratifying creation of the corporation specifically exempts the corporation from part or all of a law. If the resolution exempts the corporation from part or all of a law, the resolution must make a detailed and specific finding as to why the corporation cannot fulfill its purpose if the corporation is subject to that law. A corporation may not be exempted from section 471.705, the Minnesota Open Meeting Law, sections 138.163 to 138.25, governing records management, or chapter 13, the Minnesota Government Data Practices Act. Any affected or interested person may bring an action in district court to void the resolution on the grounds that the findings are not sufficiently detailed and specific, or that the corporation can fulfill its purpose if it is subject to the law from which the resolution exempts the corporation. Laws that apply to a political subdivision that also apply to a corporation created by a political subdivision under this subdivision include, but are not limited to:

- (1) section 471.705, the Minnesota Open Meeting Law;
- (2) chapter 13, the Minnesota Government Data Practices Act;
- (3) section 471.345, the Uniform Municipal Contracting Law;
- (4) sections 43A.17, limiting the compensation of employees based on the governor's salary; 471.991 to 471.999, providing for equitable pay; and 465.72 and 465.722, governing severance pay;
- (5) section 275.065, providing for truth-in-taxation hearings. If any tax revenues of the political subdivision will be appropriated to the corporation, the corporation's annual operating and capital budgets must be included in the truth-in-taxation hearing of the political subdivision that created the corporation;
- (6) if the corporation issues debt, its debt is included in the political subdivision's debt limit if it would be included if issued by the political subdivision, and issuance of the debt is subject to the election and other requirements of chapter 475 and section 471.69;
- (7) section 471.895, prohibiting acceptance of gifts from interested parties, and sections 471.87 to 471.89, relating to interests in contracts;
- (8) chapter 466, relating to municipal tort liability;
- (9) chapter 118A, requiring deposit insurance or bond or pledged collateral for deposits;
- (10) chapter 118A, restricting investments;
- (11) section 471.346, requiring ownership of vehicles to be identified;

(12) sections 471.38 to 471.41, requiring claims to be in writing, itemized, and approved by the governing board before payment can be made; and

(13) the corporation cannot make advances of pay, make or guarantee loans to employees, or provide in-kind benefits unless authorized by law.

Subd. 10. [THREE-YEAR REVIEW OF APPLICABILITY OF OTHER LAWS.] At least every three years after adoption of a resolution that exempts a corporation from part or all of a law under subdivision 9, the political subdivision must review the activities of the corporation and whether the exemption should continue to apply to the corporation. The political subdivision must conduct the review at a regularly scheduled meeting of its governing body. The political subdivision must adopt a resolution to continue any exemption and a certified copy of the resolution must be filed with the secretary of state. The political subdivision cannot exempt the corporation from a law for the first time under the review process of this subdivision.

Subd. 11. [TAXES USED FOR PUBLIC PURPOSE.] If the political subdivision has authority under other law to appropriate tax revenues for use by the corporation, those funds must be appropriated and used only for public purposes.

Subd. 12. [AUDIT.] A corporation created by a political subdivision that receives public money from the political subdivision, other than grants or loans made under a competitive process for which other entities are eligible, must be audited annually by either a certified public accountant or the state auditor. Except as provided below, the audit report must be presented at a regularly scheduled meeting of the governing body of the political subdivision that created the corporation. The audit report must be made available to individuals after presentation of the audit report to the governing body of the political subdivision. The data classification of an audit performed by the office of the state auditor is governed by chapter 6.

Subd. 13. [STATE AUDITOR POWERS.] The state auditor has the same powers with regard to a corporation created by a political subdivision as the state auditor has with regard to the political subdivision that created the corporation.

Subd. 14. [DATA CLASSIFICATION.] The following data created, collected, or maintained by a corporation subject to this section are classified as private data under section 13.02, subdivision 12, or as nonpublic data under section 13.02, subdivision 9: (1) proprietary data relating either (i) to private businesses, or (ii) to enterprises operated by the corporation that are in competition with entities offering similar goods and services, so long as the data are not generally known or readily ascertainable by proper means and disclosure of specific data would cause harm to the competitive position of the enterprise or private business, provided that the goods or services do not require a tax levy; and (2) any data identified in section 13.491 collected or received by a transit organization.

Sec. 3. [CLARIFICATION.]

Existing corporations that reported to the state auditor under Minnesota Statutes 1998, section 465.715, subdivision 3, but do not meet the definition of a corporation under section 2, subdivision 1, paragraph (b), remain as established and are not affected by this act or by Minnesota Statutes, section 465.715.

Sec. 4. [REPEALER.]

Minnesota Statutes 1998, section 465.715, subdivisions 1, 2, and 3; and Minnesota Statutes 1999 Supplement, section 465.715, subdivision 1a, are repealed.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 1998, section 238.08, subdivision 3, is amended to read:

Subd. 3. [MUNICIPAL OPERATION.] Nothing in this chapter shall be construed to limit any municipality from the right to construct, purchase, and operate a cable communications ~~system~~ systems, or, to operate facilities and channels for community television, including, but not limited to, public, educational, and governmental access and local origination programming. Any municipal system, including the operation of community television by a municipality, shall be subject to this chapter to the same extent as would any nonpublic cable communications system."

The motion prevailed and the amendment was adopted.

Rest moved to amend S. F. No. 2521, as amended, as follows:

Page 8, after line 16, insert:

"Sec. 2. Minnesota Statutes 1998, section 469.003, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONERS.] An authority shall consist of five up to seven commissioners, who shall be residents of the area of operation of the authority, who shall be appointed after the resolution becomes finally effective. If any additional commissioners are appointed, one of the commissioners must be appointed in accordance with the requirements of the Code of Federal Regulations, title 24 part 964.

Sec. 3. Minnesota Statutes 1998, section 469.006, subdivision 1, is amended to read:

Subdivision 1. [COUNTY COMMISSIONERS.] When the governing body of a county adopts a resolution under section 469.004, the governing body shall appoint five persons or the number of commissioners for the governing body, plus up to two additional commissioners, as commissioners of the county authority. If any additional commissioners are appointed, one of the commissioners must be appointed in accordance with the requirements of the Code of Federal Regulations, title 24, part 964. The membership of the commission will reflect an areawide distribution on a representative basis. The commissioners who are first appointed shall be designated to serve for terms of one, two, three, four, and five years respectively, from the date of their appointment. Thereafter commissioners shall be appointed for a term of office of five years except that all vacancies shall be filled for the unexpired term. Persons may be appointed as commissioners if they reside within the boundaries or area, and are otherwise eligible for the appointments under sections 469.001 to 469.047.

Sec. 4. Minnesota Statutes 1998, section 469.006, subdivision 2, is amended to read:

Subd. 2. [MULTICOUNTY COMMISSIONERS.] The governing body in the case of a county, and the mayor with the approval of the governing body in the case of a city, of each political subdivision included in a multicounty authority shall appoint one person as a commissioner of the authority at or after the time of the adoption of the resolution establishing the authority.

In the case of a multicounty authority comprising only two or three political subdivisions, the appointing authorities of the participating political subdivisions shall each appoint one additional commissioner whose term of office shall be as provided for a commissioner of a multicounty authority. If any additional commissioners are appointed, one of the commissioners must be appointed in accordance with the requirements of the Code of Federal Regulations, title 24, part 964.

In the case of a multicounty authority comprising more than three political subdivisions, the appointing authorities of the participating political subdivisions may each appoint one additional commissioner whose term of office shall be as provided for a commissioner of a multicounty authority. The housing and redevelopment authority board of commissioners of a multicounty authority may appoint one or two additional commissioners in order to comply with the requirements of the Code of Federal Regulations, title 24, part 964. The appointment must be approved by a majority of the commissioners of each of the political subdivisions comprising the multicounty authority.

When the area of operation of a multicounty authority is increased to include an additional political subdivision, the appointing authority of each additional political subdivision shall appoint one or, if appropriate, two commissioners of the multicounty authority.

The appointing authority of each political subdivision shall appoint the successors of the commissioner appointed by it. The commissioners of a multicounty authority shall be appointed for terms of five years except that all vacancies shall be filled for the unexpired terms.

Sec. 5. Minnesota Statutes 1998, section 469.011, subdivision 4, is amended to read:

Subd. 4. [EXPENSES; COMPENSATION.] Each commissioner may receive necessary expenses, including traveling expenses, incurred in the performance of duties. Each commissioner may be paid up to ~~\$55~~ \$75 for attending each regular and special meeting of the authority, except that no more than \$55 may be paid for a meeting of less than four hours duration. Commissioners who are full-time state employees or full-time employees of the political subdivisions of the state may not receive the daily payment, but they may suffer no loss in compensation or benefits from the state or a political subdivision as a result of their service on the board. Commissioners who are elected officials may receive the daily payment for a particular day only if they do not receive any other daily payment for public service on that day. Commissioners who are full-time state employees or full-time employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source.

Sec. 6. [WASHINGTON COUNTY HRA INCREASED TO SEVEN.]

Notwithstanding Minnesota Statutes, section 469.006, subdivision 1, the Washington county housing and redevelopment authority has seven members. The county board must appoint one member from each county commissioner district after receiving a recommendation for the position from the district's county commissioner. One housing and redevelopment commissioner must be appointed by the county board to represent the county at large. One authority member must be appointed by the county board from among county residents who are directly assisted by the public housing agency as defined in Code of Federal Regulations, title 24, part 964. The first appointee to an at-large position serves for two years; thereafter the term is three years. The first appointee to the position requiring one directly assisted by the public housing agency serves for one year; thereafter the term is three years.

Sec. 7. [EFFECTIVE DATE; LOCAL APPROVAL.]

Section 6 is effective the day after the governing body of Washington county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2521, A bill for an act relating to local government; establishing standards for the creation of corporations by political subdivisions; providing for the continuation of existing corporations created by political subdivisions; amending Minnesota Statutes 1998, section 238.08, subdivision 3; proposing coding for new law in Minnesota Statutes 1998, chapter 465; repealing Minnesota Statutes 1998, section 465.715, subdivisions 1, 2, and 3; Minnesota Statutes 1999 Supplement, section 465.715, subdivision 1a.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, I.	Bishop	Broecker	Carruthers	Clark, J.
Abrams	Bakk	Boudreau	Buesgens	Cassell	Clark, K.
Anderson, B.	Biernat	Bradley	Carlson	Chaudhary	Daggett

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

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

H. F. No. 3046 was reported to the House.

Finseth moved that H. F. No. 3046 be continued on the Calendar for the Day. The motion prevailed.

S. F. No. 1231 was reported to the House.

Wilkin moved to amend S. F. No. 1231 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1383, the first engrossment:

"Section 1. Minnesota Statutes 1998, section 148.57, subdivision 1, is amended to read:

Subdivision 1. [EXAMINATION.] (a) A person not authorized to practice optometry in the state and desiring to do so shall apply to the director of the state board of optometry and pay to the board a fee in an amount set by the board. The candidate desiring to apply to the board shall complete a form furnished by the board. With the submission of the application form, the candidate shall prove that the candidate ~~(a)~~:

(1) is of good moral character, ~~and (b) is a graduate of;~~

(2) has obtained a clinical doctorate from an optometry school requiring at least two academic years of paraprofessional training for admittance to ~~such the~~ school and which has been approved by the board, or is currently enrolled in the final year of study at such a school; ~~;~~ and

(3) ~~pass~~ passed all parts of an examination.

(b) The examination shall include both a written portion and a clinical practical portion and shall thoroughly test the fitness of the candidate to practice in this state. In regard to the written and clinical practical examinations, the board ~~(a)~~ may:

- (1) prepare, administer, and grade the examination itself ~~or (b) may~~;
- (2) recognize and approve in whole or in part an examination prepared, administered and graded by a national board of examiners in optometry; ~~or (c) may~~
- (3) administer a recognized and approved examination prepared and graded by or under the direction of a national board of examiners in optometry.

(c) The board shall issue a license to each applicant who satisfactorily passes the examinations and fulfills the other requirements stated in this section. The applicant shall pay to the board a fee as set by the board upon issuance of the license. In the event the candidate fails to pass a part of the examination, upon the payment of an additional fee as set by the board, the candidate may reapply to the board of optometry. The fees mentioned in this section are for the use of the board and in no case shall be refunded.

Sec. 2. [148.603] [FORMS OF DISCIPLINARY ACTIONS.]

When grounds exist under section 148.57, subdivision 3, or other statute or rule which the board is authorized to enforce, the board may take one or more of the following disciplinary actions, provided that disciplinary or corrective action may not be imposed by the board on any regulated person except after a contested case hearing conducted pursuant to chapter 14 or by consent of the parties:

- (1) deny an application for a credential;
- (2) revoke the regulated person's credential;
- (3) suspend the regulated person's credential;
- (4) impose limitations on the regulated person's credential;
- (5) impose conditions on the regulated person's credential;
- (6) censure or reprimand the regulated person;
- (7) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the person of any economic advantage gained by reason of the violation or to discourage repeated violations or to reimburse the board for the cost of investigation and proceeding; or
- (8) when grounds exist under section 148.57, subdivision 3, or a board rule, enter into an agreement with the regulated person for corrective action which may include requiring the regulated person:
 - (i) to complete an educational course or activity;
 - (ii) to submit to the executive director or designated board member a written protocol or reports designed to prevent future violations of the same kind;
 - (iii) to meet with a board member or board designee to discuss prevention of future violations of the same kind;
 - (iv) to reimburse the board for its legal and investigative costs; or
 - (v) to perform other action justified by the facts.

Listing the measures in clause (8) does not preclude the board from including them in an order for disciplinary action.

Sec. 3. Minnesota Statutes 1998, section 148.61, subdivision 5, is amended to read:

Subd. 5. Every person ~~who shall violate any of the provisions of sections 148.52 to 148.62~~ not licensed by the board pursuant to section 148.57 who practices optometry in this state shall be guilty of a gross misdemeanor."

The motion prevailed and the amendment was adopted.

S. F. No. 1231, A bill for an act relating to professions; modifying provisions relating to optometrist licensing; amending Minnesota Statutes 1998, sections 148.57, subdivision 1; and 148.61, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 148.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Pawlenty moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION

Pawlenty from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 21, A house resolution honoring the University of Minnesota Women's Hockey team for winning the 2000 national championship.

Reported the same back without recommendation.

The report was adopted.

House Resolution No. 21 was reported to the House.

HOUSE RESOLUTION NO. 21

A house resolution honoring the University of Minnesota Women's Hockey team for winning the 2000 national championship.

Whereas, team championships are highly sought honors in competitive sports; and

Whereas, the University of Minnesota Women's Hockey team participated in the 2000 American Women's College Hockey Alliance (AWCHA) National Tournament at Matthews Arena in Boston, Massachusetts, from March 24-25, 2000; and

Whereas, after coming from behind to defeat the University of Minnesota-Duluth Bulldogs 3-2 in the tournament semifinals, the Gophers seized the first national title ever for a University of Minnesota women's athletics team - and the first title for the "U" in any sport since 1979 - by rallying again to defeat the Brown Bears 4-2 in the title game; and

Whereas, the Gophers' win over Brown to take the national championship was their first against a team ranked number one in the country, and by finishing the season with a 32-6-1 record, the Gophers had the nation's best winning percentage (.833) and set a school record for wins; and

Whereas, the Gophers finished the season 22-1-1 in their last 24 games, including a national-best 21-game unbeaten streak; and

Whereas, sharing credit for this championship season are players Gwen Anderson, Angela Borek, Winny Brodt, Emily Buchholz, Ronda Curtin, Tracy Donaghue, Tracy Engstrom, Lacey Franzmeier, Courtney Kennedy, Shannon Kennedy, Erica Killewald, Betsey Kukowski, Megan Milbert, Nadine Muzerall, Crystal Nicholas, Kelly Olson, Sarma Pone, Kris Scholz, Laura Slominski, Aly Sundberg, and Ambria Thomas; head coach Laura Halldorson; and assistant coaches Joel Johnson and Libby Witchger; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it congratulates the Gopher Women's Hockey team on their 1999-2000 championship season.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and transmit it to the President of the University of Minnesota.

Milbert moved that House Resolution No. 21 be now adopted. The motion prevailed and House Resolution No. 21 was adopted.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 3259.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVER, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 3259

A bill for an act relating to the state building code; providing for certain energy code rules to remain in effect.

April 5, 2000

The Honorable Allan H. Spear
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 3259, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 3259 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ENERGY CODE RULES REMAIN IN EFFECT.]

(a) Notwithstanding Laws 1999, chapter 135, section 9, Minnesota Rules, chapter 7670, does not expire on April 15, 2000, but remains in effect for residential buildings not covered by Minnesota Rules, chapter 7676. The provisions of Minnesota Rules, chapter 7670, that apply to category 1 buildings govern new, detached single

one- and two-family R-3 occupancy residential buildings. All new, detached single one- and two-family R-3 occupancy buildings subject to Minnesota Rules, chapter 7670, submitting an application for a building permit after April 14, 2000, must meet the requirements for category 1 buildings, as set out in Minnesota Rules, chapter 7670. All new detached single one- and two-family R-3 occupancy buildings having fuel burning equipment using nonsolid fuels for space heating, service water heating, or hearth products must install direct vent, power vent, or sealed combustion equipment. All new detached single one- and two-family R-3 occupancy buildings must have a mechanical ventilation system which replaces, by direct or indirect means, air from habitable rooms with outdoor air. If any single exhaust device over 300 cubic feet per minute is installed, sealed combustion space heating equipment or an alternative make-up air source must be used.

(b) As an alternative to compliance with paragraph (a), compliance with Minnesota Rules, chapters 7672 and 7674, is optional for a contractor or owner.

(c) The department of administration, building codes and standards division (BCSD), shall issue a report to the legislature by December 1, 2001, addressing the cost benefit, as well as air quality, building durability, moisture, enforcement, enforceability, and liability regarding implementation of Minnesota Rules, chapters 7670, 7672, and 7674. The report must include a feasibility study of establishing new criteria for category 2 detached single one- and two-family R-3 occupancy buildings that are energy efficient, enforceable, and provide sufficient nonmechanical ventilation or permeability for a home to maintain good air quality, building durability, and adequate release of moisture.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the state building code; providing for certain energy code rules to remain in effect; changing code requirements; requiring a report."

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

Senate Conferees: WARREN LIMMER, DEANNA L. WIENER AND STEVEN G. NOVAK.

House Conferees: FRAN BRADLEY, LYNDA BOUDREAU AND TIM MAHONEY.

Bradley moved that the report of the Conference Committee on S. F. No. 3259 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 3259, A bill for an act relating to the state building code; providing for certain energy code rules to remain in effect.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 114 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, I.	Bishop	Broecker	Cassell	Daggett
Abrams	Bakk	Boudreau	Buesgens	Chaudhary	Dauids
Anderson, B.	Biernat	Bradley	Carlson	Clark, J.	Dehler

Dempsey	Hasskamp	Larson, D.	Ness	Rifenberg	Tingelstad
Dorman	Hilty	Leighton	Nornes	Rostberg	Tomassoni
Dorn	Holberg	Lenczewski	Olson	Rukavina	Tuma
Entenza	Holsten	Leppik	Opatz	Schumacher	Tunheim
Erhardt	Howes	Lieder	Osskopp	Seagren	Van Dellen
Erickson	Huntley	Lindner	Osthoff	Seifert, J.	Vandever
Finseth	Jennings	Luther	Otremba	Seifert, M.	Wejcman
Fuller	Johnson	Mahoney	Ozment	Skoe	Wenzel
Gerlach	Juhnke	Mares	Paulsen	Smith	Westerberg
Gleason	Kalis	McCollum	Pawlenty	Solberg	Westfall
Goodno	Kielkucki	McElroy	Pelowski	Stanek	Westrom
Gunther	Knoblach	McGuire	Peterson	Stang	Wilkin
Haake	Krinkie	Milbert	Pugh	Storm	Winter
Haas	Kubly	Molnau	Rest	Swapinski	Wolf
Hackbarth	Kuisle	Mulder	Reuter	Swenson	Workman
Harder	Larsen, P.	Murphy	Rhodes	Sykora	Spk. Sviggum

Those who voted in the negative were:

Carruthers	Gray	Jaros	Mariani	Skoglund
Clark, K.	Greenfield	Kelliher	Orfield	Trimble
Folliard	Greiling	Koskinen	Paymar	Wagenius

The bill was repassed, as amended by Conference, and its title agreed to.

REPORT FROM THE CHAIR OF THE
COMMITTEE ON WAYS AND MEANS

April 5, 2000

Edward A. Burdick
Chief Clerk of the House of Representatives
The State of Minnesota

Dear Mr. Burdick:

House Rule 4.03 requires the Chair of the Committee on Ways and Means to certify to the House of Representatives that the Committee has reconciled any finance and revenue bills with the budget resolution and targets.

Please accept this letter as certification that H. F. No. 3960 and S. F. No. 3730 reconcile with the budget resolution and targets.

Sincerely,

REPRESENTATIVE DAVE BISHOP
Chair, House Ways and Means Committee

ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 9:00 a.m., Monday, April 10, 2000. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Monday, April 10, 2000.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

