

## STATE OF MINNESOTA

## EIGHTY-SECOND SESSION — 2002

## EIGHTY-SECOND DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 12, 2002

The House of Representatives convened at 9:00 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by Rabbi Jeffrey S. Wildstein, Temple Israel, Minneapolis, 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	Dehler	Harder	Koskinen	Ness	Skoe
Abrams	Dempsey	Hausman	Krinkie	Nornes	Skoglund
Anderson, B.	Dibble	Hilstrom	Kubly	Olson	Slawik
Bakk	Dorman	Holberg	Kuisle	Osskopp	Smith
Bernardy	Eastlund	Holsten	Larson	Otremba	Stang
Biernat	Erhardt	Howes	Lenczewski	Ozment	Swenson
Bishop	Erickson	Jacobson	Leppik	Paulsen	Sykora
Blaine	Finseth	Jaros	Lieder	Pawlenty	Thompson
Boudreau	Folliard	Johnson, J.	Lindner	Penas	Tuma
Bradley	Fuller	Johnson, R.	Lipman	Peterson	Vandever
Buesgens	Gerlach	Johnson, S.	Mahoney	Pugh	Wagenius
Carlson	Gleason	Jordan	Mares	Rhodes	Walker
Cassell	Goodno	Juhnke	Marquart	Rifenberg	Walz
Clark, J.	Gray	Kahn	McElroy	Ruth	Wasiluk
Clark, K.	Greiling	Kalis	Milbert	Schumacher	Wilkin
Daggett	Gunther	Kelliher	Molnau	Seagren	Winter
Davids	Haas	Kielkucki	Mullery	Seifert	Wolf
Davnie	Hackbarth	Knoblach	Murphy	Sertich	Spk. Sviggum

A quorum was present.

Anderson, I.; Dawkins; Dorn; Entenza; Evans; Goodwin; Hilty; Huntley; Jennings; Leighton; Mariani; Marko; McGuire; Mulder; Opatz; Osthoff; Paymar; Pelowski; Rukavina; Solberg; Stanek; Swapinski; Tingelstad; Westerberg; Westrom and Workman were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Erickson 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. 1030 and H. F. No. 1934, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Stanek moved that S. F. No. 1030 be substituted for H. F. No. 1934 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1072 and H. F. No. 1097, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Solberg moved that S. F. No. 1072 be substituted for H. F. No. 1097 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1555 and H. F. No. 1524, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Leppik moved that the rules be so far suspended that S. F. No. 1555 be substituted for H. F. No. 1524 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2419 and H. F. No. 2600, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Mulder moved that the rules be so far suspended that S. F. No. 2419 be substituted for H. F. No. 2600 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2422 and H. F. No. 2726, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Stang moved that the rules be so far suspended that S. F. No. 2422 be substituted for H. F. No. 2726 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2433 and H. F. No. 3304, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Tuma moved that the rules be so far suspended that S. F. No. 2433 be substituted for H. F. No. 3304 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2448 and H. F. No. 2649, 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. 2448 be substituted for H. F. No. 2649 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2533 and H. F. No. 2841, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Penas moved that the rules be so far suspended that S. F. No. 2533 be substituted for H. F. No. 2841 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2540 and H. F. No. 2657, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Dawkins moved that the rules be so far suspended that S. F. No. 2540 be substituted for H. F. No. 2657 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2568 and H. F. No. 2906, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Abrams moved that S. F. No. 2568 be substituted for H. F. No. 2906 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2578 and H. F. No. 2873, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Wilkin moved that S. F. No. 2578 be substituted for H. F. No. 2873 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2580 and H. F. No. 2840, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Clark, J., moved that S. F. No. 2580 be substituted for H. F. No. 2840 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2612 and H. F. No. 3076, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Knoblach moved that the rules be so far suspended that S. F. No. 2612 be substituted for H. F. No. 3076 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2680 and H. F. No. 3029, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Boudreau moved that the rules be so far suspended that S. F. No. 2680 be substituted for H. F. No. 3029 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2752 and H. F. No. 3435, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Lenczewski moved that the rules be so far suspended that S. F. No. 2752 be substituted for H. F. No. 3435 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2768 and H. F. No. 2678, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Solberg moved that the rules be so far suspended that S. F. No. 2768 be substituted for H. F. No. 2678 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2795 and H. F. No. 3278, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Walker moved that the rules be so far suspended that S. F. No. 2795 be substituted for H. F. No. 3278 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2890 and H. F. No. 3205, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Clark, J., moved that S. F. No. 2890 be substituted for H. F. No. 3205 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2949 and H. F. No. 3034, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Holberg moved that S. F. No. 2949 be substituted for H. F. No. 3034 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2953 and H. F. No. 3222, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Ruth moved that the rules be so far suspended that S. F. No. 2953 be substituted for H. F. No. 3222 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2960 and H. F. No. 2525, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hackbarth moved that S. F. No. 2960 be substituted for H. F. No. 2525 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2998 and H. F. No. 3249, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hilty moved that S. F. No. 2998 be substituted for H. F. No. 3249 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3034 and H. F. No. 3224, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Abrams moved that S. F. No. 3034 be substituted for H. F. No. 3224 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3073 and H. F. No. 3579, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Holberg moved that the rules be so far suspended that S. F. No. 3073 be substituted for H. F. No. 3579 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3080 and H. F. No. 3462, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Mulder moved that S. F. No. 3080 be substituted for H. F. No. 3462 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3084 and H. F. No. 3506, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Ozment moved that the rules be so far suspended that S. F. No. 3084 be substituted for H. F. No. 3506 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3100 and H. F. No. 3276, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Boudreau moved that the rules be so far suspended that S. F. No. 3100 be substituted for H. F. No. 3276 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3115 and H. F. No. 3238, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Johnson, J., moved that the rules be so far suspended that S. F. No. 3115 be substituted for H. F. No. 3238 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3117 and H. F. No. 3061, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Dibble moved that the rules be so far suspended that S. F. No. 3117 be substituted for H. F. No. 3061 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3124 and H. F. No. 3291, 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. 3124 be substituted for H. F. No. 3291 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3126 and H. F. No. 3245, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Boudreau moved that the rules be so far suspended that S. F. No. 3126 be substituted for H. F. No. 3245 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3145 and H. F. No. 3221, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Eastlund moved that S. F. No. 3145 be substituted for H. F. No. 3221 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3147 and H. F. No. 3531, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Biernat moved that S. F. No. 3147 be substituted for H. F. No. 3531 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3167 and H. F. No. 3263, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Holberg moved that S. F. No. 3167 be substituted for H. F. No. 3263 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3174 and H. F. No. 3464, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

McElroy moved that the rules be so far suspended that S. F. No. 3174 be substituted for H. F. No. 3464 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3204 and H. F. No. 3258, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Goodno moved that S. F. No. 3204 be substituted for H. F. No. 3258 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3231 and H. F. No. 3041, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Marquart moved that S. F. No. 3231 be substituted for H. F. No. 3041 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3257 and H. F. No. 3509, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Howes moved that S. F. No. 3257 be substituted for H. F. No. 3509 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3258 and H. F. No. 3512, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Cassell moved that S. F. No. 3258 be substituted for H. F. No. 3512 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3315 and H. F. No. 3492, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Davids moved that the rules be so far suspended that S. F. No. 3315 be substituted for H. F. No. 3492 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3322 and H. F. No. 3030, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Buesgens moved that S. F. No. 3322 be substituted for H. F. No. 3030 and that the House File be indefinitely postponed. The motion prevailed.

#### REPORTS OF STANDING COMMITTEES

Knoblach from the Committee on Capital Investment to which was referred:

H. F. No. 197, A bill for an act relating to communications; appropriating money for grants to noncommercial television.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [DIGITAL TELEVISION CONVERSION APPROPRIATION.]

\$7,800,000 is appropriated from the general fund to the commissioner of administration for grants to noncommercial television stations to assist with conversion to a digital broadcast signal as mandated by the federal government.

The grants must be paid within 30 days after the effective date of this act to the following stations, each of which has already met the criteria established for grants in Minnesota Statutes, section 129D.12, subdivision 2, and has certified to the Federal Communications Commission that it will convert to a digital broadcast signal:

KAWB-DT Brainerd;

Kawe-DT Bemidji;

KFME-DT Fargo-Moorhead;

KGFE-DT Crookston;

KSMN-DT Chandler;

KSMQ-DT Austin;

KTCA-DT St. Paul;



KTCI-DT St. Paul;

KWCM-DT Appleton; and

WDSE-DT Duluth.

The grants must be paid in equal shares, except that KFME-DT and KGFE-DT must each be paid a 40 percent share.

When the grantee's digital broadcasting infrastructure is fully operational, but not before January 1, 2004, the grantee must make available to the state of Minnesota one of its standard definition digital channels for a period of five hours per week for the purposes of broadcasting nonpartisan public service programming, at a time or times of the commissioner's choosing, provided that the commissioner must exercise the discretion reasonably and without undue disruption to or interference with the regular broadcast program schedule of the grantee. The grantee's obligation to broadcast the programming is subject to applicable state and federal rules and regulations, including but not limited to, the grantee's obligations to exercise editorial control, and expires three years after the commencement of the programming.

Sec. 2. Laws 2000, chapter 479, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. Bus Garages ~~+0,000,000~~ 2,200,000

To construct bus garages. This appropriation is available until spent.

Sec. 3. [BUS GARAGES.]

\$7,800,000 is appropriated from the bond proceeds fund to the metropolitan council to design and construct bus garages.

Sec. 4. [BOND SALE.]

To provide the money appropriated in section 3 from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$7,800,000 in the manner, on the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to appropriations; appropriating money for grants to noncommercial television stations; amending Laws 2000, chapter 479, article 1, section 3, subdivision 2."

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

The report was adopted.

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

H. F. No. 766, A bill for an act relating to state government; appropriating money for environmental and natural resources purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 2000, sections 15.059, subdivision 5a, as amended; 84.025, subdivision 7; 84.0887, subdivisions 1, 2, 4, 5, 6, 9; 84.925, subdivision 1; 84.9256, subdivision 1; 85.015, by adding subdivisions; 85.055, subdivision 2; 86A.21; 86B.106; 88.642; 88.645; 88.647; 88.648; 88.75, subdivision 1; 93.002, subdivision 1; 97A.045, subdivision 7; 97A.055, subdivision 4a; 97A.405, subdivision 2; 97A.411, subdivision 2; 97A.473, subdivisions 2, 3, 5; 97A.474, subdivisions 2, 3; 97A.475, subdivisions 5, 6, 10; 97A.485, subdivision 6; 97B.721; 97C.305; 103B.575; 103G.271, subdivisions 1, 5, 5a; 103G.301, subdivision 2; 115.03, by adding a subdivision; 115.55, subdivision 3; 115A.54, subdivision 2a; 115A.557, subdivision 2; 115A.912, subdivision 1; 115A.914, subdivision 2; 115B.49, subdivision 4a; 115C.07, subdivision 3; 115C.09, subdivisions 1, 2a, 3, 3h; 115C.093; 115C.112; 115C.13; 116.07, subdivisions 2, 4d; 116.12, subdivision 1; 116P.02, subdivision 2; 116P.03; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 1, 3, 4, 5, 6, 7; 116P.09, subdivisions 1, 5, 6, 7; 116P.10; 116P.11; 116P.13, subdivision 3; 256J.20, subdivision 3; 473.608, by adding a subdivision; 473.845, subdivision 3; Laws 1995, chapter 220, section 142, as amended; Laws 1996, chapter 407, section 32, subdivision 4; Laws 1999, chapter 231, section 16, subdivision 4; Laws 2000, chapter 473, section 21; proposing coding for new law in Minnesota Statutes, chapters 88; 97C; 116P; repealing Minnesota Statutes 2000, sections 86.71; 86.72; 88.641, subdivisions 4, 5; 88.644; 115.55, subdivision 8; 115A.906; 115A.912, subdivisions 2, 3; 115C.02, subdivisions 11a, 12a; 115C.082; 115C.09, subdivision 3g; 115C.091; 115C.092; 116.67; 116.70, subdivisions 2, 3a, 4; 116.71; 116.72; 116.73; 116.74; Laws 1994, chapter 639, article 3, section 4, subdivision 2; Minnesota Rules, parts 7023.9000; 7023.9005; 7023.9010; 7023.9015; 7023.9020; 7023.9025; 7023.9030; 7023.9035; 7023.9040; 7023.9045; 7023.9050; 7080.0020, subparts 24c, 51a; 7080.0400; 7080.0450.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. POLLUTION CONTROL AGENCY	-0-	(1,041,000)
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This reduction from the solid waste fund eliminates the household hazardous waste program.

Sec. 2. OFFICE OF ENVIRONMENTAL ASSISTANCE	-0-	1,041,000
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#### Summary by Fund

General	-0-	(10,000,000)
Solid Waste	-0-	11,041,000

\$10,000,000 in fiscal year 2003 is a reduction from the money appropriated for SCORE block grants to counties in Laws 2001, First Special Session chapter 2, section 3. This reduction is in addition to the reduction in Laws 2002, chapter 220, article 8, section 3.

\$10,000,000 in fiscal year 2003 is appropriated from the solid waste fund for SCORE block grants to counties. In each of fiscal years 2003 and 2004, base level funding for SCORE block grants is \$5,000,000. In addition, based on available funding, the legislature shall attempt to restore funding to the \$10,000,000 level for each of fiscal years 2004 and 2005.

\$1,041,000 in fiscal year 2003 is appropriated from the solid waste fund for administration of the household hazardous waste program. Existing personnel associated with this program are transferred from the pollution control agency to the office of environmental assistance. In each of fiscal years 2004 and 2005, base funding is \$1,041,000.

Sec. 3. Minnesota Statutes 2000, section 115A.552, subdivision 3, is amended to read:

Subd. 3. [RECYCLING INFORMATION, EDUCATION, AND PROMOTION.] (a) Each county shall provide information on how, when, and where materials may be recycled, including a promotional program that publishes notices at least once every ~~three~~ six months and encourages source separation of residential, commercial, industrial, and institutional materials.

(b) The director shall ~~develop materials for~~ assist counties ~~to use and local units of government~~ in providing information on and promotion of recycling.

(c) The director shall provide technical and financial assistance to ~~counties to help counties implement recycling programs public and private entities to ensure proper solid and household hazardous waste management.~~

Sec. 4. Minnesota Statutes 2001 Supplement, section 115A.557, subdivision 2, is amended to read:

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] A county receiving money distributed by the director under this section may use the money only for the development and implementation of programs to:

- (1) reduce the amount of solid waste generated;
- (2) recycle the maximum amount of solid waste technically feasible;
- (3) ~~create and support markets for recycled products;~~
- (~~4~~) remove problem materials from the solid waste stream and develop proper processing, recycling, or disposal options for them;
- (5) ~~inform and educate all sectors of the public about proper solid waste management procedures;~~
- (6) ~~provide technical assistance to public and private entities to ensure proper solid waste management;~~
- (7) ~~provide educational, technical, and financial assistance for litter prevention; and~~
- (~~8~~) (4) process mixed municipal solid waste generated in the county at a resource recovery facility located in Minnesota.

Sec. 5. Minnesota Statutes 2000, section 115A.96, subdivision 2, is amended to read:

Subd. 2. [MANAGEMENT PROGRAM.] The agency office shall establish a statewide program to manage household hazardous wastes. The program must include:

- (1) the establishment and operation of collection sites; and
- (2) the provision of information, education, and technical assistance regarding proper management of household hazardous wastes.

Sec. 6. Minnesota Statutes 2000, section 115A.96, subdivision 3, is amended to read:

Subd. 3. [OTHER PARTICIPANTS.] (a) The agency office may establish or operate all or part of the management program or may provide for services by contract or other agreement with public or private entities.

(b) The agency office shall allow these programs to accept up to 100 pounds of waste per year from a hazardous waste generator that generates 220 pounds or less of hazardous waste per month.

Sec. 7. Minnesota Statutes 2000, section 115A.96, subdivision 4, is amended to read:

Subd. 4. [MANAGEMENT.] Any person who establishes or operates all or part of a household hazardous waste management program shall manage collected waste in compliance with standards applicable to a hazardous waste generator. If collected waste must be stored for a time exceeding those standards, the agency office or other entity shall obtain the approval of the commissioner of the agency and shall manage the waste in compliance with applicable standards for the use and management of containers, but no facility permit is required. Waste accepted under subdivision 3, paragraph (b), must be managed in accordance with standards applicable to the waste.

Sec. 8. Minnesota Statutes 2000, section 115A.96, subdivision 5, is amended to read:

Subd. 5. [OTHER PROGRAMS.] A person must notify the commissioner of the agency and director of the office before establishing and operating any part of a household hazardous waste management program."

Delete the title and insert:

"A bill for an act relating to solid waste; transferring authority for the household hazardous waste program; providing funding for SCORE block grants; amending Minnesota Statutes 2000, sections 115A.552, subdivision 3; 115A.96, subdivisions 2, 3, 4, 5; Minnesota Statutes 2001 Supplement, section 115A.557, subdivision 2."

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

The report was adopted.

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

H. F. No. 1359, A bill for an act relating to natural resources; modifying provisions for all-terrain vehicle use on certain wildlife management area lands; modifying disposition of lottery ticket in lieu of sales tax receipts; adding to state wildlife management areas; providing for certain land exchanges; permitting the sale of certain consolidated conservation land in Roseau county; providing for enforcement on certain designated land; creating certain wildlife management area working groups; amending Minnesota Statutes 2000, section 97A.133, subdivision 3; Minnesota Statutes 2001 Supplement, section 297A.94.

Reported the same back with the following amendments:

Page 5, line 5, strike "87" and insert "87.1"

Page 6, line 2, strike "87" and insert "87.1"

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

The report was adopted.

Goodno from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 2515, A bill for an act relating to health; requiring notice of deaths of unidentified homeless persons; amending Minnesota Statutes 2000, section 144.05, by adding a subdivision; Minnesota Statutes 2001 Supplement, section 149A.90, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

INCOME ASSISTANCE, SOCIAL SERVICES, AND HEALTH CARE;  
CONSOLIDATION OF GAMC

Section 1. Minnesota Statutes 2000, section 144.395, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The tobacco use prevention and local public health endowment fund is created in the state treasury. The state board of investment shall invest the fund under section 11A.24. All earnings of the fund must be credited to the fund. The principal of the fund must be maintained inviolate, except that the principal may be used to make expenditures from the fund for the purposes specified in this section when the market value of the fund falls below 105 percent of the cumulative total of the tobacco settlement payments received by the state and credited to the tobacco settlement fund under section 16A.87, subdivision 2. In addition, on June 30, 2002, \$310,000,000 of the principal shall be transferred to the general fund. For purposes of this section, "principal" means an amount equal to the cumulative total of the tobacco settlement payments received by the state and credited to the tobacco settlement fund under section 16A.87, subdivision 2.

[EFFECTIVE DATE.] This section is effective June 30, 2002.

Sec. 2. Minnesota Statutes 2001 Supplement, section 144.395, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES.] (a) Up to five percent of the fair market value of the fund on the preceding July 1, must be spent to reduce the human and economic consequences of tobacco use among the youth of this state through state and local tobacco prevention measures and efforts, and for other public health initiatives.

(b) Notwithstanding paragraph (a), on January 1, 2000, up to five percent of the fair market value of the fund is appropriated to the commissioner of health to distribute as grants under section 144.396, subdivisions 5 and 6, in accordance with allocations in paragraph (c), clauses (1) and (2). Up to \$200,000 of this appropriation is available to the commissioner to conduct the statewide assessments described in section 144.396, subdivision 3.

(c) Beginning July 1, 2000, and on July 1 of each year thereafter, the money in paragraph (a) is appropriated as follows, except as provided in paragraphs (d) and (e):

(1) ~~67~~ 20.7 percent to the commissioner of health to distribute as grants under section 144.396, subdivision 5, to fund statewide tobacco use prevention initiatives aimed at youth;

(2) ~~16.5~~ 39.6 percent to the commissioner of health to distribute as grants under section 144.396, subdivision 6, to fund local public health initiatives aimed at tobacco use prevention in coordination with other local health-related efforts to achieve measurable improvements in health among youth; and

(3) ~~16.5~~ 39.6 percent to the commissioner of health to distribute in accordance with section 144.396, subdivision 7.

(d) A maximum of \$150,000 of each annual appropriation to the commissioner of health in paragraphs (b) and (c) may be used by the commissioner for administrative expenses associated with implementing this section.

(e) Beginning July 1, 2001, \$1,250,000 of each annual appropriation to the commissioner under paragraph (c), clause (1), may be used to provide base level funding for the commissioner's tobacco prevention and control programs and activities. This appropriation must occur before any other appropriation under this subdivision.

**[EFFECTIVE DATE.]** This section is effective July 1, 2002.

Sec. 3. Minnesota Statutes 2000, section 144.417, subdivision 1, is amended to read:

Subdivision 1. [RULES.] (a) The state commissioner of health shall adopt rules necessary and reasonable to implement the provisions of sections 144.411 to 144.417, except as provided for in section 144.414.

(b) Rules implementing sections 144.411 to 144.417 adopted after January 1, 2002, may not take effect until approved by a law enacted after January 1, 2002. This paragraph does not apply to a rule or severable portion of a rule governing smoking in office buildings, factories, warehouses, or similar places of work, or in health care facilities. This paragraph does not apply to a rule changing the definition of "restaurant" to make it the same as the definition in section 157.15, subdivision 12.

**[EFFECTIVE DATE.]** This section is effective the day following final enactment.

Sec. 4. [145.417] [FAMILY PLANNING GRANT FUNDS NOT USED TO SUBSIDIZE ABORTION SERVICES.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Abortion" means the use or prescription of any instrument, medicine, drug, or any other substance or device to intentionally terminate the pregnancy of a female known to be pregnant, with an intention other than to prevent the death of the female, increase the probability of a live birth, preserve the life or health of the child after live birth, or remove a dead fetus.

(c) "Family planning grant funds" means funds distributed through the maternal and child health block grant program under sections 145.881 to 145.889, the family planning special projects grant program under section 145.925, the program to eliminate health disparities under section 145.928, or any other state grant program whose funds are or may be used to fund family planning services.

(d) "Family planning services" means preconception services that limit or enhance fertility, including methods of contraception, the management of infertility, preconception counseling, education, and general reproductive health care.

(e) "Nondirective counseling" means providing patients with:

(1) a list of health care providers and social service providers that provide prenatal care, childbirth care, infant care, foster care, adoption services, alternatives to abortion, or abortion services; and

(2) nondirective, nonmarketing information regarding such providers.

(f) "Public advocacy" means engaging in one or more of the following:

(1) regularly engaging in efforts to encourage the passage or defeat of legislation pertaining to the continued or expanded availability of abortion;

(2) publicly endorsing or recommending the election or defeat of a candidate for public office based on the candidate's position on the legality of abortion; or

(3) engaging in civil litigation against a unit of government as a plaintiff seeking to enjoin or otherwise prohibit enforcement of a statute, ordinance, rule, or regulation pertaining to abortion.

Subd. 2. [USES OF FAMILY PLANNING GRANT FUNDS.] No family planning grant funds may be:

(1) expended to directly or indirectly subsidize abortion services or administrative expenses;

(2) paid or granted to an organization or an affiliate of an organization that provides abortion services, unless the affiliate is independent as provided in subdivision 4; or

(3) paid or granted to an organization that has adopted or maintains a policy in writing or through oral public statements that abortion is considered part of a continuum of family planning services, reproductive health services, or both.

Subd. 3. [ORGANIZATIONS RECEIVING FAMILY PLANNING GRANT FUNDS.] An organization that receives family planning grant funds:

(1) may provide nondirective counseling relating to pregnancy but may not directly refer patients who seek abortion services to any organization that provides abortion services, including an independent affiliate of the organization receiving family planning grant funds. For purposes of this clause, an affiliate is independent if it satisfies the criteria in subdivision 4, paragraph (a);

(2) may not display or distribute marketing materials about abortion services to patients;

(3) may not engage in public advocacy promoting the legality or accessibility of abortion; and

(4) must be separately incorporated from any affiliated organization that provides abortion services.

Subd. 4. [INDEPENDENT AFFILIATES THAT PROVIDE ABORTION SERVICES.] (a) To ensure that the state does not lend its imprimatur to abortion services and to ensure that an organization that provides abortion services does not receive a direct or indirect economic or marketing benefit from family planning grant funds, an organization that receives family planning grant funds may not be affiliated with an organization that provides abortion services unless the organizations are independent from each other. To be independent, the organizations may not share any of the following:

(1) the same or a similar name;

(2) medical facilities or nonmedical facilities, including but not limited to, business offices, treatment rooms, consultation rooms, examination rooms, and waiting rooms;

(3) expenses;

(4) employee wages or salaries; or

(5) equipment or supplies, including but not limited to, computers, telephone systems, telecommunications equipment, and office supplies.

(b) An organization that receives family planning grant funds and that is affiliated with an organization that provides abortion services must maintain financial records that demonstrate strict compliance with this subdivision and that demonstrate that its independent affiliate that provides abortion services receives no direct or indirect economic or marketing benefit from the family planning grant funds.

Subd. 5. [INDEPENDENT AUDIT.] When an organization applies for family planning grant funds, the organization must submit with the grant application a copy of the organization's most recent independent audit to ensure the organization is in compliance with this section. The independent audit must have been conducted no more than two years before the organization submits its grant application.

Subd. 6. [ORGANIZATIONS RECEIVING TITLE X FUNDS.] Nothing in this section requires an organization that receives federal funds under title X of the Public Health Service Act to refrain from performing any service that is required to be provided as a condition of receiving title X funds, as specified by the provisions of title X or the title X program guidelines for project grants for family planning services published by the United States Department of Health and Human Services.

Subd. 7. [SEVERABILITY.] If any one or more provision, word, phrase, clause, sentence, or subdivision of this section, or the application to any person or circumstance, is found to be unconstitutional, it is declared to be severable and the balance of this section shall remain effective notwithstanding such unconstitutionality. The legislature hereby declares that it would have passed this section, and each provision, word, phrase, clause, sentence, or subdivision of it, regardless of the fact that any one or more provision, word, phrase, clause, sentence, or subdivision be declared unconstitutional.

Sec. 5. [145.4241] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] As used in sections 145.4241 to 145.4246, the following terms have the meaning given them.

Subd. 2. [ABORTION.] "Abortion" includes an act, procedure, or use of any instrument, medicine, or drug which is supplied or prescribed for or administered to a woman known to be pregnant with the intention to terminate the pregnancy with an intention other than to increase the probability of live birth, to preserve the life or health of the child after live birth, or to remove a dead fetus.

Subd. 3. [ATTEMPT TO PERFORM AN ABORTION.] "Attempt to perform an abortion" means an act, or an omission of a statutorily required act, that, under the circumstances as the actor believes them to be, constitutes a substantial step in a course of conduct planned to culminate in the performance of an abortion in Minnesota in violation of sections 145.4241 to 145.4246.

Subd. 4. [MEDICAL EMERGENCY.] "Medical emergency" means any condition that, on the basis of the physician's good faith clinical judgment, complicates the medical condition of a pregnant female to the extent that:

- (1) an immediate abortion of her pregnancy is necessary to avert her death; or
- (2) a 24-hour delay in performing an abortion creates a serious risk of substantial injury or impairment of a major bodily function.

Subd. 5. [PHYSICIAN.] "Physician" means a person licensed under chapter 147.

Subd. 6. [PROBABLE GESTATIONAL AGE OF THE FETUS.] "Probable gestational age of the fetus" means what will, in the judgment of the physician, with reasonable probability, be the gestational age of the fetus at the time the abortion is planned to be performed.

Sec. 6. [145.4242] [INFORMED CONSENT.]

(a) No abortion shall be performed in this state except with the voluntary and informed consent of the female upon whom the abortion is to be performed. Except in the case of a medical emergency, consent to an abortion is voluntary and informed only if the female is told the following, by telephone or in person, by the physician who is to perform the abortion, the referring physician, a registered nurse, or a licensed practical nurse, at least 24 hours prior to the abortion:



(1) the particular medical risks associated with the particular abortion procedure to be employed including, when medically accurate, the risks of infection, hemorrhage, breast cancer, danger to subsequent pregnancies, and infertility;

(2) the probable gestational age of the fetus at the time the abortion is to be performed;

(3) the medical risks associated with carrying to term;

(4) that medical assistance benefits may be available for prenatal care, childbirth, and neonatal care;

(5) that the father is liable to assist in the support of her child, even in instances when the father has offered to pay for the abortion;

(6) the availability of a toll-free telephone number and Web site that can provide information on support services during pregnancy and while the child is dependent and offer alternatives to abortion; and

(7) that she has the right to review the printed materials described in section 145.4243, and the printed materials are available on the state Web site.

(b) The physician or the physician's agent shall orally inform the female that the materials have been provided by the state of Minnesota and that they describe the unborn child and list agencies that offer alternatives to abortion.

(c) The physician or the physician's agent shall orally inform the female of the Web site address and toll-free telephone number.

(d) If the female chooses to view the materials, they shall either be given to her at least 24 hours before the abortion or mailed to her at least 72 hours before the abortion by first class mail, or at the woman's request, by certified mail, restricted delivery to addressee, which means the postal employee may only deliver the mail to the addressee. The envelope used by the physician shall not identify the name of the physician or the physician's clinic or business.

(e) If a physical examination, tests, or the availability of other information to the physician subsequently indicates, in the medical judgment of the physician, a revision of the information previously supplied to the patient, that revised information may be communicated to the patient at any time prior to the performance of the abortion.

Sec. 7. [145.4243] [PRINTED INFORMATION.]

Subdivision 1. [MATERIALS.] (a) Within 90 days after the effective date of sections 145.4241 to 145.4246, the department of health shall cause to be published, in English and in each language that is the primary language of two percent or more of the state's population, the printed materials described in paragraphs (b) and (c) in such a way as to ensure that the information is easily comprehensible.

(b) The materials must be designed to inform the female of the probable anatomical and physiological characteristics of the fetus at two-week gestational increments from the time when a female can be known to be pregnant to full term, including any relevant information on the possibility of the fetus's survival and pictures or drawings representing the development of the fetus at two-week gestational increments, provided that any such pictures or drawings must contain the dimensions of the fetus and must be realistic and appropriate for the stage of pregnancy depicted. The materials must be objective, nonjudgmental, and designed to convey only accurate scientific information about the fetus at the various gestational ages.

(c) The materials must contain objective information describing the methods of abortion procedures commonly employed, the medical risks commonly associated with each procedure, the possible detrimental psychological effects of abortion, and the medical risks commonly associated with carrying a child to term.

Subd. 2. [TYPEFACE; AVAILABILITY.] The materials referred to in this section must be printed in a typeface large enough to be clearly legible. The materials required under this section must be available from the department of health upon request and in appropriate number to any person, facility, or hospital at no cost.

Sec. 8. [145.4244] [PROCEDURE IN CASE OF MEDICAL EMERGENCY.]

When a medical emergency compels the performance of an abortion, the physician shall inform the female, prior to the abortion if possible, of the medical indications supporting the physician's judgment that an abortion is necessary to avert her death or that a 24-hour delay in conformance with section 145.4242 creates a serious risk of substantial injury or impairment of a major bodily function.

Sec. 9. [145.4245] [TOLL-FREE TELEPHONE NUMBER AND WEB SITE.]

Subdivision 1. [RIGHT TO KNOW.] All pregnant women have the right to know information about resources available to assist them and their families. The commissioner of health shall establish and maintain a statewide toll-free telephone number available seven days a week to provide information and referrals to local community resources to assist women and families through pregnancy and childbirth and while the child is dependent.

Subd. 2. [INFORMATION.] The toll-free telephone number must provide information regarding community resources on the following topics:

- (1) information regarding avoiding unplanned pregnancies;
- (2) prenatal care, including the need for an initial risk screening and assessment;
- (3) adoption;
- (4) health education, including the importance of good nutrition during pregnancy and the risks associated with alcohol and tobacco use during pregnancy;
- (5) available social services, including medical assistance benefits for prenatal care, childbirth, and neonatal care;
- (6) legal assistance in obtaining child support; and
- (7) community support services and other resources to enhance family strengths and reduce the possibility of family violence.

Subd. 3. [WEB SITE.] The commissioner shall design and maintain a secure Web site to provide the information described under subdivision 2 and section 145.4243 with a minimum resolution of 72 PPI. The Web site shall provide the toll-free information and referral telephone number described under subdivision 2.

Sec. 10. [145.4246] [ENFORCEMENT PENALTIES.]

Subdivision 1. [STANDING.] A person with standing may maintain an action against the performance or attempted performance of abortions in violation of section 145.4242. Those with standing are:

- (1) a woman upon whom an abortion in violation of section 145.4242 has been performed or attempted to be performed;
- (2) the parent of an unemancipated minor upon whom an abortion in violation of section 145.4242 has been, is about to be, or was attempted to be performed; and
- (3) the attorney general of the state of Minnesota.

Subd. 2. [INJUNCTIONS.] Parties bringing actions against the performance or attempted performance of abortions in violation of section 145.4242 may seek temporary restraining orders, preliminary injunctions, and injunctions related only to the physician or facility where the violation occurred in accordance with the Rules of Civil Procedure. Persons with standing must bring any actions within six months of the date of the performed or attempted performance of abortions in violation of section 145.4242.

Subd. 3. [CONTEMPT.] Any person knowingly violating the terms of an injunction against the performance or attempted performance of abortions in violation of section 145.4242 is subject to civil contempt, and shall be fined no more than \$1,000 for the first violation, no more than \$5,000 for the second violation, no more than \$10,000 for the third violation, and for each successive violation an amount sufficient to deter future violations. The fine shall be the exclusive penalty for a violation. Each performance or attempted performance of abortion in violation of section 145.4242 is a separate violation. No fine shall be assessed against the woman on whom an abortion is performed or attempted.

Subd. 4. [REALLOCATION OF THE FINE.] Any fines collected under this section must be sent to a special account at the Minnesota department of health to be used for materials cited in section 145.4243.

Sec. 11. [145.4247] [CUMULATIVE RIGHTS.]

Sections 145.4241 to 145.4246 are cumulative with existing law regarding an individual's right to consent to medical treatment and shall not impair any existing right any patient may have under the common law or statutes of this state.

Sec. 12. Minnesota Statutes 2000, section 150A.06, is amended by adding a subdivision to read:

Subd. 2c. [GUEST LICENSE OR REGISTRATION.] (a) The board shall grant a guest license to practice as a dentist or dental hygienist or a guest registration to practice as a dental assistant if the following conditions are met:

(1) the dentist, dental hygienist, or dental assistant is currently licensed or registered in good standing in North Dakota, South Dakota, Iowa, or Wisconsin;

(2) the dentist, dental hygienist, or dental assistant is currently engaged in the practice of that person's respective profession in North Dakota, South Dakota, Iowa, or Wisconsin;

(3) the dentist, dental hygienist, or dental assistant is seeking to practice in a public health setting in Minnesota that (i) is approved by the board; (ii) was established by a nonprofit organization that is tax exempt under chapter 501(c)(3) of the Internal Revenue Code of 1986; and (iii) provides dental care to patients who have difficulty accessing dental care;

(4) the dentist, dental hygienist, or dental assistant agrees to treat indigent patients who meet the eligibility criteria established by the clinic; and

(5) the dentist, dental hygienist, or dental assistant has applied to the board for a guest license or registration, providing evidence of being currently licensed or registered in good standing in North Dakota, South Dakota, Iowa, or Wisconsin, and has paid a nonrefundable license fee to the board of \$50.

(b) A dentist, dental hygienist, or dental assistant practicing under a guest license or registration may only practice at a single, specific location in Minnesota. A guest license or registration must be renewed annually with the board and an annual renewal fee of \$50 must be paid to the board. If the clinic in Minnesota at which a dentist, dental hygienist, or dental assistant seeks to practice permanently ceases operation, the guest license or registration issued under this subdivision is automatically revoked.

(c) A dentist, dental hygienist, or dental assistant practicing under a guest license or registration under this subdivision shall have the same obligations as a dentist, dental hygienist, or dental assistant who is licensed in Minnesota and shall be subject to the laws and rules of Minnesota and the regulatory authority of the board. If the board suspends or revokes the guest license or registration of, or otherwise disciplines, a dentist, dental hygienist, or dental assistant practicing under this subdivision, the board shall promptly report such disciplinary action to the dentist's, dental hygienist's, or dental assistant's regulatory board in the border state.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 13. Minnesota Statutes 2000, section 245.037, is amended to read:

245.037 [LEASES FOR REGIONAL TREATMENT CENTER AND STATE NURSING HOME PROPERTY.]

~~Notwithstanding any law to the contrary, After June 30, 2002, money collected as rent under section 16B.24, subdivision 5, for state property at any of the regional treatment centers or state nursing home facilities administered by the commissioner of human services is dedicated to the regional treatment center or state nursing home from which it is generated. Any balance remaining at the end of the fiscal year shall not cancel and is available until expended shall be deposited in the general fund.~~

Sec. 14. Minnesota Statutes 2000, section 246.18, subdivision 5, is amended to read:

Subd. 5. [~~FUNDED DEPRECIATION ACCOUNTS PAYMENTS~~ FOR STATE-OPERATED, COMMUNITY-BASED PROGRAMS.] ~~Separate interest-bearing funded depreciation accounts shall be established in the state treasury for state-operated, community-based programs meeting the definition of a facility in Minnesota Rules, part 9553.0020, subpart 19, or a vendor in section 252.41, subdivision 9. After June 30, 2002, as payments for state-operated community-based services are received by the commissioner, the portion of the payment rate representing allowable depreciation expense and the capital debt reduction allowance shall be deposited in the state treasury and credited to the separate interest-bearing accounts as dedicated receipts with unused funds carried over to the next fiscal year. Funds within these funded depreciation accounts are appropriated to the commissioner of human services for the purchase or replacement of capital assets or payment of capitalized repairs for each respective program. These accounts will satisfy the requirements of Minnesota Rules, part 9553.0060, subparts 1, item E, and 5 general fund.~~

Sec. 15. Minnesota Statutes 2000, section 246.18, subdivision 6, is amended to read:

Subd. 6. [COLLECTIONS DEDICATED.] (a) Except for state-operated programs funded through a direct appropriation from the legislature, any state-operated program or service established and operated as an enterprise activity shall retain the revenues earned in an interest-bearing account.

(b) When the commissioner determines the intent to transition from a direct appropriation to enterprise activity for which the commissioner has authority, all collections for the targeted state-operated service shall be retained and deposited into an interest-bearing account. At the end of the fiscal year, prior to establishing the enterprise activity, collections up to the amount of the appropriation for the targeted service shall be deposited to the general fund. All funds in excess of the amount of the appropriation will be retained and used by the enterprise activity for cash flow purposes.

(c) These funds must be deposited in the state treasury in a revolving account and funds in the revolving account are appropriated to the commissioner to operate the services authorized, and any unexpended balances do not cancel but are available until spent.

(d) Notwithstanding paragraphs (a), (b), and (c), after June 30, 2002, all proceeds raised under this subdivision that otherwise would have been deposited into accounts in the special revenue fund shall be deposited in the general fund.

Sec. 16. Minnesota Statutes 2000, section 246.57, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED.] The commissioner of human services may authorize any state facility operated under the authority of the commissioner to enter into agreement with other governmental entities and both nonprofit and for-profit organizations for participation in shared service agreements that would be of mutual benefit to the state, other governmental entities and organizations involved, and the public. Notwithstanding section 16C.05, subdivision 2, the commissioner of human services may delegate the execution of shared services contracts to the chief executive officers of the regional centers or state operated nursing homes. No additional employees shall be added to the legislatively approved complement for any regional center or state nursing home as a result of entering into any shared service agreement. However, positions funded by a shared service agreement may be authorized by the commissioner of finance for the duration of the shared service agreement. The charges for the services shall be on an actual cost basis. After June 30, 2002, all receipts for shared services may be retained by the regional treatment center or state-operated nursing home that provided the services, in addition to other funding the regional treatment center or state-operated nursing home receives shall be deposited in the general fund.

Sec. 17. Minnesota Statutes 2000, section 246.57, subdivision 5, is amended to read:

Subd. 5. [LAUNDRY EQUIPMENT.] The commissioner of human services may provide for the replacement of laundry equipment by including a charge for depreciation as part of the service costs charged by a regional treatment center operating a laundry service. After June 30, 2002, receipts for laundry services attributable to depreciation of laundry equipment must be deposited in a laundry equipment depreciation account within the general fund. All money deposited in the account is appropriated to the commissioner of human services for the replacement of laundry equipment. Any balance remaining in the account at the end of a fiscal year does not cancel and is available until expended.

Sec. 18. Minnesota Statutes 2000, section 246.57, subdivision 6, is amended to read:

Subd. 6. [DENTAL SERVICES.] The commissioner of human services shall authorize any regional treatment center or state-operated nursing home under the commissioner's authority to provide dental services to disabled persons who are eligible for medical assistance and are not residing at the regional treatment center or state-operated nursing home, provided that the reimbursement received for these services is sufficient to cover actual costs. To provide these services, regional treatment centers and state-operated nursing homes may participate under contract with health networks in their service area. Notwithstanding section 16C.05, subdivision 2, the commissioner of human services may delegate the execution of these dental services contracts to the chief executive officers of the regional centers or state-operated nursing homes. After June 30, 2002, all receipts for these dental services shall be retained by the regional treatment center or state-operated nursing home that provides the services and shall be in addition to other funding the regional treatment center or state-operated nursing home receives deposited in the general fund.

Sec. 19. Minnesota Statutes 2001 Supplement, section 256B.056, subdivision 1a, is amended to read:

Subd. 1a. [INCOME AND ASSETS GENERALLY.] Unless specifically required by state law or rule or federal law or regulation, the methodologies used in counting income and assets to determine eligibility for medical assistance for persons whose eligibility category is based on blindness, disability, or age of 65 or more years, the methodologies for the supplemental security income program shall be used. Increases in benefits under title II of the Social Security Act shall not be counted as income for purposes of this subdivision until July 1 of each year. Effective upon federal approval, for children eligible under section 256B.055, subdivision 12, or for home and community-based waiver services whose eligibility for medical assistance is determined without regard to parental income, child support payments, including any payments made by an obligor in satisfaction of or in addition to a temporary or permanent order for child support, and social security payments are not counted as income. For families and children, which includes all other eligibility categories, the methodologies under the state's AFDC plan in effect as of July 16, 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law Number 104-193, shall be used, ~~except that effective July 1, 2002, the \$90 and \$30 and one-third earned income disregards shall not apply and the disregard specified in subdivision 1c shall apply.~~ For these purposes, a "methodology" does not include an asset or income standard, or accounting method, or method of determining effective dates.

Sec. 20. Minnesota Statutes 2001 Supplement, section 256B.056, subdivision 4, is amended to read:

Subd. 4. [INCOME.] (a) To be eligible for medical assistance, a person eligible under section 256B.055, subdivisions 7, 7a, and 12, may have income up to 100 percent of the federal poverty guidelines. Effective January 1, 2000, and each successive January, recipients of supplemental security income may have an income up to the supplemental security income standard in effect on that date.

(b) To be eligible for medical assistance, families and children may have an income up to 133-1/3 percent of the AFDC income standard in effect under the July 16, 1996, AFDC state plan. Effective July 1, 2000, the base AFDC standard in effect on July 16, 1996, shall be increased by three percent.

~~(c) Effective July 1, 2002, to be eligible for medical assistance, families and children may have an income up to 100 percent of the federal poverty guidelines for the family size.~~

~~(d)~~ In computing income to determine eligibility of persons under paragraphs (a) to ~~(c)~~ (b) who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566, section 503; 99-272; and 99-509. Veterans aid and attendance benefits and Veterans Administration unusual medical expense payments are considered income to the recipient.

Sec. 21. Minnesota Statutes 2001 Supplement, section 256B.057, subdivision 2, is amended to read:

Subd. 2. [CHILDREN.] ~~Except as specified in subdivision 1b, effective July 1, 2002, a child one through 18 five~~ years of age in a family whose countable income is ~~no greater less~~ less than 170 133 percent of the federal poverty guidelines for the same family size, is eligible for medical assistance. A child six through 18 years of age, who was born after September 30, 1983, in a family whose countable income is less than 100 percent of the federal poverty guidelines for the same family size is eligible for medical assistance.

Sec. 22. Minnesota Statutes 2001 Supplement, section 256B.0635, subdivision 1, is amended to read:

Subdivision 1. [INCREASED EMPLOYMENT.] (a) Until June 30, 2002, medical assistance may be paid for persons who received MFIP-S or medical assistance for families and children in at least three of six months preceding the month in which the person became ineligible for MFIP-S or medical assistance, if the ineligibility was due to an increase in hours of employment or employment income or due to the loss of an earned income disregard. In addition, to receive continued assistance under this section, persons who received medical assistance for families and children but did not receive MFIP-S must have had income less than or equal to the assistance standard for their family size under the state's AFDC plan in effect as of July 16, 1996, increased by three percent effective July 1, 2000, at the time medical assistance eligibility began. A person who is eligible for extended medical assistance is entitled to six months of assistance without reapplication, unless the assistance unit ceases to include a dependent child. For a person under 21 years of age, medical assistance may not be discontinued within the six-month period of extended eligibility until it has been determined that the person is not otherwise eligible for medical assistance. Medical assistance may be continued for an additional six months if the person meets all requirements for the additional six months, according to title XIX of the Social Security Act, as amended by section 303 of the Family Support Act of 1988, Public Law Number 100-485.

(b) Beginning July 1, 2002, medical assistance for families and children may be paid for persons ~~who were eligible under section 256B.055, subdivision 3a who had income less than or equal to the assistance standard for their family size under the state's AFDC plan in effect as of July 16, 1996, at the time medical assistance eligibility began, and~~ in at least three of six months preceding the month in which the person became ineligible ~~under that section~~ if the ineligibility was due to an increase in hours of employment or employment income or due to the loss of an earned income disregard. A person who is eligible for extended medical assistance is entitled to six months of assistance without reapplication, unless the assistance unit ceases to include a dependent child, except medical assistance may not be discontinued for that dependent child under 21 years of age within the six-month period of extended eligibility until it has been determined that the person is not otherwise eligible for medical assistance. Medical assistance may be continued for an additional six months if the person meets all requirements for the additional six months, according to title XIX of the Social Security Act, as amended by section 303 of the Family Support Act of 1988, Public Law Number 100-485.

Sec. 23. Minnesota Statutes 2001 Supplement, section 256B.0635, subdivision 2, is amended to read:

Subd. 2. [INCREASED CHILD OR SPOUSAL SUPPORT.] (a) Until June 30, 2002, medical assistance may be paid for persons who received MFIP-S or medical assistance for families and children in at least three of the six months preceding the month in which the person became ineligible for MFIP-S or medical assistance, if the ineligibility was the result of the collection of child or spousal support under part D of title IV of the Social Security Act. In addition, to receive continued assistance under this section, persons who received medical assistance for families and children but did not receive MFIP-S must have had income less than or equal to the assistance standard for their family size under the state's AFDC plan in effect as of July 16, 1996, increased by three percent effective July 1, 2000, at the time medical assistance eligibility began. A person who is eligible for extended medical assistance under this subdivision is entitled to four months of assistance without reapplication, unless the assistance unit ceases to include a dependent child, except medical assistance may not be discontinued for that dependent child under 21 years of age within the four-month period of extended eligibility until it has been determined that the person is not otherwise eligible for medical assistance.

(b) Beginning July 1, 2002, medical assistance for families and children may be paid for persons ~~who were eligible under section 256B.055, subdivision 3a~~ who had income less than or equal to the assistance standard for their family size under the state's AFDC plan in effect as of July 16, 1996, at the time medical assistance eligibility began, and in at least three of the six months preceding the month in which the person became ineligible ~~under that section~~ if the ineligibility was the result of the collection of child or spousal support under part D of title IV of the Social Security Act. A person who is eligible for extended medical assistance under this subdivision is entitled to four months of assistance without reapplication, unless the assistance unit ceases to include a dependent child, except medical assistance may not be discontinued for that dependent child under 21 years of age within the four-month period of extended eligibility until it has been determined that the person is not otherwise eligible for medical assistance.

Sec. 24. Minnesota Statutes 2000, section 256B.431, is amended by adding a subdivision to read:

Subd. 37. [DESIGNATION OF AREAS TO RECEIVE METROPOLITAN RATES.] For rate years beginning on or after July 1, 2003, nursing facilities located in areas designated as metropolitan areas by the federal Office of Management and Budget using census bureau data shall be part of the metropolitan array for purposes of calculating a median, determining a historical base reimbursement rate, or otherwise establishing a statistical measure of nursing facility payment rates, in order to:

(1) determine future rate increases under this section, section 256B.434, or any other section; and

(2) establish nursing facility reimbursement rates for the new nursing facility reimbursement system developed under Laws 2001, First Special Session chapter 9, article 5, section 35.

Sec. 25. Minnesota Statutes 2000, section 256B.69, subdivision 5a, as amended by Laws 2002, chapter 220, article 15, section 15, is amended to read:

Subd. 5a. [MANAGED CARE CONTRACTS.] (a) Managed care contracts under this section and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B, 256D, and 256L, established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs pending completion of performance targets. The withheld funds ~~will~~ must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23. A managed care plan may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

Sec. 26. Minnesota Statutes 2000, section 256D.03, is amended by adding a subdivision to read:

Subd. 3c. [GENERAL ASSISTANCE MEDICAL CARE ELIGIBILITY EFFECTIVE JULY 1, 2002.] (a) Effective July 1, 2002, general assistance medical care may be paid only for individuals who meet the income and asset standards specified in subdivision 3 and who:

(1) would be eligible for medical assistance except that the person resides in a facility determined by the federal Center for Medicare and Medicaid Services to be an institution for mental diseases; or

(2) are children under age 18, or adults over age 65 who are aged, blind, or disabled as defined in Code of Federal Regulations, title 42, sections 435.520, 435.530, 435.531, 435.540, and 435.541, who are undocumented or nonimmigrants, and who otherwise meet the eligibility requirements of chapter 256B.

(b) The commissioner shall refer individuals who are enrolled in the general assistance medical care program as of July 1, 2002 who are not eligible under paragraph (a) to the MinnesotaCare program over a six-month transition period ending December 31, 2002. The commissioner, in consultation with county agencies, shall develop a transition plan that: (1) first refers to the MinnesotaCare program those groups of individuals with the highest household incomes; and (2) ensures a consistent number of referrals to the MinnesotaCare program over the six-month transition period. During the transition period, general assistance medical care enrollees not eligible under paragraph (a) who have not yet been referred to MinnesotaCare shall continue to receive covered health care services under the general assistance medical care program.

**[EFFECTIVE DATE.]** This section is effective July 1, 2002.

Sec. 27. Minnesota Statutes 2000, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Each assistance unit with income and resources less than the standard of assistance established by the commissioner and with a member who is a resident of the state shall be eligible for and entitled to general assistance if the assistance unit is:

(1) a person who is suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(2) a person whose presence in the home on a substantially continuous basis is required because of the professionally certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in, and is residing in, a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is according to a plan developed or approved by the county agency through its director or designated representative;

(4) a person who resides in a shelter facility described in subdivision 3;

(5) a person not described in clause (1) or (3) who is diagnosed by a licensed physician, psychological practitioner, or other qualified professional, as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;



(6) a person who has an application pending for, or is appealing termination of benefits from, the social security disability program or the program of supplemental security income for the aged, blind, and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(7) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work;

(8) a person who has been assessed by a vocational specialist and, in consultation with the county agency, has been determined to be unemployable for purposes of this clause; a person is considered employable if there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. The person's eligibility under this category must be reassessed at least annually. The county agency must provide notice to the person not later than 30 days before annual eligibility under this item ends, informing the person of the date annual eligibility will end and the need for vocational assessment if the person wishes to continue eligibility under this clause. For purposes of establishing eligibility under this clause, it is the applicant's or recipient's duty to obtain any needed vocational assessment;

(9) a person who is determined by the county agency, according to permanent rules adopted by the commissioner, to be learning disabled, provided that if a rehabilitation plan for the person is developed or approved by the county agency, the person is following the plan;

(10) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, and only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is necessary, for reasons other than the child has failed or refuses to cooperate with the county agency in developing the plan;

(11) a person who is eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;

(12) a person who lives more than four hours round-trip traveling time from any potential suitable employment;

(13) a person who is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day;

(14) a person over age 18 whose primary language is not English and who is attending high school at least half time; or

(15) a person whose alcohol and drug addiction is a material factor that contributes to the person's disability; applicants who assert this clause as a basis for eligibility must be assessed by the county agency to determine if they are amenable to treatment; if the applicant is determined to be not amenable to treatment, but is otherwise eligible for benefits, then general assistance must be paid in vendor form, for the individual's shelter costs up to the limit of the grant amount, with the residual, if any, paid according to section 256D.09, subdivision 2a; if the applicant is determined to be amenable to treatment, then in order to receive benefits, the applicant must be in a treatment program or on a waiting list and the benefits must be paid in vendor form, for the individual's shelter costs, up to the limit of the grant amount, with the residual, if any, paid according to section 256D.09, subdivision 2a.

(b) As a condition of eligibility under paragraph (a), clauses (1), (3), (5), (8), and (9), the recipient must complete an interim assistance agreement and must apply for other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with efforts to determine the recipient's eligibility for those other maintenance benefits.

(c) The burden of providing documentation for a county agency to use to verify eligibility for general assistance or for exemption from the food stamp employment and training program is upon the applicant or recipient. The county agency shall use documents already in its possession to verify eligibility, and shall help the applicant or recipient obtain other existing verification necessary to determine eligibility which the applicant or recipient does not have and is unable to obtain.

(d) Effective July 1, 2002, general assistance is available to an assistance unit for six months in a consecutive 24-month period. Only months of general assistance received after July 1, 2002 shall be counted toward the period of eligibility.

Sec. 28. Minnesota Statutes 2000, section 256D.06, subdivision 2, is amended to read:

Subd. 2. [EMERGENCY NEED.] Notwithstanding the provisions of subdivision 1, a grant of general assistance shall be made to an eligible single adult, married couple, or family for an emergency need, as defined in rules promulgated by the commissioner, where the recipient requests temporary assistance not exceeding 30 days if an emergency situation appears to exist and ~~(a) until March 31, 1998, the individual is ineligible for the program of emergency assistance under aid to families with dependent children and is not a recipient of aid to families with dependent children at the time of application; or (b) the individual or family is (i) ineligible for MFIP-S or is not a participant of MFIP-S; and (ii) is ineligible for emergency assistance under section 256J.48.~~ If an applicant or recipient relates facts to the county agency which may be sufficient to constitute an emergency situation, the county agency shall advise the person of the procedure for applying for assistance according to this subdivision. Effective July 1, 2002, emergency assistance under this subdivision is available during one 30-day period in a consecutive 18-month period. Only months of emergency assistance received under this subdivision after July 1, 2002 shall be counted toward the period of eligibility. A county shall issue assistance for need that accrue before that 30-day period only when it is necessary to resolve emergencies arising or continuing to arise during the 30-day period of eligibility.

Sec. 29. Minnesota Statutes 2001 Supplement, section 256J.24, subdivision 10, is amended to read:

Subd. 10. [~~MFIP EXIT LEVEL EARNED INCOME DISREGARD.~~] ~~The commissioner shall adjust the MFIP earned income disregard to ensure that most participants do not lose eligibility for MFIP until their income reaches at least 120 percent of the federal poverty guidelines in effect in October of each fiscal year. The adjustment to the disregard shall be based on a household size of three, and the resulting earned income disregard percentage must be applied to all household sizes. The adjustment under this subdivision must be implemented at the same time as the October food stamp cost-of-living adjustment is reflected in the food portion of MFIP transitional standard as required under subdivision 5a. In state fiscal year 2003 and thereafter, the earned income disregard percentage must be the same as the percentage implemented in October 2000.~~

Sec. 30. Minnesota Statutes 2001 Supplement, section 256J.425, subdivision 3, is amended to read:

Subd. 3. [HARD-TO-EMPLOY PARTICIPANTS.] An assistance unit subject to the time limit in section 256J.42, subdivision 1, in which any participant has received 60 counted months of assistance, is eligible to receive months of assistance under a hardship extension if the participant belongs to any of the following groups:

(1) a person who is diagnosed by a licensed physician, psychological practitioner, or other qualified professional, as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining unsubsidized employment;

(2) a person who:

(i) has been assessed by a vocational specialist or the county agency to be unemployable for purposes of this subdivision; or

(ii) has an IQ below 80 who has been assessed by a vocational specialist or a county agency to be employable, but not at a level that makes the participant eligible for an extension under subdivision 4 or, in the case of a non-English-speaking person for whom it is not possible to provide a determination due to language barriers or absence of culturally appropriate assessment tools, is determined by a qualified professional to have an IQ below 80. A person is considered employable if positions of employment in the local labor market exist, regardless of the current availability of openings for those positions, that the person is capable of performing; ~~or~~

(3) a person who is determined by the county agency to be learning disabled or, in the case of a non-English-speaking person for whom it is not possible to provide a medical diagnosis due to language barriers or absence of culturally appropriate assessment tools, is determined by a qualified professional to have a learning disability. If a rehabilitation plan for the person is developed or approved by the county agency, the plan must be incorporated into the employment plan. However, a rehabilitation plan does not replace the requirement to develop and comply with an employment plan under section 256J.52. For purposes of this section, "learning disabled" means the applicant or recipient has a disorder in one or more of the psychological processes involved in perceiving, understanding, or using concepts through verbal language or nonverbal means. The disability must severely limit the applicant or recipient in obtaining, performing, or maintaining suitable employment. Learning disabled does not include learning problems that are primarily the result of visual, hearing, or motor handicaps; mental retardation; emotional disturbance; or due to environmental, cultural, or economic disadvantage; ~~or~~

(4) a person who is a victim of family violence as defined in section 256J.49, subdivision 2, and who is participating in an alternative employment plan under section 256J.49, subdivision 1a.

Sec. 31. Minnesota Statutes 2001 Supplement, section 256J.425, subdivision 4, is amended to read:

Subd. 4. [EMPLOYED PARTICIPANTS.] (a) An assistance unit subject to the time limit under section 256J.42, subdivision 1, in which any participant has received 60 months of assistance, is eligible to receive assistance under a hardship extension if the participant belongs to:

(1) a one-parent assistance unit in which the participant is participating in work activities for at least 30 hours per week, of which an average of at least 25 hours per week every month are spent participating in employment; ~~or~~

(2) a two-parent assistance unit in which the participants are participating in work activities for at least 55 hours per week, of which an average of at least 45 hours per week every month are spent participating in employment; ~~or~~

(3) an assistance unit in which a participant is participating in employment for fewer hours than those specified in clause (1), and the participant submits verification from a health care provider, in a form acceptable to the commissioner, stating that the number of hours the participant may work is limited due to illness or disability, as long as the participant is participating in employment for at least the number of hours specified by the health care provider. The participant must be following the treatment recommendations of the health care provider providing the verification. The commissioner shall develop a form to be completed and signed by the health care provider, documenting the diagnosis and any additional information necessary to document the functional limitations of the participant that limit work hours. If the participant is part of a two-parent assistance unit, the other parent must be treated as a one-parent assistance unit for purposes of meeting the work requirements under this subdivision.

For purposes of this section, employment means:

(1) unsubsidized employment under section 256J.49, subdivision 13, clause (1);

(2) subsidized employment under section 256J.49, subdivision 13, clause (2);

(3) on-the-job training under section 256J.49, subdivision 13, clause (4);

(4) an apprenticeship under section 256J.49, subdivision 13, clause (19);

(5) supported work. For purposes of this section, "supported work" means services supporting a participant on the job which include, but are not limited to, supervision, job coaching, and subsidized wages;

(6) a combination of (1) to (5); or

(7) child care under section 256J.49, subdivision 13, clause (25), if it is in combination with paid employment.

(b) If a participant is complying with a child protection plan under chapter 260C, the number of hours required under the child protection plan count toward the number of hours required under this subdivision.

(c) The county shall provide the opportunity for subsidized employment to participants needing that type of employment within available appropriations.

(d) To be eligible for a hardship extension for employed participants under this subdivision, a participant in a one-parent assistance unit or both parents in a two-parent assistance unit must be in compliance for at least ten out of the 12 months immediately preceding the participant's 61st month on assistance. If only one parent in a two-parent assistance unit fails to be in compliance ten out of the 12 months immediately preceding the participant's 61st month, the county shall give the assistance unit the option of disqualifying the noncompliant parent. If the noncompliant participant is disqualified, the assistance unit must be treated as a one-parent assistance unit for the purposes of meeting the work requirements under this subdivision and the assistance unit's MFIP grant shall be calculated using the shared household standard under section 256J.08, subdivision 82a.

(e) The employment plan developed under section 256J.52, subdivision 5, for participants under this subdivision must contain the number of hours specified in paragraph (a) related to employment and work activities. The job counselor and the participant must sign the employment plan to indicate agreement between the job counselor and the participant on the contents of the plan.

(f) Participants who fail to meet the requirements in paragraph (a), without good cause under section 256J.57, shall be sanctioned or permanently disqualified under subdivision 6. Good cause may only be granted for that portion of the month for which the good cause reason applies. Participants must meet all remaining requirements in the approved employment plan or be subject to sanction or permanent disqualification.

(g) If the noncompliance with an employment plan is due to the involuntary loss of employment, the participant is exempt from the hourly employment requirement under this subdivision for one month. Participants must meet all remaining requirements in the approved employment plan or be subject to sanction or permanent disqualification. This exemption is available to one-parent assistance units two times in a 12-month period, and two-parent assistance units, two times per parent in a 12-month period.

(h) This subdivision expires on June 30, 2004.

Sec. 32. Minnesota Statutes 2001 Supplement, section 256J.425, subdivision 5, is amended to read:

Subd. 5. [ACCRUAL OF CERTAIN EXEMPT MONTHS.] (a) A participant who received TANF assistance that counted towards the federal 60-month time limit while the participant was exempt under section 256J.56, paragraph (a), clause (7), from employment and training services requirements and who is no longer eligible for assistance under a hardship extension under subdivision 2, paragraph (a), clause (3), is eligible for assistance under a hardship extension for a period of time equal to the number of months that were counted toward the federal 60-month time limit while the participant was exempt under section 256J.56, paragraph (a), clause (7), from the employment and training services requirements.

(b) A participant who received TANF assistance that counted towards the federal 60-month time limit while the participant met the state time limit exemption criteria under section 256J.42, subdivision 4 or 5, is eligible for assistance under a hardship extension for a period of time equal to the number of months that were counted toward the federal 60-month time limit while the participant met the state time limit exemption criteria under section 256J.42, subdivision 5.

(c) A participant who received TANF assistance that counted towards the federal 60-month time limit while the participant was exempt under section 256J.56, paragraph (a), clause (3), from employment and training services requirements, who demonstrates at the time of the case review required under section 256J.42, subdivision 6, that the participant met the exemption criteria under section 256J.56, paragraph (a), clause (7), during one or more months the participant was exempt under section 256J.56, paragraph (a), clause (3), before or after July 1, 2002, is eligible for assistance under a hardship extension for a period of time equal to the number of months that were counted toward the federal 60-month time limit during the time the participant met the criteria under section 256J.56, paragraph (a), clause (7). At the time of the case review, a county agency must explain to the participant the basis for receiving a hardship extension based on the accrual of exempt months. The participant must provide documentation necessary to enable the county agency to determine whether the participant is eligible to receive a hardship extension based on the accrual of exempt months or authorize a county agency to verify the information.

Sec. 33. Minnesota Statutes 2000, section 256J.48, subdivision 1, is amended to read:

Subdivision 1. [EMERGENCY FINANCIAL ASSISTANCE.] County human service agencies shall grant emergency financial assistance to any needy pregnant woman or needy family with a child under the age of 21 who is or was within six months prior to application living with an eligible caregiver relative specified in section 256J.08.

Except for ongoing special diets, emergency assistance is available to a family during one 30-day period in a consecutive ~~12-month~~ 18-month period. A county shall issue assistance for needs that accrue before that 30-day period only when it is necessary to resolve emergencies arising or continuing during the 30-day period of eligibility. When emergency needs continue, a county may issue assistance for up to 30 days beyond the initial 30-day period of eligibility, but only when assistance is authorized during the initial period.

Sec. 34. Minnesota Statutes 2001 Supplement, section 256J.52, subdivision 2, is amended to read:

Subd. 2. [INITIAL ASSESSMENT.] (a) The job counselor must, with the cooperation of the participant, assess the participant's ability to obtain and retain employment. This initial assessment must include a review of the participant's education level, prior employment or work experience, transferable work skills, and existing job markets.

(b) In assessing the participant, the job counselor must determine if the participant needs refresher courses for professional certification or licensure, in which case, the job search plan under subdivision 3 must include the courses necessary to obtain the certification or licensure, in addition to other work activities, provided the combination of the courses and other work activities are at least for 40 hours per week.

(c) If a participant can demonstrate to the satisfaction of the county agency that lack of proficiency in English is a barrier to obtaining suitable employment, the job counselor must include participation in an intensive English as a second language program if available or otherwise a regular English as a second language program in the individual's employment plan under subdivision 5. Lack of proficiency in English is not necessarily a barrier to employment.

(d) The job counselor may approve an education or training plan, and postpone the job search requirement, if the participant has a proposal for an education program which:

(1) can be completed within ~~24~~ 12 months; and

(2) meets the criteria of section 256J.53, subdivisions 1, 2, 3, and 5.

(e) A participant who, at the time of the initial assessment, presents a plan that includes farming as a self-employed work activity must have an employment plan developed under subdivision 5 that includes the farming as an approved work activity.

Sec. 35. Minnesota Statutes 2001 Supplement, section 256J.53, subdivision 1, is amended to read:

Subdivision 1. [LENGTH OF PROGRAM.] In order for a post-secondary education or training program to be approved work activity as defined in section 256J.49, subdivision 13, clause (18), it must be a program lasting ~~24~~ 12 months or less, and the participant must meet the requirements of subdivisions 2 and 3. A program lasting up to 24 months may be approved on an exception basis if the conditions specified in subdivisions 2, 3, and 5 are met. A participant may not be approved for more than a total of 24 months of post-secondary education or training. Participants who have an approved education plan in place as of July 1, 2002, that allows 24 months of post-secondary education or training shall be allowed to complete that plan provided that the conditions specified in subdivisions 2 and 3 continue to be met.

Sec. 36. Minnesota Statutes 2000, section 256L.03, subdivision 3, is amended to read:

Subd. 3. [INPATIENT HOSPITAL SERVICES.] (a) Covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. Prior to July 1, 1997, the inpatient hospital benefit for adult enrollees is subject to an annual benefit limit of \$10,000. The inpatient hospital benefit for adult enrollees who qualify under section 256L.04, subdivision 7, with family gross income that exceeds 100 percent of the federal poverty guidelines, or who qualify under section 256L.04, subdivisions 1 and 2, with family gross income that exceeds 175 percent of the federal poverty guidelines and who are not pregnant, is subject to an annual limit of \$10,000.

(b) Admissions for inpatient hospital services paid for under section 256L.11, subdivision 3, must be certified as medically necessary in accordance with Minnesota Rules, parts 9505.0500 to 9505.0540, except as provided in clauses (1) and (2):

(1) all admissions must be certified, except those authorized under rules established under section 254A.03, subdivision 3, or approved under Medicare; and

(2) payment under section 256L.11, subdivision 3, shall be reduced by five percent for admissions for which certification is requested more than 30 days after the day of admission. The hospital may not seek payment from the enrollee for the amount of the payment reduction under this clause.

**[EFFECTIVE DATE.]** This section is effective January 1, 2003.

Sec. 37. Minnesota Statutes 2000, section 256L.03, subdivision 5, is amended to read:

Subd. 5. [COPAYMENTS AND COINSURANCE.] (a) Except as provided in paragraphs (b) and (c), the MinnesotaCare benefit plan shall include the following copayments and coinsurance requirements for all enrollees:

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

(2) ~~\$3~~ \$6 per prescription for adult enrollees in households with incomes above 100 percent of the federal poverty guidelines;

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

(4) 50 percent of the fee-for-service rate for adult dental care services other than preventive care services for persons eligible under section 256L.04, subdivisions 1 to 7, with income equal to or less than 175 percent of the federal poverty guidelines.

(b) Paragraph (a), clause (1), does not apply to parents and relative caretakers of children under the age of 21 in households with family income equal to or less than ~~175~~ 275 percent of the federal poverty guidelines. ~~Paragraph (a), clause (1), does not apply to parents and relative caretakers of children under the age of 21 in households with family income greater than 175 percent of the federal poverty guidelines for inpatient hospital admissions occurring on or after January 1, 2001. Paragraph (a), clause (1), does not apply to adult enrollees in households with family income equal to or less than 100 percent of the federal poverty guidelines.~~

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

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

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

**[EFFECTIVE DATE.]** This section is effective January 1, 2003.

Sec. 38. Minnesota Statutes 2000, section 256L.05, subdivision 3c, is amended to read:

Subd. 3c. [RETROACTIVE COVERAGE.] Notwithstanding subdivision 3, the effective date of coverage shall be: (1) the first day of the month following termination from medical assistance or general assistance medical care for families and individuals who are eligible for MinnesotaCare and who submitted a written request for retroactive MinnesotaCare coverage with a completed application within 30 days of the mailing of notification of termination from medical assistance or general assistance medical care; and (2) the first day of the month of application for families and individuals with household income at or below 100 percent of the federal poverty guidelines. The applicant must provide all required verifications within 30 days of the written request for verification. For retroactive coverage, premiums must be paid in full for any retroactive month, current month, and next month within 30 days of the premium billing.

**[EFFECTIVE DATE.]** This section is effective January 1, 2003.

Sec. 39. Minnesota Statutes 2001 Supplement, section 256L.17, subdivision 2, is amended to read:

Subd. 2. [LIMIT ON TOTAL ASSETS.] ~~(a)~~ Effective July 1, ~~2002~~ 2003, or upon federal approval, whichever is later, in order to be eligible for the MinnesotaCare program, a household of two or more persons must not own more than \$30,000 in total net assets, and a household of one person must not own more than \$15,000 in total net assets. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance for families and children is the value of those assets excluded under the AFDC state plan as of July 16, 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law Number 104-193, with the following exceptions:

(1) household goods and personal effects are not considered;

(2) capital and operating assets of a trade or business up to \$200,000 are not considered;

(3) one motor vehicle is excluded for each person of legal driving age who is employed or seeking employment;

(4) one burial plot and all other burial expenses equal to the supplemental security income program asset limit are not considered for each individual;

(5) court-ordered settlements up to \$10,000 are not considered;

(6) individual retirement accounts and funds are not considered; and

(7) assets owned by children are not considered.

~~(b) For purposes of this subdivision, assets are determined according to section 256B.056, subdivision 3c.~~

Sec. 40. [REPEALER.]

Subdivision 1. [MEDICAL ASSISTANCE INCOME DISREGARD FOR FAMILIES.] Minnesota Statutes 2001 Supplement, section 256B.056, subdivision 1c, is repealed effective July 1, 2002.

Subd. 2. [MEDICAL ASSISTANCE ASSET LIMIT FOR FAMILIES.] Minnesota Statutes 2001 Supplement, section 256B.056, subdivision 3c, is repealed effective July 1, 2002.

## ARTICLE 2

### APPROPRIATIONS

Section 1. [HEALTH AND HUMAN SERVICES APPROPRIATIONS.]

The dollar amounts shown in the columns marked "APPROPRIATIONS" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2001, First Special Session chapter 9 and Laws 2002 chapter 220, or other law, and are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "2002" and "2003" used in this article mean that the appropriation or appropriations listed under them are available for the fiscal year ending June 30, 2002, or June 30, 2003, respectively.

APPROPRIATIONS	
Available for the Year	
Ending June 30	
2002	2003

Sec. 2. COMMISSIONER OF HUMAN SERVICES

Subdivision 1. Total Appropriation	\$30,044,000	\$76,517,000
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#### Summary by Fund

General	47,032,000	(24,158,000)
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Health Care Access	(2,605,000)	80,364,000
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Federal TANF	(7,383,000)	20,311,000
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Subd. 2. Agency Management

Subd. 3. Administrative Reimbursement/Passthrough

Federal TANF	-0-	10,000,000
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APPROPRIATIONS  
Available for the Year  
Ending June 30  
2002                      2003

Subd. 4. Basic Health Care Grants

General	9,339,000	(44,567,000)
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Health Care Access	(2,605,000)	80,364,000
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The amounts that may be spent from this appropriation for each purpose are as follows:

(a) MinnesotaCare Grants

Health Care Access	(2,605,000)	80,364,000
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(b) MA Basic Health Care Grants - Families and Children

General	7,437,000	(19,850,000)
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(c) MA Basic Health Care Grants - Elderly and Disabled

General	(779,000)	7,476,000
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(d) General Assistance Medical Care Grants

General	2,681,000	(32,193,000)
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[GENERAL FUND TRANSFER TO THE HEALTH CARE ACCESS FUND.] For fiscal year 2003, funds are transferred from the general fund to the health care access fund in an amount equal to 69 percent of the projected savings to general assistance medical care (GAMC) that would result from the modification of the GAMC program. It is estimated that \$82,949,000 will be transferred to the health care access fund under this paragraph in fiscal year 2003, \$114,229,000 in fiscal year 2004 and \$107,465,000 in fiscal year 2005.

(e) Health Care Grants - Other Assistance

General	-0-	-0-
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[USPECIAL KIDS PROGRAM.] Of this appropriation, \$175,000 in fiscal year 2002 is immediately available to the commissioner to be transferred immediately to the University of Minnesota for the U Special Kids program. The money may be used to match private grants. The money shall be used to provide physician-supervised medical case management services for up to 50 Minnesota children in the program who are eligible for medical assistance. Base-level funding for fiscal year 2004 shall be \$175,000 and for fiscal year 2005 shall be zero.

APPROPRIATIONS  
Available for the Year  
Ending June 30  
2002                      2003

[HIV/AIDS DRUG REBATES.] General fund appropriations for HIV/AIDS grants and services that are no longer needed as a result of greater than anticipated collections under the AIDS drug assistance program rebate must be used to meet funding needs of the state prescription drug program.

Subd. 5. Basic Health Care Management

General	-0-	(100,000)
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The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Health Care Policy Administration

General	-0-	(100,000)
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[ENROLLMENT STUDY.] The study of the enrollment of children in the MinnesotaCare and medical assistance programs in Laws 2001, First Special Session, chapter 9, article 17, section 2, subdivision 7, is repealed.

Subd. 6. State-Operated Services

General	-0-	2,500,000
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[STATE OPERATED SERVICES ACCOUNTS.] (a) On June 30, 2002, the balances within the accounts established under Minnesota Statutes, sections 245.037; 246.18, subdivision 5; 246.57, subdivision 1; 246.57, subdivision 5; and 246.57, subdivision 6, shall be deposited into the general fund. On July 1, 2002, the accounts established under these sections shall be abolished.

(b) On June 30, 2002, the balances within the accounts in the special revenue fund established under Minnesota Statutes, section 246.18, subdivision 6, shall be deposited into the general fund. On July 1, 2002, the accounts within the special revenue fund established under Minnesota Statutes, section 246.18, subdivision 6, shall be abolished.

(c) For fiscal year 2003, \$2,500,000 is appropriated from the general fund to the commissioner of human services for the purposes specified under Minnesota Statutes, sections 245.037; 246.18, subdivision 5; 246.18, subdivision 6; 246.57, subdivision 1; 246.57, subdivision 5; and 246.57, subdivision 6. Prior to the expenditure of funds from this appropriation, the commissioner shall submit a spending plan to the appropriate legislative fiscal committees.

APPROPRIATIONS  
Available for the Year  
Ending June 30  
2002                      2003

Subd. 7. Continuing Care Grants

General	27,896,000	20,655,000
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The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Community Social Services Grants

Federal TANF	-0-	4,700,000
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[TANF TRANSFER TO SOCIAL SERVICES.] Of the federal TANF appropriation, \$4,700,000 is transferred each year to the state's federal Title XX block grant. Notwithstanding the provisions of Minnesota Statutes, section 256E.07, in each year of the biennium the commissioner shall allocate \$4,700,000 of the state's Title XX block grant funds proportionate to the amount a county received in calendar year 2001 community social services aids under Minnesota Statutes, section 256E.06. The commissioner shall ensure that money allocated to counties under this provision is used according to the requirements of United States Code, title 42, section 604(d)(3)(B). Notwithstanding section 6, this provision expires June 30, 2005.

(b) Medical Assistance Long-Term Care Waivers and Home Care Grants

General	26,054,000	26,552,000
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(c) Medical Assistance Long-Term Care Facilities Grants

General	1,815,000	(5,586,000)
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(d) Group Residential Housing Grants

General	27,000	689,000
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(e) Chemical Dependency Entitlement Grants

General	-0-	(1,000,000)
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(f) Chemical Dependency Nonentitlement Grants

General	-0-	-0-
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[CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT FUND TIER II FUNDING.] \$6,615,000 of funds available in the consolidated chemical dependency treatment fund general reserve account is transferred in fiscal year 2003 to the general fund.

APPROPRIATIONS  
Available for the Year  
Ending June 30  
2002                      2003

Subd. 8. Economic Support Grants

General	9,797,000	(2,646,000)
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Federal TANF	(7,383,000)	5,611,000
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(a) Assistance to Families Grants

General	8,712,000	(3,740,000)
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Federal TANF	(7,383,000)	6,392,000
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(b) Economic Support Grants - Other Assistance

Federal TANF	-0-	(781,000)
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[TANF TRANSFER TO CHILD CARE AND DEVELOPMENT BLOCK GRANT.] The appropriation in Laws 2001, First Special Session chapter 9, article 17, section 2, subdivision 11, to the commissioner of children, families, and learning, for the purposes of section 119B.05 for fiscal year 2003 is reduced by \$781,000.

[WORKING FAMILY TAX CREDITS.] (a) On a regular basis, the commissioner of revenue, with the assistance of the commissioner of human services, shall calculate the value of the refundable portion of the Minnesota working family credits provided under Minnesota Statutes, section 290.0671, that qualifies for federal reimbursement from the temporary assistance for needy families block grant. The commissioner of revenue shall provide the commissioner of human services with such expenditure records and information as are necessary to support draws of federal funds.

(b) Federal TANF funds, as specified in this paragraph, are appropriated to the commissioner of human services based on calculations under paragraph (a) of working family tax credit expenditures that qualify for reimbursement from the TANF block grant for income tax refunds payable in federal fiscal years beginning October 1, 2002. The draws of federal TANF funds shall be made on a regular basis based on calculations of credit expenditures by the commissioner of revenue. Up to the following amount of federal TANF draws are appropriated to the commissioner of human services to deposit into the general fund: \$10,000,000 in fiscal year 2003; and \$20,000,000 in fiscal year 2005.

(c) General Assistance Grants

General	1,361,000	1,083,000
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		APPROPRIATIONS Available for the Year Ending June 30	
		2002	2003
(d) Minnesota Supplemental Aid Grants			
General	(276,000)	11,000	
Sec. 3. COMMISSIONER OF HEALTH			
Subdivision 1. Total Appropriation Reductions		-0-	(1,100,000)
SUMMARY BY FUND			
		2002	2003
General		-0-	(1,100,000)
Subd. 2. Family and Community Health		-0-	(1,100,000)
Summary by Fund			
General	-0-	(1,100,000)	
Sec. 4. VETERANS NURSING HOMES BOARD		-0-	1,400,000
This appropriation is for the operation of existing licensed bed capacity at the veterans nursing homes.			
Sec. 5. HEALTH RELATED BOARDS			
Subdivision 1. Total Appropriation		-0-	3,000

[STATE GOVERNMENT SPECIAL REVENUE FUND.] The appropriations in this section are from the state government special revenue fund.

[GUEST LICENSURE.] \$3,000 is appropriated in fiscal year 2003 from the state government special revenue fund to the board of dentistry for guest licensure of dentists or dental hygienists or guest registration of dental assistants under Minnesota Statutes, section 150A.06, subdivision 2c.

Sec. 6. [SUNSET OF UNCODIFIED LANGUAGE.]

All uncodified language contained in this article expires on June 30, 2003, unless a different expiration date is explicit.

Sec. 7. [EFFECTIVE DATE.]

The appropriations and reductions for fiscal year 2002 in this article are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; modifying disposition of tobacco endowment fund; modifying rulemaking authority; restricting use of family planning grant funds; requiring certain information be provided before abortions are performed; providing for guest registration of dentists and dental hygienists; modifying disposition of certain revenues; modifying certain provisions for medical assistance, MFIP, MinnesotaCare, and general assistance medical care; modifying certain reimbursement rate provisions; modifying certain managed care contract provisions; providing civil penalties; appropriating money; amending Minnesota Statutes 2000, sections 144.395, subdivision 1; 144.417, subdivision 1; 150A.06, by adding a subdivision; 245.037; 246.18, subdivisions 5, 6; 246.57, subdivisions 1, 5, 6; 256B.431, by adding a subdivision; 256B.69, subdivision 5a, as amended; 256D.03, by adding a subdivision; 256D.05, subdivision 1; 256D.06, subdivision 2; 256J.48, subdivision 1; 256L.03, subdivisions 3, 5; 256L.05, subdivision 3c; Minnesota Statutes 2001 Supplement, sections 144.395, subdivision 2; 256B.056, subdivisions 1a, 4; 256B.057, subdivision 2; 256B.0635, subdivisions 1, 2; 256J.24, subdivision 10; 256J.425, subdivisions 3, 4, 5; 256J.52, subdivision 2; 256J.53, subdivision 1; 256L.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 2001 Supplement, section 256B.056, subdivisions 1c, 3c."

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

The report was adopted.

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

H. F. No. 2604, A bill for an act relating to game and fish; providing for a lifetime firearms and archery deer hunting license; amending Minnesota Statutes 2000, sections 97A.421, subdivision 4; 97A.473, subdivisions 1, 4; 97A.4742, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 97A.421, subdivision 4, is amended to read:

Subd. 4. [ISSUANCE AFTER INTOXICATION OR NARCOTICS CONVICTION.] A person convicted of a violation under section 97B.065, relating to hunting while intoxicated or using narcotics, may not obtain a license to hunt with a firearm or by archery or hunt with a firearm or by archery under a lifetime license, issued under section 97A.473 or 97A.474, for five years after conviction.

Sec. 2. Minnesota Statutes 2000, section 97A.473, subdivision 1, is amended to read:

Subdivision 1. [RESIDENT LIFETIME LICENSES AUTHORIZED.] (a) The commissioner may issue a lifetime angling license, a lifetime small game hunting license, a lifetime ~~firearms~~ firearm or archery deer hunting license, or a lifetime sporting license to a person who is a resident of the state for at least one year or who is under age 21 and the child of a person who is a resident of the state for at least one year. The license fees paid for a lifetime license are nonrefundable.

(b) The commissioner may require the holder of a lifetime license issued under this section to notify the department each year that the license is used, by:

(1) telephone or Internet notification, as specified by the commissioner;

- (2) the purchase of stamps for the license; or
- (3) registration and tag issuance, in the case of the resident lifetime deer license.

Sec. 3. Minnesota Statutes 2000, section 97A.473, subdivision 4, is amended to read:

Subd. 4. [~~LIFETIME FIREARM~~ DEER HUNTING LICENSE; FEE.] (a) A resident lifetime ~~firearm~~ deer hunting license authorizes a person to take deer with firearms or by archery in the state. The license authorizes those activities authorized by the annual resident firearm deer hunting license or the annual resident archery deer hunting license. The licensee must register and receive tags each year that the license is used. The tags shall be issued at no charge to the licensee.

(b) The fees for a resident lifetime firearm or archery deer hunting license are:

- (1) age 3 and under, \$337;
- (2) age 4 to age 15, \$450;
- (3) age 16 to age 50, \$573; and
- (4) age 51 and over, \$383.

Sec. 4. Minnesota Statutes 2000, section 97A.4742, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSE.] The lifetime fish and wildlife trust fund is established as a fund in the state treasury. All money received from the issuance of lifetime angling, small game hunting, ~~firearm~~ deer hunting, and sporting licenses and earnings on the fund shall be credited to the lifetime fish and wildlife trust fund."

Amend the title as follows:

Page 1, line 3, delete "firearms and"

With the recommendation that when so amended the bill pass.

The report was adopted.

McElroy from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 2787, A bill for an act relating to public safety; requiring that employees and prospective employees of electronic security system companies, certain electrical contractors, and alarm and communication contractors undergo criminal history background checks; providing procedures for these background checks; authorizing the discharge of employees based on the results of the background checks and providing that there is no liability for so doing; providing for license disqualification in certain instances; imposing criminal penalties for failure to request background checks as required; amending Minnesota Statutes 2000, sections 326.01, subdivision 5; 326.2421, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299C.

Reported the same back with the following amendments:

Page 1, line 22, delete "or"

Page 1, line 26, before the period, insert "; or a violation of subdivision 8"

Page 2, line 2, delete "fire"

Page 2, line 3, delete "detection,"

Page 2, delete lines 20 to 36

Page 3, delete line 1, and insert:

"Subd. 2. [BOARD OF ELECTRICITY LICENSURE AND ENDORSEMENT; BACKGROUND CHECK.] (a) An individual who seeks an electronic security system endorsement to a license issued under section 326.2421, subdivision 3, or to an electrical contractor's license issued under section 326.242, subdivision 6, must agree to undergo a background check under this section. If such a license and endorsement are sought by a partnership, corporation, limited liability partnership, or limited liability company, the officers, partners, or members of the business entity must undergo a background check under this section. The individual must request the superintendent of the bureau of criminal apprehension to perform a background check under this section and to notify the board of electricity in writing whether the individual is or is not eligible for the endorsement sought. The superintendent shall charge the individual for the cost of a background check performed under this subdivision."

Page 3, line 5, delete the first comma and insert "or" and delete ", or represented" and after "by" insert ", or has an officer, partner, or member who is"

Page 3, line 26, delete everything after the period

Page 3, line 27, delete everything before the period and insert "The superintendent shall reply to the hiring authority in writing, indicating whether the person is or is not eligible for employment"

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

Page 4, line 1, delete "2" and insert "3"

Page 5, line 4, before "The" insert "(a)"

Page 5, line 14, delete the new language

Page 5, delete lines 15 to 17, and insert:

"(b) An electrical contractor who lays out, installs, maintains, or repairs electronic security systems as defined in section 299C.72 must obtain an endorsement authorizing performance of this kind of work when obtaining an electrical contractor's license. The board shall issue such an endorsement upon receipt in writing from the superintendent of the bureau of criminal apprehension indicating that the person is eligible pursuant to section 299C.72."

Page 5, line 21, before "No" insert "(a)"

Page 5, lines 25 to 28, delete the new language

Page 6, after line 1, insert:

"(b) A person seeking licensure as an alarm and communications contractor who lays out, installs, maintains, or repairs electronic security systems as defined in section 299C.72 must apply for an electronic security systems endorsement on the license. The board shall issue such an endorsement upon receipt in writing from the superintendent of the bureau of criminal apprehension indicating that the person is eligible pursuant to section 299C.72."



Page 6, delete lines 4 and 5, and insert:

"(a) A background check must be conducted on applicants for a license endorsement as described in section 1, subdivision 2, on or"

Page 6, line 10, after "and" insert "not later than July 1, 2003."

Page 6, line 11, delete "individuals" and insert "persons"

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

The report was adopted.

Sykora from the Committee on Family and Early Childhood Education Finance to which was referred:

H. F. No. 2902, A bill for an act relating to child care; removing a sunset provision; amending Minnesota Statutes 2000, section 245A.14, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### CHILDREN AND FAMILY SUPPORT PROGRAMS

Section 1. Minnesota Statutes 2001 Supplement, section 124D.135, subdivision 8, is amended to read:

Subd. 8. [RESERVE ACCOUNT LIMIT.] (a) Under this section, the average balance, during the most recent three-year period in a district's early childhood family education reserve account on June 30 of each year, adjusted for any prior reductions under this subdivision, must not be greater than the greater of \$18,000 or 25 percent of the district's early childhood family education annual revenue for the prior year. If a district's adjusted average early childhood family education reserve over the three-year period is in excess of the greater of \$18,000 or 25 percent of the prior year annual revenue, the district's early childhood family education state aid and levy authority for the current school year must be reduced by the excess reserve amount. The aid reduction equals the product of the lesser of the excess reserve amount or the current year revenue under subdivision 1 times the ratio of the district's aid for the prior current year under subdivision 4 to the district's revenue for the prior current year under subdivision 1. The levy reduction equals the lesser of the excess reserve amount or the current year revenue under subdivision 1 minus the aid reduction. Beginning in fiscal year 2004, the commissioner must reallocate aid and levy reduced under this subdivision to other eligible early childhood family education programs in proportion to each district's revenue for the prior year under subdivision 1. For the purposes of this subdivision, if a district does not levy the entire amount permitted under subdivision 4, the revenue under subdivision 1 must be reduced in direct proportion to the actual amount levied.

(b) Notwithstanding paragraph (a), for fiscal year 2003, the excess reserve amount shall be computed using the balance in a district's early childhood family education reserve account on June 30, 2002. For fiscal year 2004, the excess reserve amount shall be computed using the adjusted average balance in a district's early childhood family education reserve account on June 30, 2002, and June 30, 2003.

Sec. 2. Laws 2001, First Special Session chapter 3, article 1, section 17, subdivision 3, as amended by Laws 2002, chapter 220, article 2, section 2, is amended to read:

Subd. 3. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid according to Minnesota Statutes, section 124D.135:

\$20,725,000	.....	2002
<del>\$20,624,000</del> <u>\$18,988,000</u>	.....	2003

The 2002 appropriation includes \$2,036,000 for 2001 and \$18,689,000 for 2002.

The 2003 appropriation includes \$2,076,000 for 2002 and ~~\$18,548,000~~ \$16,912,000 for 2003.

Any balance in the first year does not cancel but is available in the second year.

**[EFFECTIVE DATE.]** This section is effective the day following final enactment.

Sec. 3. Laws 2001, First Special Session chapter 3, article 1, section 17, subdivision 8, as amended by Laws 2002, chapter 220, article 2, section 4, is amended to read:

Subd. 8. [BASIC SLIDING FEE.] For child care assistance according to Minnesota Statutes, section 119B.03:

\$51,999,000	.....	2002
<del>\$48,499,000</del> <u>\$46,999,000</u>	.....	2003

Beginning in fiscal year 2004, the base appropriation is ~~\$48,499,000~~ \$46,999,000.

Any balance in the first year does not cancel but is available in the second year.

Sec. 4. Laws 2001, First Special Session chapter 3, article 1, section 17, subdivision 9, as amended by Laws 2002, chapter 220, article 2, section 5, is amended to read:

Subd. 9. [MFIP CHILD CARE.] For child care assistance according to Minnesota Statutes, section 119B.05:

<del>\$69,201,000</del> <u>\$59,956,000</u>	.....	2002
<del>\$77,122,000</del> <u>\$68,182,000</u>	.....	2003

Any balance in the first year does not cancel but is available in the second year.

**[EFFECTIVE DATE.]** This section is effective the day following final enactment.

Sec. 5. Laws 2001, First Special Session chapter 3, article 1, section 17, subdivision 11, as amended by Laws 2002, chapter 220, article 2, section 6, is amended to read:

Subd. 11. [CHILD CARE SERVICE GRANTS.] For child care development activities under child care service grants according to Minnesota Statutes, section 119B.21:

\$1,865,000	.....	2002
<del>\$1,365,000</del> <u>\$865,000</u>	.....	2003

Beginning in fiscal year 2004, the base is ~~\$1,365,000~~ \$865,000 from the general fund.

Any balance in the first year does not cancel but is available in the second year.

Sec. 6. Laws 2001, First Special Session chapter 3, article 1, section 18, as amended by Laws 2002, chapter 220, article 2, section 7, is amended to read:

Sec. 18. [SPECIAL REVENUE; CHILD SUPPORT COLLECTIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] Appropriations in this section are from child support collection payments in the special revenue fund pursuant to Minnesota Statutes, section 119B.074. The sums indicated are appropriated to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [CHILD CARE ASSISTANCE.] For child care assistance according to Minnesota Statutes, section 119B.03:

\$2,441,439	.....	2002
<del>\$2,840,251</del> <u>\$3,340,251</u>	.....	2003

ARTICLE 2  
PREVENTION

Section 1. Minnesota Statutes 2000, section 124D.221, subdivision 2, is amended to read:

Subd. 2. [PRIORITY NEIGHBORHOODS.] (a) The commissioner must give priority to all applicants, except as provided in paragraph (b), demonstrating a match of 25 cents of nonstate funding for each \$1 of the grant amount awarded for the implementation of an after-school enrichment program.

(b) For grants in Minneapolis and St. Paul, the commissioner must first give priority to neighborhoods in this subdivision paragraph and then priority according to paragraph (a). In Minneapolis, priority neighborhoods are Near North, Hawthorne, Sumner-Glenwood, Harrison, Jordan, Powderhorn, Central, Whittier, Cleveland, McKinley, Waite Park, Sheridan, Holland, Lyndale, Folwell, and Phillips. In St. Paul, priority neighborhoods are Summit-University, Thomas-Dale, North End, Payne-Phalen, Daytons Bluff, and the West Side.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 2. Laws 2001, First Special Session chapter 3, article 2, section 15, subdivision 3, as amended by Laws 2002, chapter 220, article 2, section 10, is amended to read:

Subd. 3. [COMMUNITY EDUCATION AID.] For community education aid according to Minnesota Statutes, section 124D.20:

<del>\$14,190,000</del> <u>\$14,194,000</u>	.....	2002
<del>\$8,186,000</del> <u>\$8,191,000</u>	.....	2003

The 2002 appropriation includes \$1,528,000 for 2001 and \$12,662,000 for 2002.

The 2003 appropriation includes \$1,406,000 for 2002 and \$6,780,000 for 2003.

Any balance in the first year does not cancel but is available in the second year.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 3. Laws 2001, First Special Session chapter 3, article 2, section 15, subdivision 10, is amended to read:

Subd. 10. [AFTER-SCHOOL ENRICHMENT GRANTS.] For after-school enrichment grants according to Minnesota Statutes, section 124D.221:

\$5,510,000	.....	2002
\$5,510,000	.....	2003

Beginning in fiscal year 2004, the base is \$4,133,000 from the general fund each year.

Any balance in the first year does not cancel but is available in the second year.

### ARTICLE 3

#### SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2000, section 124D.52, subdivision 3, is amended to read:

Subd. 3. [ACCOUNTS; REVENUE; AID.] (a) Each district, group of districts, or private nonprofit organization providing adult basic education programs must establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All revenue received pursuant to this section must be utilized solely for the purposes of adult basic education programs. State aid must not equal more than 100 percent of the unreimbursed expenses of providing these programs, excluding in-kind costs.

(b) Notwithstanding section 123A.26 or any other law to the contrary, an adult basic education consortium providing an approved adult basic education program, may be its own fiscal agent and eligible to receive state aid payments directly from the commissioner.

Sec. 2. Minnesota Statutes 2001 Supplement, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. [STATE TOTAL ADULT BASIC EDUCATION AID.] (a) ~~The state total adult basic education aid for fiscal year 2001 equals \$30,157,000.~~ The state total adult basic education aid for later years fiscal year 2002 equals:

(1) the state total adult basic education aid for the preceding fiscal year; times

(2) the lesser of:

(i) 1.08, or

(ii) the greater of 1.00 or the ratio of the state total contact hours in the first prior program year to the state total contact hours in the second prior program year. The state total adult basic education aid for fiscal year 2003 equals \$32,368,000. The state total adult basic education aid for fiscal year 2004 and beyond equals:

(1) the state total adult basic education aid for the preceding fiscal year; times

(2) the lesser of:

(i) 1.05, or

(ii) the greater of 1.00 or the ratio of the state total contact hours in the first prior program year to the state total contact hours in the second prior program year.

Beginning in fiscal year 2002, two percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

Sec. 3. Minnesota Statutes 2000, section 124D.531, subdivision 4, is amended to read:

Subd. 4. [ADULT BASIC EDUCATION PROGRAM AID LIMIT.] (a) Notwithstanding subdivisions 2 and 3, the total adult basic education aid for a program per prior year contact hour must not exceed four times the rate per prior year contact hour computed under subdivision 3, clause (2).

(b) For fiscal year 2002 ~~and later~~, the aid for a program under subdivision 3, clause (2), adjusted for changes in program membership, must not exceed the aid for that program under subdivision 3, clause (2), for the first preceding fiscal year by more than the greater of 17 percent or \$20,000. For fiscal year 2003 and later, the aid for a program under subdivision 3, clause (2), adjusted for changes in program membership, must not exceed the aid for that program under subdivision 3, clause (2), for the first preceding fiscal year by more than the greater of ten percent or \$10,000.

(c) Adult basic education aid is payable to a program for unreimbursed costs.

Sec. 4. Laws 2001, First Special Session chapter 3, article 3, section 9, subdivision 5, is amended to read:

Subd. 5. [ADULT BASIC EDUCATION AID.] For adult basic education aid according to Minnesota Statutes, section 124D.531:

\$32,150,000	. . . . .	2002
<del>\$34,731,000</del> <u>\$32,368,000</u>	. . . . .	2003

The 2002 appropriation includes \$3,019,000 for 2001 and \$29,131,000 for 2002.

The 2003 appropriation includes \$3,237,000 for 2002 and ~~\$31,494,000~~ \$29,131,000 for 2003.

Sec. 5. Laws 2001, First Special Session chapter 3, article 3, section 9, subdivision 7, is amended to read:

Subd. 7. [ADULT GRADUATION AID.] For adult graduation aid according to Minnesota Statutes, section 124D.54:

<del>\$3,195,000</del> <u>\$2,462,000</u>	. . . . .	2002
<del>\$3,356,000</del> <u>\$2,504,000</u>	. . . . .	2003

The 2002 appropriation includes ~~\$305,000~~ \$175,000 for 2001 and ~~\$2,890,000~~ \$2,287,000 for 2002.

The 2003 appropriation includes ~~\$321,000~~ \$254,000 for 2002 and ~~\$3,035,000~~ \$2,250,000 for 2003."

Delete the title and insert:

"A bill for an act relating to early childhood and family education; providing for children and family support, prevention, and self-sufficiency and lifelong learning programs; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 2000, sections 124D.221, subdivision 2; 124D.52, subdivision 3; 124D.531, subdivision 4; Minnesota Statutes 2001 Supplement, sections 124D.135, subdivision 8; 124D.531,

subdivision 1; Laws 2001, First Special Session chapter 3, article 1, section 17, subdivisions 3, as amended, 8, as amended, 9, as amended, 11, as amended; Laws 2001, First Special Session chapter 3, article 1, section 18, as amended; Laws 2001, First Special Session chapter 3, article 2, section 15, subdivision 3, as amended, 10; Laws 2001, First Special Session chapter 3, article 3, section 9, subdivisions 5, 7."

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

The report was adopted.

Molnau from the Committee on Transportation Finance to which was referred:

H. F. No. 2999, A bill for an act relating to aggregate material; providing for a municipal aggregate material removal fee; proposing coding for new law in Minnesota Statutes, chapters 298; 366; 394; 462.

Reported the same back with the following amendments:

Page 2, line 2, delete "may" and insert "shall"

Page 2, line 3, after "ton" insert "or an equivalent fee per cubic yard"

Page 3, after line 8, insert:

"Subd. 6. [EXEMPTIONS.] The fees authorized under this section do not apply to aggregate material that is (1) sold under a contract entered into before August 1, 2002, or (2) not transported on a public highway or navigable waterway."

Page 3, line 22, delete "July 1, 2004" and insert "April 1, 2005"

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

The report was adopted.

McElroy from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 3011, A bill for an act relating to housing; authorizing issuance of state bonds; appropriating money for matching grants to the Dakota county housing opportunity enhancement fund and for supportive housing.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATIONS AND REDUCTIONS.]

The dollar amounts in the columns under "APPROPRIATIONS" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2001, First Special Session chapter 4, or other law to the specified agencies and are in addition to the amounts added to or subtracted from the appropriations in Laws 2002, chapter 220. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figure "2002" or "2003" means that the addition to or subtraction from the appropriations listed under the figure are for the fiscal year ending June 30, 2002, or June 30, 2003, respectively.

## SUMMARY BY FUND

	2002	2003	TOTAL
<b>APPROPRIATIONS</b>			
General	(\$400,000)	(\$905,000)	(\$1,305,000)
Transfers	(5,088,000)	(1,607,000)	(6,695,000)

APPROPRIATIONS  
Available for the Year  
Ending June 30

2002	2003
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Sec. 2. TRADE AND ECONOMIC DEVELOPMENT	-0-	(905,000)
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Subdivision 1. Minnesota Film Board	-0-	(480,000)
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The appropriation for the Minnesota Film Board snowbate program is eliminated as of July 1, 2002.

Subd. 2. Job Skills Partnership Board	-0-	(425,000)
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This is a reduction in the appropriation for the job skills partnership and pathways programs. Base funding is reduced by an additional \$75,000 each year in the 2004-2005 biennium.

Sec. 3. ECONOMIC SECURITY	-0-	-0-
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Subdivision 1. Youth Intervention Program

Base funding for the youth intervention program is reduced by \$300,000 each year in the 2004-2005 biennium.

Subd. 2. Minnesota Youth Program

Base funding for the Minnesota youth program is reduced by \$400,000 each year in the 2004-2005 biennium.

Sec. 4. MINNESOTA HISTORICAL SOCIETY	-0-	-0-
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The Minnesota Historical Society's base funding is reduced by \$60,000 each year in the 2004-2005 biennium.

Sec. 5. HOUSING FINANCE AGENCY	(400,000)	-0-
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The \$400,000 appropriation to the manufactured home park redevelopment program under Laws 2001, First Special Session chapter 4, article 1, section 5, subdivision 13, is canceled.

APPROPRIATIONS  
Available for the Year  
Ending June 30  
2002                      2003

Base funding for the housing rehabilitation and accessibility program is reduced by \$230,000 each year in the 2004-2005 biennium.

Base funding for the economic development and housing challenge program is reduced by \$256,000 each year in the 2004-2005 biennium.

Sec. 6. [MEDICAL CONSULTANT CONTRACT EXCEPTION.]

The provisions of Laws 2002, chapter 220, article 10, section 37, do not apply to any contract entered into by the commissioner of labor and industry for the services of a medical consultant pursuant to Minnesota Statutes, section 176.103, subdivision 1.

Sec. 7. [MINNESOTA MINERALS 21ST CENTURY FUND.]

On or before June 15, 2002, the commissioner of finance shall transfer \$5,088,000 from the Minnesota minerals 21st century fund established in Minnesota Statutes, section 116J.423, to the general fund. On or before June 15, 2003, the commissioner of finance shall transfer \$1,607,000 from the Minnesota minerals 21st century fund established in Minnesota Statutes, section 116J.423, to the general fund. On or before June 15, 2004, and on or before June 15, 2005, the commissioner of finance shall transfer \$804,000 each year from the Minnesota minerals 21st century fund established in Minnesota Statutes, section 116J.423, to the general fund.

Sec. 8. Laws 2001, First Special Session chapter 4, article 1, section 4, subdivision 3, is amended to read:

Subd. 3. Rehabilitation Services	23,422,000	22,966,000
Summary by Fund		
General	15,207,000	15,222,000
TANF	146,000	-0-
Special Revenue		
Fund	8,069,000	7,744,000

\$11,927,000 in the first year and \$11,940,000 in the second year are for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. Of this amount, \$7,719,000 the first year and \$7,719,000 the second year are from the workforce development fund; of which \$400,000 each year is to increase the reimbursement rates for extended employment services. It is the intention of the legislature that the funding for extended employment from the workforce development fund shall be \$6,920,000 each year in the 2004-2005 biennium.



\$146,000 the first year is from the state's TANF block grant under Title I of Public Law Number 104-193 to the commissioner of human services, to be transferred to the commissioner of economic security for extended employment services for the continuation of efforts to provide extended employment training through the welfare-to-work extended employment partnership program to welfare recipients with severe impairments to employment as provided for under Minnesota Statutes, section 268A.15. Of this appropriation, up to five percent may be used for administrative costs. This is a one-time appropriation and is not added to the agency's budget base.

\$50,000 the first year and \$50,000 the second year are for grants to fund the eight centers for independent living. This appropriation shall be added to the agency's base level funding for the 2004-2005 biennium.

\$500,000 the first year and \$500,000 the second year are added to the base for grants for programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Up to \$70,000 each year may be used for administrative and salary expenses.

\$175,000 the first year is appropriated from the workforce development fund for purposes of workplace HIV education. This is a one-time appropriation and is available until June 30, 2003.

\$25,000 each year from the workforce development fund is for grants to the Minnesota employment center for people who are deaf or hard-of-hearing. This appropriation is added to the base level funding for the 2002-2003 biennium for the Minnesota employment center for people who are deaf or hard-of-hearing. Funds not expended in the first year are available in the second.

\$150,000 the first year is from the workforce development fund for the purpose of the vocational rehabilitation brain injury pilot program to be available until June 30, 2003. This is a one-time appropriation."

Delete the title and insert:

"A bill for an act relating to economic development; reducing appropriations to certain agencies and programs; transferring funds from the Minnesota minerals 21st century fund; providing a medical consultant contract exception; extending an appropriation; amending Laws 2001, First Special Session chapter 4, article 1, section 4, subdivision 3."

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

The report was adopted.

McElroy from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 3082, A bill for an act relating to employment; providing that wage credits earned by certain school food service employees may be used for unemployment benefit purposes; amending Minnesota Statutes 2000, section 268.085, subdivision 8.

Reported the same back with the following amendments:

Page 1, line 18, delete "during the school year"

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

The report was adopted.

Goodno from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 3166, A bill for an act relating to human services; making changes to certain licensing provisions and continuing care programs; planning for a pilot program to provide deaf-blind services and requiring a feasibility assessment of medical assistance programs covering expansion of deaf-blind services; amending Minnesota Statutes 2000, sections 13.41, subdivision 1; 13.46, subdivision 3; 245A.02, by adding subdivisions; 245A.035, subdivision 3; 245A.04, by adding a subdivision; 256.9657, subdivision 1; 256B.0625, by adding a subdivision; 256B.0915, subdivisions 4, 6, by adding a subdivision; 256B.431, subdivisions 14, 30; 256B.5012, subdivision 2; 261.063; 626.557, subdivision 3a; Minnesota Statutes 2001 Supplement, sections 13.46, subdivisions 1, 4; 144A.071, subdivision 1a; 144A.36, subdivision 1; 245A.03, subdivision 2; 245A.04, subdivisions 3, 3a, 3b; 245A.07, subdivisions 2a, 3; 245A.144; 245A.16, subdivision 1; 256.045, subdivisions 3b, 4; 256B.0913, subdivisions 4, 5, 8, 10, 12, 14; 256B.0915, subdivision 5; 256B.431, subdivisions 2e, 33; 256B.437, subdivisions 3, 6; 256B.438, subdivision 1; 256B.76; 626.556, subdivision 10i; 626.557, subdivision 9d; proposing coding for new law in Minnesota Statutes, chapters 245A; 604A; repealing Minnesota Statutes 2001 Supplement, section 256B.0621, subdivision 1.

Reported the same back with the following amendments:

Pages 25 to 31, delete section 11, and insert:

"Sec. 11. Minnesota Statutes 2001 Supplement, section 245A.04, subdivision 3b, is amended to read:

Subd. 3b. [RECONSIDERATION OF DISQUALIFICATION.] (a) The individual who is the subject of the disqualification may request a reconsideration of the disqualification.

The individual must submit the request for reconsideration to the commissioner in writing. A request for reconsideration for an individual who has been sent a notice of disqualification under subdivision 3a, paragraph (b), clause (1) or (2), must be submitted within 30 calendar days of the disqualified individual's receipt of the notice of disqualification. Upon showing that the information in clause (1) or (2) cannot be obtained within 30 days, the disqualified individual may request additional time, not to exceed 30 days, to obtain that information. A request for reconsideration for an individual who has been sent a notice of disqualification under subdivision 3a, paragraph (b), clause (3), must be submitted within 15 calendar days of the disqualified individual's receipt of the notice of disqualification. An individual who was determined to have maltreated a child under section 626.556 or a vulnerable adult under section 626.557, and who was disqualified under this section on the basis of serious or recurring maltreatment, may request reconsideration of both the maltreatment and the disqualification determinations. The request for reconsideration of the maltreatment determination and the disqualification must be submitted within 30

calendar days of the individual's receipt of the notice of disqualification. Removal of a disqualified individual from direct contact shall be ordered if the individual does not request reconsideration within the prescribed time, and for an individual who submits a timely request for reconsideration, if the disqualification is not set aside. The individual must present information showing that:

(1) the information the commissioner relied upon in determining that the underlying conduct giving rise to the disqualification occurred, and for maltreatment, that the maltreatment was serious or recurring, is incorrect or inaccurate. ~~If the basis of a reconsideration request is that a maltreatment determination or disposition under section 626.556 or 626.557 is incorrect, and the commissioner has issued a final order in an appeal of that determination or disposition under section 256.045 or 245A.08, subdivision 5, the commissioner's order is conclusive on the issue of maltreatment. If the individual did not request reconsideration of the maltreatment determination, the maltreatment determination is deemed conclusive; or~~

(2) the subject of the study does not pose a risk of harm to any person served by the applicant, license holder, or registrant under section 144A.71, subdivision 1.

(b) The commissioner shall rescind the disqualification if the commissioner finds that the information relied on to disqualify the subject is incorrect. The commissioner may set aside the disqualification under this section if the commissioner finds that the individual does not pose a risk of harm to any person served by the applicant, license holder, or registrant under section 144A.71, subdivision 1. In determining that an individual does not pose a risk of harm, the commissioner shall consider the nature, severity, and consequences of the event or events that lead to disqualification, whether there is more than one disqualifying event, the age and vulnerability of the victim at the time of the event, the harm suffered by the victim, the similarity between the victim and persons served by the program, the time elapsed without a repeat of the same or similar event, documentation of successful completion by the individual studied of training or rehabilitation pertinent to the event, and any other information relevant to reconsideration. In reviewing a disqualification under this section, the commissioner shall give preeminent weight to the safety of each person to be served by the license holder, applicant, or registrant under section 144A.71, subdivision 1, over the interests of the license holder, applicant, or registrant under section 144A.71, subdivision 1.

(c) Unless the information the commissioner relied on in disqualifying an individual is incorrect, the commissioner may not set aside the disqualification of an individual ~~in connection with a license to provide family day care for children, foster care for children in the provider's own home, or foster care or day care services for adults in the provider's own home if:~~

(1) less than ten years have passed since the discharge of the sentence imposed for the offense; and the individual has been convicted of a violation of any offense listed in sections ~~609.20 (manslaughter in the first degree), 609.205 (manslaughter in the second degree), criminal vehicular homicide under 609.21 (criminal vehicular homicide and injury), 609.215 (aiding suicide or aiding attempted suicide), felony violations under 609.221 to 609.2231 (assault in the first, second, third, or fourth degree), 609.713 (terroristic threats), 609.235 (use of drugs to injure or to facilitate crime), 609.24 (simple robbery), 609.245 (aggravated robbery), 609.25 (kidnapping), 609.255 (false imprisonment), 609.561 or 609.562 (arson in the first or second degree), 609.71 (riot), burglary in the first or second degree under 609.582 (burglary), 609.66 (dangerous weapon), 609.665 (spring guns), 609.67 (machine guns and short-barreled shotguns), 609.749 (harassment, stalking), 152.021 or 152.022 (controlled substance crime in the first or second degree), 152.023, subdivision 1, clause (3) or (4), or subdivision 2, clause (4) (controlled substance crime in the third degree), 152.024, subdivision 1, clause (2), (3), or (4) (controlled substance crime in the fourth degree), 152.024 or 152.025 (controlled substance crime in the fourth or fifth degree), 609.224, subdivision 2, paragraph (c) (fifth-degree assault by a caregiver against a vulnerable adult), 609.228 (great bodily harm caused by distribution of drugs), 609.23 (mistreatment of persons confined), 609.231 (mistreatment of residents or patients), 609.2325 (criminal abuse of a vulnerable adult), 609.233 (criminal neglect of a vulnerable adult), 609.2335 (financial exploitation of a vulnerable adult), 609.234 (failure to report), 609.265 (abduction), 609.2664 to 609.2665 (manslaughter of an unborn child in the first or second degree), 609.267 to 609.2672 (assault of an unborn child in the first, second, or third degree), 609.268 (injury or death of an unborn child in the commission of a crime), 617.293 (disseminating or displaying harmful material to minors), a felony level conviction involving alcohol or drug use,~~

a gross misdemeanor offense under 609.324, subdivision 1 (other prohibited acts), ~~a gross misdemeanor offense under 609.378 (neglect or endangerment of a child), a gross misdemeanor offense under 609.377 (malicious punishment of a child)~~; 609.72, subdivision 3 (disorderly conduct against a vulnerable adult); or an attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state, the elements of which are substantially similar to the elements of any of the foregoing offenses;

(2) regardless of how much time has passed since the involuntary termination of parental rights under section 260C.301 or the discharge of the sentence imposed for the offense, the individual was convicted of a violation of any offense listed in sections 609.185 to 609.195 (murder in the first, second, or third degree), 609.20 (manslaughter in the first degree), 609.205 (manslaughter in the second degree), criminal vehicular homicide under 609.21 (criminal vehicular homicide and injury), 609.235 (use of drugs to injure or to facilitate crime), 609.24 (simple robbery), 609.245 (aggravated robbery), 609.25 (kidnapping), 609.255 (false imprisonment), 609.561 or 609.562 (arson in the first or second degree), 609.749 (harassment; stalking), 609.228 (great bodily harm caused by distribution of drugs), 609.2664 to 609.2665 (manslaughter of an unborn child in the first or second degree), 609.267 or 609.2671 (assault of an unborn child in the first or second degree), 609.268 (injury or death of an unborn child in the commission of a crime), 609.221 to 609.223 (assault in the first, second, or third degree), 609.582 (burglary in the first degree), 609.66, subdivision 1e (drive-by shooting), 609.165 (felon ineligible to possess firearm), 609.498, subdivision 1 (tampering with a witness), 609.687 (adulteration), 609.855, subdivision 5 (shooting in or at a public transit vehicle or facility), 609.229 (crime committed for benefit of a gang), 609.2661 to 609.2663 (murder of an unborn child in the first, second, or third degree), ~~a felony offense under 609.377 (malicious punishment of a child)~~, a felony offense under 609.324, subdivision 1 (other prohibited acts), ~~a felony offense under 609.378 (neglect or endangerment of a child)~~, 609.322 (solicitation, inducement, and promotion of prostitution), 609.342 to 609.345 (criminal sexual conduct in the first, second, third, or fourth degree), 609.352 (solicitation of children to engage in sexual conduct), 617.246 (use of minors in a sexual performance), 617.247 (possession of pictorial representations of a minor), 609.365 (incest), a felony offense under sections 609.2242 and 609.2243 (domestic assault), ~~a felony offense under 624.713 (certain persons not to possess pistols)~~, 152.021, 152.022, or 152.023 (controlled substance crime in the first, second, or third degree), a felony offense of spousal abuse, a felony offense of child abuse or neglect, a felony offense of a crime against children, or an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes, or an offense in any other state, the elements of which are substantially similar to any of the foregoing offenses;

(3) within the seven years preceding the study, the individual committed an act that constitutes maltreatment of a child under section 626.556, subdivision 10e, and that resulted in substantial bodily harm as defined in section 609.02, subdivision 7a, or substantial mental or emotional harm as supported by competent psychological or psychiatric evidence; or

(4) within the seven years preceding the study, the individual was determined under section 626.557 to be the perpetrator of a substantiated incident of maltreatment of a vulnerable adult that resulted in substantial bodily harm as defined in section 609.02, subdivision 7a, or substantial mental or emotional harm as supported by competent psychological or psychiatric evidence.

In the case of any ground for disqualification under clauses (1) to (4), if the act was committed by an individual other than the applicant, license holder, or registrant under section 144A.71, subdivision 1, residing in the applicant's or license holder's home, or the home of a registrant under section 144A.71, subdivision 1, the applicant, license holder, or registrant under section 144A.71, subdivision 1, may seek reconsideration when the individual who committed the act no longer resides in the home.

The disqualification periods provided under clauses (1), (3), and (4) are the minimum applicable disqualification periods. The commissioner may determine that an individual should continue to be disqualified from licensure or registration under section 144A.71, subdivision 1, because the license holder, applicant, or registrant under section 144A.71, subdivision 1, poses a risk of harm to a person served by that individual after the minimum disqualification period has passed.

(d) The commissioner shall respond in writing or by electronic transmission to all reconsideration requests for which the basis for the request is that the information relied upon by the commissioner to disqualify is incorrect or inaccurate within 30 working days of receipt of a request and all relevant information. If the basis for the request is that the individual does not pose a risk of harm, the commissioner shall respond to the request within 15 working days after receiving the request for reconsideration and all relevant information. If the request is based on both the correctness or accuracy of the information relied on to disqualify the individual and the risk of harm, the commissioner shall respond to the request within 45 working days after receiving the request for reconsideration and all relevant information. If the disqualification is set aside, the commissioner shall notify the applicant or license holder in writing or by electronic transmission of the decision.

(e) Except as provided in subdivision 3c, if a disqualification for which reconsideration was requested is not set aside or is not rescinded, an individual who was disqualified on the basis of a preponderance of evidence that the individual committed an act or acts that meet the definition of any of the crimes ~~lists listed~~ in subdivision 3d, paragraph (a), clauses (1) to (4); or for failure to make required reports under section 626.556, subdivision 3, or 626.557, subdivision 3, pursuant to subdivision 3d, paragraph (a), clause (4), may request a fair hearing under section 256.045. ~~Except as provided under subdivision 3c, the commissioner's final order for an individual under this paragraph is conclusive on the issue of maltreatment and disqualification, including for purposes of subsequent studies conducted under subdivision 3, and a fair hearing is the only administrative appeal of the final agency determination, specifically, including a challenge to the accuracy and completeness of data under section 13.04.~~

(f) Except as provided under subdivision 3c, if an individual was disqualified on the basis of a determination of maltreatment under section 626.556 or 626.557, which was serious or recurring, and the individual has requested reconsideration of the maltreatment determination under section 626.556, subdivision 10i, or 626.557, subdivision 9d, and also requested reconsideration of the disqualification under this subdivision, reconsideration of the maltreatment determination and reconsideration of the disqualification shall be consolidated into a single reconsideration. For maltreatment and disqualification determinations made by county agencies, the consolidated reconsideration shall be conducted by the county agency. If the county agency has disqualified an individual on multiple bases, one of which is a county maltreatment determination for which the individual has a right to request reconsideration, the county shall conduct the reconsideration of all disqualifications. Except as provided under subdivision 3c, if an individual who was disqualified on the basis of serious or recurring maltreatment requests a fair hearing on the maltreatment determination under section 626.556, subdivision 10i, or 626.557, subdivision 9d, and requests a fair hearing on the disqualification, which has not been set aside or rescinded under this subdivision, the scope of the fair hearing under section 256.045 shall include the maltreatment determination and the disqualification. ~~Except as provided under subdivision 3c, the commissioner's final order for an individual under this paragraph is conclusive on the issue of maltreatment and disqualification, including for purposes of subsequent studies conducted under subdivision 3, and a fair hearing is the only administrative appeal of the final agency determination, specifically, including a challenge to the accuracy and completeness of data under section 13.04.~~

Sec. 12. Minnesota Statutes 2001 Supplement, section 245A.04, subdivision 3d, is amended to read:

Subd. 3d. [DISQUALIFICATION.] (a) Upon receipt of information showing, or when a background study completed under subdivision 3 shows any of the following: a conviction of one or more crimes listed in clauses (1) to (4); the individual has admitted to or a preponderance of the evidence indicates the individual has committed an act or acts that meet the definition of any of the crimes listed in clauses (1) to (4); or an investigation results in an administrative determination listed under clause (4), the individual shall be disqualified from any position allowing direct contact with persons receiving services from the license holder, entity identified in subdivision 3, paragraph (a), or registrant under section 144A.71, subdivision 1, and for individuals studied under section 245A.04, subdivision 3, paragraph (c), clauses (2), (6), and (7), the individual shall also be disqualified from access to a person receiving services from the license holder:

(1) regardless of how much time has passed since the involuntary termination of parental rights under section 260C.301 or the discharge of the sentence imposed for the offense, and unless otherwise specified, regardless of the level of the conviction, the individual was convicted of any of the following offenses: sections 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.2661 (murder of

an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.21 (criminal vehicular homicide and injury); 609.221 to 609.223 (assault in the first, second, or third degree); 609.228 (great bodily harm caused by distribution of drugs); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the commission of a crime); 609.561 (arson in the first degree); 609.562 (arson in the second degree); 609.582 (burglary); 609.749 (harassment; stalking; penalties); 609.165 (felon ineligible to possess firearm); 609.66, subdivision 1e (drive-by shooting); 609.687 (adulteration); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); felony offense under 624.713 (certain persons not to possess pistols); 609.229 (crime committed for benefit of a gang); 609.498, subdivision 1 (tampering with a witness); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 152.021, 152.022, or 152.023 (controlled substance crime in the first, second, or third degree); 609.322 (solicitation, inducement, and promotion of prostitution); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest); felony offense under 609.377 (malicious punishment of a child); a felony offense under 609.378 (neglect or endangerment of a child); a felony offense under 609.324, subdivision 1 (other prohibited acts); 617.246 (use of minors in sexual performance prohibited); 617.247 (possession of pictorial representations of minors); a felony offense under sections 609.2242 and 609.2243 (domestic assault), a felony offense of spousal abuse, a felony offense of child abuse or neglect, a felony offense of a crime against children; or attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes, or an offense in any other state or country, where the elements are substantially similar to any of the offenses listed in this clause;

(2) if less than 15 years have passed since the discharge of the sentence imposed for the offense; and the individual has received a felony conviction for a violation of any of these offenses: sections 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.21 (criminal vehicular homicide and injury); 609.215 (suicide); 609.221 to 609.2231 (assault in the first, second, third, or fourth degree); repeat offenses under 609.224 (assault in the fifth degree); repeat offenses under 609.3451 (criminal sexual conduct in the fifth degree); 609.713 (terroristic threats); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.561 (arson in the first degree); 609.562 (arson in the second degree); 609.563 (arson in the third degree); repeat offenses under 617.23 (indecent exposure; penalties); repeat offenses under 617.241 (obscene materials and performances; distribution and exhibition prohibited; penalty); 609.71 (riot); 609.66 (dangerous weapons); 609.67 (machine guns and short-barreled shotguns); 609.749 (harassment; stalking; penalties); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal abuse of a vulnerable adult); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the commission of a crime); 609.52 (theft); 609.2335 (financial exploitation of a vulnerable adult); 609.521 (possession of shoplifting gear); 609.582 (burglary); 609.625 (aggravated forgery); 609.63 (forgery); 609.631 (check forgery; offering a forged check); 609.635 (obtaining signature by false pretense); 609.27 (coercion); 609.275 (attempt to coerce); 609.687 (adulteration); 260C.301 (grounds for termination of parental rights); chapter 152 (drugs; controlled substance); 152.024 or 152.025 (controlled substance crime in the fourth or fifth degree); and a felony level conviction involving alcohol or drug use. An attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state or country, the elements of which are substantially similar to the elements of the offenses in this clause. If the individual studied is convicted of one of the felonies listed in this clause, but the sentence is a gross misdemeanor or misdemeanor disposition, the lookback period for the conviction is the period applicable to the disposition, that is the period for gross misdemeanors or misdemeanors;

(3) if less than ten years have passed since the discharge of the sentence imposed for the offense; and the individual has received a gross misdemeanor conviction for a violation of any of the following offenses: sections 609.224 (assault in the fifth degree); 609.2242 and 609.2243 (domestic assault); violation of an order for protection under 518B.01, subdivision 14; 609.3451 (criminal sexual conduct in the fifth degree); repeat offenses under 609.746

(interference with privacy); repeat offenses under 617.23 (indecent exposure); 617.241 (obscene materials and performances); 617.243 (indecent literature, distribution); 617.293 (harmful materials; dissemination and display to minors prohibited); 609.71 (riot); 609.66 (dangerous weapons); ~~609.749 (harassment, stalking, penalties);~~ 609.224, subdivision 2, paragraph (c) (assault in the fifth degree by a caregiver against a vulnerable adult); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of residents or patients); 609.2325 (criminal abuse of a vulnerable adult); 609.233 (criminal neglect of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report maltreatment of a vulnerable adult); 609.72, subdivision 3 (disorderly conduct against a vulnerable adult); 609.265 (abduction); ~~609.378 (neglect or endangerment of a child); 609.377 (malicious punishment of a child);~~ 609.324, subdivision 1a (other prohibited acts; minor engaged in prostitution); 609.33 (disorderly house); 609.52 (theft); ~~609.582 (burglary);~~ 609.631 (check forgery; offering a forged check); 609.275 (attempt to coerce); or an attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in this clause. If the defendant is convicted of one of the gross misdemeanors listed in this clause, but the sentence is a misdemeanor disposition, the lookback period for the conviction is the period applicable to misdemeanors; or

(4) if less than seven years have passed since the discharge of the sentence imposed for the offense; and the individual has received a misdemeanor conviction for a violation of any of the following offenses: sections 609.224 (assault in the fifth degree); 609.2242 (domestic assault); violation of an order for protection under 518B.01 (Domestic Abuse Act); violation of an order for protection under 609.3232 (protective order authorized; procedures; penalties); 609.746 (interference with privacy); 609.79 (obscene or harassing phone calls); 609.795 (letter, telegram, or package; opening; harassment); 617.23 (indecent exposure; penalties); 609.2672 (assault of an unborn child in the third degree); 617.293 (harmful materials; dissemination and display to minors prohibited); 609.66 (dangerous weapons); 609.665 (spring guns); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report maltreatment of a vulnerable adult); 609.52 (theft); 609.27 (coercion); or an attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in this clause; a determination or disposition of failure to make required reports under section 626.556, subdivision 3, or 626.557, subdivision 3, for incidents in which: (i) the final disposition under section 626.556 or 626.557 was substantiated maltreatment, and (ii) the maltreatment was recurring or serious; or a determination or disposition of substantiated serious or recurring maltreatment of a minor under section 626.556 or of a vulnerable adult under section 626.557 for which there is a preponderance of evidence that the maltreatment occurred, and that the subject was responsible for the maltreatment.

For the purposes of this section, "serious maltreatment" means sexual abuse; maltreatment resulting in death; or maltreatment resulting in serious injury which reasonably requires the care of a physician whether or not the care of a physician was sought; or abuse resulting in serious injury. For purposes of this section, "abuse resulting in serious injury" means: bruises, bites, skin laceration or tissue damage; fractures; dislocations; evidence of internal injuries; head injuries with loss of consciousness; extensive second-degree or third-degree burns and other burns for which complications are present; extensive second-degree or third-degree frostbite, and others for which complications are present; irreversible mobility or avulsion of teeth; injuries to the eyeball; ingestion of foreign substances and objects that are harmful; near drowning; and heat exhaustion or sunstroke. For purposes of this section, "care of a physician" is treatment received or ordered by a physician, but does not include diagnostic testing, assessment, or observation. For the purposes of this section, "recurring maltreatment" means more than one incident of maltreatment for which there is a preponderance of evidence that the maltreatment occurred, and that the subject was responsible for the maltreatment. For purposes of this section, "access" means physical access to an individual receiving services or the individual's personal property without continuous, direct supervision as defined in section 245A.04, subdivision 3.

(b) Except for background studies related to child foster care, adult foster care, or family child care licensure, when the subject of a background study is regulated by a health-related licensing board as defined in chapter 214, and the regulated person has been determined to have been responsible for substantiated maltreatment under section 626.556 or 626.557, instead of the commissioner making a decision regarding disqualification, the board shall make a determination whether to impose disciplinary or corrective action under chapter 214.

- (1) The commissioner shall notify the health-related licensing board:
  - (i) upon completion of a background study that produces a record showing that the individual was determined to have been responsible for substantiated maltreatment;
  - (ii) upon the commissioner's completion of an investigation that determined the individual was responsible for substantiated maltreatment; or
  - (iii) upon receipt from another agency of a finding of substantiated maltreatment for which the individual was responsible.
- (2) The commissioner's notice shall indicate whether the individual would have been disqualified by the commissioner for the substantiated maltreatment if the individual were not regulated by the board. The commissioner shall concurrently send this notice to the individual.
- (3) Notwithstanding the exclusion from this subdivision for individuals who provide child foster care, adult foster care, or family child care, when the commissioner or a local agency has reason to believe that the direct contact services provided by the individual may fall within the jurisdiction of a health-related licensing board, a referral shall be made to the board as provided in this section.
- (4) If, upon review of the information provided by the commissioner, a health-related licensing board informs the commissioner that the board does not have jurisdiction to take disciplinary or corrective action, the commissioner shall make the appropriate disqualification decision regarding the individual as otherwise provided in this chapter.
- (5) The commissioner has the authority to monitor the facility's compliance with any requirements that the health-related licensing board places on regulated persons practicing in a facility either during the period pending a final decision on a disciplinary or corrective action or as a result of a disciplinary or corrective action. The commissioner has the authority to order the immediate removal of a regulated person from direct contact or access when a board issues an order of temporary suspension based on a determination that the regulated person poses an immediate risk of harm to persons receiving services in a licensed facility.
- (6) A facility that allows a regulated person to provide direct contact services while not complying with the requirements imposed by the health-related licensing board is subject to action by the commissioner as specified under sections 245A.06 and 245A.07.
- (7) The commissioner shall notify a health-related licensing board immediately upon receipt of knowledge of noncompliance with requirements placed on a facility or upon a person regulated by the board."

Page 37, after line 26, insert:

"Sec. 19. Minnesota Statutes 2000, section 245B.02, subdivision 10, is amended to read:

Subd. 10. [INCIDENT.] "Incident" means any of the following:

- ~~(1) serious injury as determined by section 245.91, subdivision 6; accident; reports of a child or vulnerable adult maltreatment; circumstances that involve a law enforcement agency; or~~
- (2) a consumer's death;
- (3) any medical emergencies, unexpected serious illnesses, or accidents that require physician treatment or hospitalization;
- (4) a consumer's unauthorized absence;



(5) any fires or other circumstances involving a law enforcement agency;

(6) physical aggression by a consumer against another consumer that causes physical pain, injury, or persistent emotional distress, including, but not limited to, hitting, slapping, kicking, scratching, pinching, biting, pushing, and spitting;

(7) any sexual activity between consumers involving force or coercion as defined under section 609.341, subdivisions 3 and 14; or

(8) a report of child or vulnerable adult maltreatment under section 626.556 or 626.557.

Sec. 20. Minnesota Statutes 2000, section 245B.05, subdivision 7, is amended to read:

Subd. 7. [REPORTING INCIDENTS ~~AND EMERGENCIES.~~] (a) The license holder must maintain information about and report the following incidents under section 245B.02, subdivision 10, clauses (1) to (7), to the consumer's legal representative, other licensed caregiver, if any, and case manager within 24 hours of the occurrence, or within 24 hours of receipt of the information:

~~(1) the death of a consumer;~~

~~(2) any medical emergencies, unexpected serious illnesses, or accidents that require physician treatment or hospitalization;~~

~~(3) a consumer's unauthorized absence; or~~

~~(4) any fires and incidents involving a law enforcement agency unless the incident has been reported by another license holder. An incident under section 245B.02, subdivision 10, clause (8), must be reported as required under paragraph (c) unless the incident has been reported by another license holder.~~

(b) When the incident involves more than one consumer, the license holder must not disclose personally identifiable information about any other consumer when making the report to each consumer's legal representative, other licensed caregiver, if any, and case manager unless the license holder has the consent of a consumer or a consumer's legal representative.

(c) Within 24 hours of reporting maltreatment as required under section 626.556 or 626.557, the license holder must inform the consumer's legal representative and case manager of the report unless there is reason to believe that the legal representative or case manager is involved in the suspected maltreatment. The information the license holder must disclose is the nature of the activity or occurrence reported, the agency that receives the report, and the telephone number of the department of human services licensing division.

(d) Death or serious injury of the consumer must also be reported to the department of human services licensing division and the ombudsman, as required under sections 245.91 and 245.94, subdivision 2a.

Sec. 21. Minnesota Statutes 2000, section 245B.07, subdivision 1, is amended to read:

Subdivision 1. [CONSUMER DATA FILE.] The license holder must maintain the following information for each consumer:

(1) identifying information that includes date of birth, medications, legal representative, history, medical, and other individual-specific information, and names and telephone numbers of contacts;

(2) consumer health information, including individual medication administration and monitoring information;

(3) the consumer's individual service plan. When a consumer's case manager does not provide a current individual service plan, the license holder shall make a written request to the case manager to provide a copy of the individual service plan and inform the consumer or the consumer's legal representative of the right to an individual service plan and the right to appeal under section 256.045;

(4) copies of assessments, analyses, summaries, and recommendations;

(5) progress review reports;

(6) ~~incident and emergency reports~~ incidents involving the consumer;

(7) reports required under section 245B.05, subdivision 7;

(8) discharge summary, when applicable;

~~(8)~~ (9) record of other license holders serving the consumer that includes a contact person and telephone numbers, services being provided, services that require coordination between two license holders, and name of staff responsible for coordination; ~~and~~

~~(9) incidents involving~~ (10) information about verbal and physical aggression between consumers directed at the consumer by another consumer; and

(11) information about self-abuse affecting the consumer."

Pages 40 to 43, delete sections 20 and 21

Page 50, after line 29, insert:

"Sec. 27. Minnesota Statutes 2000, section 626.557, subdivision 14, is amended to read:

Subd. 14. [ABUSE PREVENTION PLANS.] (a) Each facility, except home health agencies and personal care attendant services providers, shall establish and enforce an ongoing written abuse prevention plan. The plan shall contain an assessment of the physical plant, its environment, and its population identifying factors which may encourage or permit abuse, and a statement of specific measures to be taken to minimize the risk of abuse. The plan shall comply with any rules governing the plan promulgated by the licensing agency.

(b) Each facility, including a home health care agency and personal care attendant services providers, shall develop an individual abuse prevention plan for each vulnerable adult residing there or receiving services from them. The plan shall contain an individualized assessment of the person's susceptibility to abuse by other individuals, including other vulnerable adults, and a statement of the specific measures to be taken to minimize the risk of abuse to that person. For the purposes of this clause, the term "abuse" includes self-abuse.

Sec. 28. [REPEALER.]

Minnesota Statutes 2000, section 147B.01, subdivisions 8 and 15, are repealed."

Page 53, after line 15, insert:

"Sec. 3. Minnesota Statutes 2000, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. [NURSING HOME LICENSE SURCHARGE.] (a) Effective July 1, 1993, each non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as \$620 per licensed bed. If the number of licensed beds is reduced, the surcharge shall be based on the number of remaining licensed beds the second month following the

receipt of timely notice by the commissioner of human services that beds have been delicensed. The nursing home must notify the commissioner of health in writing when beds are delicensed. The commissioner of health must notify the commissioner of human services within ten working days after receiving written notification. If the notification is received by the commissioner of human services by the 15th of the month, the invoice for the second following month must be reduced to recognize the delicensing of beds. Beds on layaway status continue to be subject to the surcharge. The commissioner of human services must acknowledge a medical care surcharge appeal within 30 days of receipt of the written appeal from the provider.

(b) Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625.

(c) Between March 1, 2002, and August 15, 2003, a facility governed by this subdivision may elect to assume full participation in the medical assistance program by agreeing to comply with all of the requirements of the medical assistance program, including the rate equalization law in section 256B.48, subdivision 1, paragraph (a), and all other requirements established in law or rule, and to begin intake of new medical assistance recipients. Rates will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080. Notwithstanding section 256B.431, subdivision 27, paragraph (i), rate calculations will be subject to limits as prescribed in rule and law. Other than the adjustments in sections 256B.431, subdivisions 30 and 32; 256B.437, subdivision 3, paragraph (b); Minnesota Rules, part 9549.0057, and any other applicable legislation enacted prior to the finalization of rates, facilities assuming full participation in medical assistance under this paragraph are not eligible for any rate adjustments until the July 1 following their settle-up period.

Sec. 4. Minnesota Statutes 2000, section 245.462, subdivision 4, is amended to read:

Subd. 4. [CASE MANAGEMENT SERVICE PROVIDER.] (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in section 245.4711.

(b) A case manager must:

(1) be skilled in the process of identifying and assessing a wide range of client needs;

(2) be knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) have a bachelor's degree in one of the behavioral sciences or related fields including, but not limited to, social work, psychology, or nursing from an accredited college or university or meet the requirements of paragraph (c); and

(4) meet the supervision and continuing education requirements described in paragraphs (d), (e), and (f), as applicable.

(c) Case managers without a bachelor's degree must meet one of the requirements in clauses (1) to (3):

(1) have three or four years of experience as a case manager associate as defined in this section;

(2) be a registered nurse without a bachelor's degree and have a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; or

(3) be a person who qualified as a case manager under the 1998 department of human service waiver provision and meet the continuing education and mentoring requirements in this section.

(d) A case manager with at least 2,000 hours of supervised experience in the delivery of services to adults with mental illness must receive regular ongoing supervision and clinical supervision totaling 38 hours per year of which at least one hour per month must be clinical supervision regarding individual service delivery with a case

management supervisor. The remaining 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours. Clinical supervision must be documented in the client record.

(e) A case manager without 2,000 hours of supervised experience in the delivery of services to adults with mental illness must:

(1) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour per week until the requirement of 2,000 hours of experience is met; and

(2) complete 40 hours of training approved by the commissioner in case management skills and the characteristics and needs of adults with serious and persistent mental illness.

(f) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in mental illness and mental health services ~~annually~~ every two years.

(g) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a registered nurse without a bachelor's degree;

(iii) within the previous ten years, have three years of life experience with serious and persistent mental illness as defined in section 245.462, subdivision 20; or as a child had severe emotional disturbance as defined in section 245.4871, subdivision 6; or have three years life experience as a primary caregiver to an adult with serious and persistent mental illness within the previous ten years;

(iv) have 6,000 hours work experience as a nondegreed state hospital technician; or

(v) be a mental health practitioner as defined in section 245.462, subdivision 17, clause (2).

Individuals meeting one of the criteria in items (i) to (iv), may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (v), may qualify as a case manager after three years of supervised experience as a case manager associate.

(h) A case management associate must meet the following supervision, mentoring, and continuing education requirements:

(1) have 40 hours of preservice training described under paragraph (e), clause (2);

(2) receive at least 40 hours of continuing education in mental illness and mental health services annually; and

(3) receive at least five hours of mentoring per week from a case management mentor.

A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.

(i) A case management supervisor must meet the criteria for mental health professionals, as specified in section 245.462, subdivision 18.

(j) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to adult immigrants with serious and persistent mental illness who are members of the same ethnic group as the case manager if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of this subdivision are met.

Sec. 5. Minnesota Statutes 2000, section 245.4871, subdivision 4, is amended to read:

Subd. 4. [CASE MANAGEMENT SERVICE PROVIDER.] (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in subdivision 3 for the child with severe emotional disturbance and the child's family.

(b) A case manager must:

(1) have experience and training in working with children;

(2) have at least a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university or meet the requirements of paragraph (d);

(3) have experience and training in identifying and assessing a wide range of children's needs;

(4) be knowledgeable about local community resources and how to use those resources for the benefit of children and their families; and

(5) meet the supervision and continuing education requirements of paragraphs (e), (f), and (g), as applicable.

(c) A case manager may be a member of any professional discipline that is part of the local system of care for children established by the county board.

(d) A case manager without a bachelor's degree must meet one of the requirements in clauses (1) to (3):

(1) have three or four years of experience as a case manager associate;

(2) be a registered nurse without a bachelor's degree who has a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; or

(3) be a person who qualified as a case manager under the 1998 department of human services waiver provision and meets the continuing education, supervision, and mentoring requirements in this section.

(e) A case manager with at least 2,000 hours of supervised experience in the delivery of mental health services to children must receive regular ongoing supervision and clinical supervision totaling 38 hours per year, of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The other 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours.

(f) A case manager without 2,000 hours of supervised experience in the delivery of mental health services to children with emotional disturbance must:

(1) begin 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of children with severe emotional disturbance before beginning to provide case management services; and

(2) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour each week until the requirement of 2,000 hours of experience is met.

(g) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in severe emotional disturbance and mental health services ~~annually~~ every two years.

(h) Clinical supervision must be documented in the child's record. When the case manager is not a mental health professional, the county board must provide or contract for needed clinical supervision.

(i) The county board must ensure that the case manager has the freedom to access and coordinate the services within the local system of care that are needed by the child.

(j) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a registered nurse without a bachelor's degree;

(iii) have three years of life experience as a primary caregiver to a child with serious emotional disturbance as defined in section 245.4871, subdivision 6, within the previous ten years;

(iv) have 6,000 hours work experience as a nondegreed state hospital technician; or

(v) be a mental health practitioner as defined in subdivision 26, clause (2).

Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (v) may qualify as a case manager after three years of supervised experience as a case manager associate.

(k) Case manager associates must meet the following supervision, mentoring, and continuing education requirements;

(1) have 40 hours of preservice training described under paragraph (f), clause (1);

(2) receive at least 40 hours of continuing education in severe emotional disturbance and mental health service annually; and

(3) receive at least five hours of mentoring per week from a case management mentor. A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.

(l) A case management supervisor must meet the criteria for a mental health professional as specified in section 245.4871, subdivision 27.

(m) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to child immigrants with severe emotional disturbance of the same ethnic group as the immigrant if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or related fields at an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.

Sec. 6. Minnesota Statutes 2000, section 245.50, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them.

(a) "Bordering state" means Iowa, North Dakota, South Dakota, or Wisconsin.

(b) "Receiving agency or facility" means a public or private hospital, mental health center, or other person or organization authorized by a state to provide which provides mental health services under this section to individuals from a state other than the state in which the agency is located.

(c) "Receiving state" means the state in which a receiving agency is located.

(d) "Sending agency" means a state or county agency which sends an individual to a bordering state for treatment under this section.

(e) "Sending state" means the state in which the sending agency is located.

Sec. 7. Minnesota Statutes 2000, section 245.50, subdivision 2, is amended to read:

Subd. 2. [PURPOSE AND AUTHORITY.] (a) The purpose of this section is to enable appropriate treatment to be provided to individuals, across state lines from the individual's state of residence, in qualified facilities that are closer to the homes of individuals than are facilities available in the individual's home state.

(b) Unless prohibited by another law and subject to the exceptions listed in subdivision 3, a county board or the commissioner of human services may contract with an agency or facility in a bordering state for mental health services for residents of Minnesota, and a Minnesota mental health agency or facility may contract to provide services to residents of bordering states. Except as provided in subdivision 5, a person who receives services in another state under this section is subject to the laws of the state in which services are provided. A person who will receive services in another state under this section must be informed of the consequences of receiving services in another state, including the implications of the differences in state laws, to the extent the individual will be subject to the laws of the receiving state.

Sec. 8. Minnesota Statutes 2000, section 245.50, subdivision 5, is amended to read:

~~Subd. 5. [SPECIAL CONTRACTS; WISCONSIN BORDERING STATES.] The commissioner of the Minnesota department of human services must enter into negotiations with appropriate personnel at the Wisconsin department of health and social services and must develop an agreement that conforms to the requirements of subdivision 4, to enable the placement in Minnesota of patients who are on emergency holds or who have been involuntarily committed as mentally ill or chemically dependent in Wisconsin and to enable the temporary placement in Wisconsin of patients who are on emergency holds in Minnesota under section 253B.05, provided that the Minnesota courts retain jurisdiction over Minnesota patients, and the state of Wisconsin affords to Minnesota patients the rights under Minnesota law. Persons committed by the Wisconsin courts and placed in Minnesota facilities shall continue to be in the legal custody of Wisconsin and Wisconsin's laws governing length of commitment, reexaminations, and extension of commitment shall continue to apply to these residents. In all other respects, Wisconsin residents placed in Minnesota facilities are subject to Minnesota laws. The agreement must specify that responsibility for payment for the cost of care of Wisconsin residents shall remain with the state of Wisconsin and the cost of care of Minnesota residents shall remain with the state of Minnesota. The commissioner shall be assisted by attorneys from the Minnesota attorney general's office in negotiating and finalizing this agreement. The agreement shall be completed so as to permit placement of Wisconsin residents in Minnesota facilities and Minnesota residents in Wisconsin facilities beginning July 1, 1994. (a) An individual who is detained, committed, or placed on an involuntary basis under chapter 253B may be confined or treated in a bordering state pursuant to a contract under this section. An individual who is detained, committed, or placed on an involuntary basis under the civil law of a bordering state may be confined or treated in Minnesota pursuant to a contract under this section. A peace or health officer who is acting under the authority of the sending state may transport an individual to a receiving agency that provides services pursuant to a contract under this section, and may transport the individual back to the sending state under the laws of the sending state. Court orders valid under the law of the sending state are granted recognition and reciprocity in the receiving state for individuals covered by a contract under this section to the extent that the court orders relate to confinement for treatment or care of mental illness. Such treatment or care may address other conditions that may be co-occurring with the mental illness. These court orders are not subject to legal challenge in the courts of the receiving state. Individuals who are detained, committed, or placed under the law of a sending state and who are transferred to a receiving state under this section continue to be in the legal custody of the authority responsible for them under the law of the sending state. Except in emergencies, those individuals may not be transferred, removed, or furloughed from a receiving agency without the specific approval of the authority responsible for them under the law of the sending state.~~

(b) While in the receiving state pursuant to a contract under this section, an individual shall be subject to the sending state's laws and rules relating to length of confinement, reexaminations, and extensions of confinement. No individual may be sent to another state pursuant to a contract under this section until the receiving state has enacted a law recognizing the validity and applicability of this section.

(c) If an individual receiving services pursuant to a contract under this section leaves the receiving agency without permission and the individual is subject to involuntary confinement under the law of the sending state, the receiving agency shall use all reasonable means to return the individual to the receiving agency. The receiving agency shall immediately report the absence to the sending agency. The receiving state has the primary responsibility for, and the authority to direct, the return of these individuals within its borders and is liable for the cost of the action to the extent that it would be liable for costs of its own resident.



(d) Responsibility for payment for the cost of care remains with the sending agency.

(e) This subdivision also applies to county contracts under subdivision 2 which include emergency care and treatment provided to a county resident in a bordering state.

Sec. 9. Minnesota Statutes 2001 Supplement, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs, except for fertility drugs when specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, by a physician enrolled in the medical assistance program as a dispensing physician, or by a physician or a nurse practitioner employed by or under contract with a community health board as defined in section 145A.02, subdivision 5, for the purposes of communicable disease control. The commissioner, after receiving recommendations from professional medical associations and professional pharmacist associations, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve three-year terms and shall serve without compensation. Members may be reappointed once.

(b) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include:

(i) drugs or products for which there is no federal funding;

(ii) over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults with documented vitamin deficiencies, vitamins for children under the age of seven and pregnant or nursing women, and any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee, as necessary, appropriate, and cost-effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14;

(iii) anorectics, except that medically necessary anorectics shall be covered for a recipient previously diagnosed as having pickwickian syndrome and currently diagnosed as having diabetes and being morbidly obese;

(iv) drugs for which medical value has not been established; and

(v) drugs from manufacturers who have not signed a rebate agreement with the Department of Health and Human Services pursuant to section 1927 of title XIX of the Social Security Act.

The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations. An honorarium of \$100 per meeting and reimbursement for mileage shall be paid to each committee member in attendance.

(c) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee; the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee; or the usual and customary price charged to the public. The pharmacy dispensing fee shall be \$3.65, except that the dispensing fee for intravenous solutions which must be compounded by the pharmacist shall be \$8 per bag, \$14 per bag for cancer chemotherapy products, and \$30 per bag for total parenteral nutritional products dispensed in one liter quantities, or \$44 per bag for total parenteral nutritional products dispensed in quantities greater than one liter. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug shall be estimated by the commissioner, at average wholesale price minus nine percent, except that where a drug has had its wholesale price reduced as a result of the actions of the National Association of Medicaid Fraud Control Units, the estimated actual acquisition cost shall be the reduced average wholesale price, without the nine percent deduction. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third-party payors in this state who have maximum allowable cost programs. The commissioner shall set maximum allowable costs for multisource drugs that are not on the federal upper limit list as described in United States Code, title 42, chapter 7, section 1396r-8(e), the Social Security Act, and Code of Federal Regulations, title 42, part 447, section 447.332. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand necessary" on the prescription as required by section 151.21, subdivision 2.

(d) For purposes of this subdivision, "multisource drugs" means covered outpatient drugs, excluding innovator multisource drugs for which there are two or more drug products, which:

(1) are related as therapeutically equivalent under the Food and Drug Administration's most recent publication of "Approved Drug Products with Therapeutic Equivalence Evaluations";

(2) are pharmaceutically equivalent and bioequivalent as determined by the Food and Drug Administration; and

(3) are sold or marketed in Minnesota.

"Innovator multisource drug" means a multisource drug that was originally marketed under an original new drug application approved by the Food and Drug Administration.

(e) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider; the average wholesale price minus five percent; or the maximum allowable cost set by the federal government under United States Code, title 42, chapter 7, section 1396r-8(e), and Code of Federal Regulations, title 42, section 447.332, or by the commissioner under paragraph (c).

(f) Prior authorization shall not be required or utilized for any antipsychotic drug prescribed for the treatment of mental illness where there is no generically equivalent drug available unless the commissioner determines that prior authorization is necessary for patient safety. This paragraph applies to any supplemental drug rebate program established or administered by the commissioner."

Page 53, after line 21, insert:

"Sec. 11. Minnesota Statutes 2001 Supplement, section 256B.0627, subdivision 10, is amended to read:

Subd. 10. [FISCAL INTERMEDIARY OPTION AVAILABLE FOR PERSONAL CARE ASSISTANT SERVICES.] (a) The commissioner may allow a recipient of personal care assistant services to use a fiscal intermediary to assist the recipient in paying and accounting for medically necessary covered personal care assistant services authorized in subdivision 4 and within the payment parameters of subdivision 5. Unless otherwise provided in this subdivision, all other statutory and regulatory provisions relating to personal care assistant services apply to a recipient using the fiscal intermediary option.

(b) The recipient or responsible party shall:

(1) recruit, hire, and terminate a qualified professional, if a qualified professional is requested by the recipient or responsible party;

(2) verify and document the credentials of the qualified professional, if a qualified professional is requested by the recipient or responsible party;

(3) develop a service plan based on physician orders and public health nurse assessment with the assistance of a qualified professional, if a qualified professional is requested by the recipient or responsible party, that addresses the health and safety of the recipient;

(4) recruit, hire, and terminate the personal care assistant;

(5) orient and train the personal care assistant with assistance as needed from the qualified professional;

(6) supervise and evaluate the personal care assistant with assistance as needed from the recipient's physician or the qualified professional;

(7) monitor and verify in writing and report to the fiscal intermediary the number of hours worked by the personal care assistant and the qualified professional; and

(8) enter into a written agreement, as specified in paragraph (f).

(c) The duties of the fiscal intermediary shall be to:

(1) bill the medical assistance program for personal care assistant and qualified professional services;

(2) request and secure background checks on personal care assistants and qualified professionals according to section 245A.04;

(3) pay the personal care assistant and qualified professional based on actual hours of services provided;

- (4) withhold and pay all applicable federal and state taxes;
  - (5) verify and keep records of hours worked by the personal care assistant and qualified professional;
  - (6) make the arrangements and pay unemployment insurance, taxes, workers' compensation, liability insurance, and other benefits, if any;
  - (7) enroll in the medical assistance program as a fiscal intermediary; and
  - (8) enter into a written agreement as specified in paragraph (f) before services are provided.
- (d) The fiscal intermediary:
- (1) may not be related to the recipient, qualified professional, or the personal care assistant;
  - (2) must ensure arm's length transactions with the recipient and personal care assistant; and
  - (3) shall be considered a joint employer of the personal care assistant and qualified professional to the extent specified in this section.

The fiscal intermediary or owners of the entity that provides fiscal intermediary services under this subdivision must pass a criminal background check as required in section 256B.0627, subdivision 1, paragraph (e).

(e) If the recipient or responsible party requests a qualified professional, the qualified professional providing assistance to the recipient shall meet the qualifications specified in section 256B.0625, subdivision 19c. The qualified professional shall assist the recipient in developing and revising a plan to meet the recipient's needs, as assessed by the public health nurse. In performing this function, the qualified professional must visit the recipient in the recipient's home at least once annually. The qualified professional must report any suspected abuse, neglect, or financial exploitation of the recipient to the appropriate authorities.

(f) The fiscal intermediary, recipient or responsible party, personal care assistant, and qualified professional shall enter into a written agreement before services are started. The agreement shall include:

- (1) the duties of the recipient, qualified professional, personal care assistant, and fiscal agent based on paragraphs (a) to (e);
- (2) the salary and benefits for the personal care assistant and the qualified professional;
- (3) the administrative fee of the fiscal intermediary and services paid for with that fee, including background check fees;
- (4) procedures to respond to billing or payment complaints; and
- (5) procedures for hiring and terminating the personal care assistant and the qualified professional.

(g) The rates paid for personal care assistant services, shared care services, qualified professional services, and fiscal intermediary services under this subdivision shall be the same rates paid for personal care assistant services and qualified professional services under subdivision 2 respectively. Except for the administrative fee of the fiscal intermediary specified in paragraph (f), the remainder of the rates paid to the fiscal intermediary must be used to pay for the salary and benefits for the personal care assistant or the qualified professional.

(h) As part of the assessment defined in subdivision 1, the following conditions must be met to use or continue use of a fiscal intermediary:

(1) the recipient must be able to direct the recipient's own care, or the responsible party for the recipient must be readily available to direct the care of the personal care assistant;

(2) the recipient or responsible party must be knowledgeable of the health care needs of the recipient and be able to effectively communicate those needs;

(3) a face-to-face assessment must be conducted by the local county public health nurse at least annually, or when there is a significant change in the recipient's condition or change in the need for personal care assistant services;

~~(4) the recipient cannot select the shared services option as specified in subdivision 8 recipients who choose to use the shared care option as specified in subdivision 8 must utilize the same fiscal intermediary; and~~

(5) parties must be in compliance with the written agreement specified in paragraph (f).

(i) The commissioner shall deny, revoke, or suspend the authorization to use the fiscal intermediary option if:

(1) it has been determined by the qualified professional or local county public health nurse that the use of this option jeopardizes the recipient's health and safety;

(2) the parties have failed to comply with the written agreement specified in paragraph (f); or

(3) the use of the option has led to abusive or fraudulent billing for personal care assistant services.

The recipient or responsible party may appeal the commissioner's action according to section 256.045. The denial, revocation, or suspension to use the fiscal intermediary option shall not affect the recipient's authorized level of personal care assistant services as determined in subdivision 5.

Sec. 12. Minnesota Statutes 2001 Supplement, section 256B.0911, subdivision 4b, is amended to read:

Subd. 4b. [EXEMPTIONS AND EMERGENCY ADMISSIONS.] (a) Exemptions from the federal screening requirements outlined in subdivision 4a, paragraphs (b) and (c), are limited to:

(1) a person who, having entered an acute care facility from a certified nursing facility, is returning to a certified nursing facility; ~~and~~

(2) a person transferring from one certified nursing facility in Minnesota to another certified nursing facility in Minnesota; ~~and~~

(3) a person, 21 years of age or older, who satisfies the following criteria, as specified in Code of Federal Regulations, title 42, section 483.106(b)(2):

(i) the person is admitted to a nursing facility directly from a hospital after receiving acute inpatient care at the hospital;

(ii) the person requires nursing facility services for the same condition for which care was provided in the hospital; and

(iii) the attending physician has certified before the nursing facility admission that the person is likely to receive less than 30 days of nursing facility services.

(b) Persons who are exempt from preadmission screening for purposes of level of care determination include:

(1) persons described in paragraph (a);

(2) an individual who has a contractual right to have nursing facility care paid for indefinitely by the veterans' administration;

(3) an individual enrolled in a demonstration project under section 256B.69, subdivision 8, at the time of application to a nursing facility;

(4) an individual currently being served under the alternative care program or under a home and community-based services waiver authorized under section 1915(c) of the federal Social Security Act; and

(5) individuals admitted to a certified nursing facility for a short-term stay, which is expected to be 14 days or less in duration based upon a physician's certification, and who have been assessed and approved for nursing facility admission within the previous six months. This exemption applies only if the consultation team member determines at the time of the initial assessment of the six-month period that it is appropriate to use the nursing facility for short-term stays and that there is an adequate plan of care for return to the home or community-based setting. If a stay exceeds 14 days, the individual must be referred no later than the first county working day following the 14th resident day for a screening, which must be completed within five working days of the referral. The payment limitations in subdivision 7 apply to an individual found at screening to not meet the level of care criteria for admission to a certified nursing facility.

(c) Persons admitted to a Medicaid-certified nursing facility from the community on an emergency basis as described in paragraph (d) or from an acute care facility on a nonworking day must be screened the first working day after admission.

(d) Emergency admission to a nursing facility prior to screening is permitted when all of the following conditions are met:

(1) a person is admitted from the community to a certified nursing or certified boarding care facility during county nonworking hours;

(2) a physician has determined that delaying admission until preadmission screening is completed would adversely affect the person's health and safety;

(3) there is a recent precipitating event that precludes the client from living safely in the community, such as sustaining an injury, sudden onset of acute illness, or a caregiver's inability to continue to provide care;

(4) the attending physician has authorized the emergency placement and has documented the reason that the emergency placement is recommended; and

(5) the county is contacted on the first working day following the emergency admission.

Transfer of a patient from an acute care hospital to a nursing facility is not considered an emergency except for a person who has received hospital services in the following situations: hospital admission for observation, care in an emergency room without hospital admission, or following hospital 24-hour bed care.

(e) A nursing facility must provide a written notice to persons who satisfy the criteria in paragraph (a), clause (3), regarding the person's right to request and receive long-term care consultation services as defined in subdivision 1a. The notice must be provided prior to the person's discharge from the facility and in a format specified by the commissioner.

**[EFFECTIVE DATE.]** This section is effective the day following final enactment.

Sec. 13. Minnesota Statutes 2001 Supplement, section 256B.0911, subdivision 4d, is amended to read:

Subd. 4d. [PREADMISSION SCREENING OF INDIVIDUALS UNDER 65 YEARS OF AGE.] (a) It is the policy of the state of Minnesota to ensure that individuals with disabilities or chronic illness are served in the most integrated setting appropriate to their needs and have the necessary information to make informed choices about home and community-based service options.

(b) Individuals under 65 years of age who are admitted to a nursing facility from a hospital must be screened prior to admission as outlined in subdivisions 4a through 4c.

(c) Individuals under 65 years of age who are admitted to nursing facilities with only a telephone screening must receive a face-to-face assessment from the long-term care consultation team member of the county in which the facility is located or from the recipient's county case manager within 20 working days of admission.

(d) Individuals under 65 years of age who are admitted to a nursing facility without preadmission screening according to the exemption described in subdivision 4b, paragraph (a), clause (3), and who remain in the facility longer than 30 days must receive a face-to-face assessment within 40 days of admission.

(e) At the face-to-face assessment, the long-term care consultation team member or county case manager must perform the activities required under subdivision 3b.

~~(f)~~ (f) For individuals under 21 years of age, a screening interview which recommends nursing facility admission must be face-to-face and approved by the commissioner before the individual is admitted to the nursing facility.

~~(g)~~ (g) In the event that an individual under 65 years of age is admitted to a nursing facility on an emergency basis, the county must be notified of the admission on the next working day, and a face-to-face assessment as described in paragraph (c) must be conducted within 20 working days of admission.

~~(h)~~ (h) At the face-to-face assessment, the long-term care consultation team member or the case manager must present information about home and community-based options so the individual can make informed choices. If the individual chooses home and community-based services, the long-term care consultation team member or case manager must complete a written relocation plan within 20 working days of the visit. The plan shall describe the services needed to move out of the facility and a time line for the move which is designed to ensure a smooth transition to the individual's home and community.

~~(i)~~ (i) An individual under 65 years of age residing in a nursing facility shall receive a face-to-face assessment at least every 12 months to review the person's service choices and available alternatives unless the individual indicates, in writing, that annual visits are not desired. In this case, the individual must receive a face-to-face assessment at least once every 36 months for the same purposes.

~~(j)~~ (j) Notwithstanding the provisions of subdivision 6, the commissioner may pay county agencies directly for face-to-face assessments for individuals under 65 years of age who are being considered for placement or residing in a nursing facility.

**[EFFECTIVE DATE.] This section is effective the day following final enactment.**"

Page 56, line 20, strike "either ten" and insert "25"

Page 56, line 21, strike everything after "allocation"

Page 56, strike line 22

Page 56, line 23, strike everything before the semicolon

Page 61, line 12, strike "80 percent of"

Page 68, after line 2, insert:

"Sec. 20. Minnesota Statutes 2001 Supplement, section 256B.0915, subdivision 3, is amended to read:

Subd. 3. [LIMITS OF CASES, RATES, PAYMENTS, AND FORECASTING.] (a) The number of medical assistance waiver recipients that a county may serve must be allocated according to the number of medical assistance waiver cases open on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(b) The monthly limit for the cost of waived services to an individual elderly waiver client shall be the weighted average monthly nursing facility rate of the case mix resident class to which the elderly waiver client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, less the recipient's maintenance needs allowance as described in subdivision 1d, paragraph (a), until the first day of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented. Effective on the first day of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented and the first day of each subsequent state fiscal year, the monthly limit for the cost of waived services to an individual elderly waiver client shall be the rate of the case mix resident class to which the waiver client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, in effect on the last day of the previous state fiscal year, adjusted by the greater of any legislatively adopted home and community-based services cost-of-living percentage increase or any legislatively adopted statewide percent rate increase for nursing facilities.

(c) If extended medical supplies and equipment or environmental modifications are or will be purchased for an elderly waiver client, the costs may be prorated for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's waived services exceeds the monthly limit established in paragraph (b), the annual cost of all waived services shall be determined. In this event, the annual cost of all waived services shall not exceed 12 times the monthly limit of waived services as described in paragraph (b).

(d) For a person who is a nursing facility resident at the time of requesting a determination of eligibility for elderly waived services, a monthly conversion limit for the cost of elderly waived services may be requested. The monthly conversion limit for the cost of elderly waiver services shall be the resident class assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, for that resident in the nursing facility where the resident currently resides until July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented. Effective on July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented, the monthly conversion limit for the cost of elderly waiver services shall be the per diem nursing facility rate as determined by the resident assessment system as described in section 256B.437 for that resident in the nursing facility where the resident currently resides multiplied by 365 and divided by 12, less the recipient's maintenance needs allowance as described in subdivision 1d. The initially approved conversion rate may be adjusted by the greater of any subsequent legislatively adopted home and community-based services cost-of-living percentage increase or any subsequent legislatively adopted statewide percentage rate increase for nursing facilities. The limit under this clause only applies to persons discharged from a nursing facility after a minimum 30-day stay and found eligible for waived services on or after July 1, 1997. The following costs must be included in determining the total monthly costs for the waiver client:

(1) cost of all waived services, including extended medical supplies and equipment and environmental modifications; and

(2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.

(e) Medical assistance funding for skilled nursing services, private duty nursing, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.



(f) A county is not required to contract with a provider of supplies and equipment if the monthly cost of the supplies and equipment is less than \$250.

(g) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board. The adult foster care service rate shall be negotiated between the county agency and the foster care provider. The elderly waiver payment for the foster care service in combination with the payment for all other elderly waiver services, including case management, must not exceed the limit specified in paragraph (b).

(h) Payment for assisted living service shall be a monthly rate negotiated and authorized by the county agency based on an individualized service plan for each resident and may not cover direct rent or food costs.

(1) The individualized monthly negotiated payment for assisted living services as described in section 256B.0913, subdivision 5, paragraph (g) or (h), and residential care services as described in section 256B.0913, subdivision 5, paragraph (f), shall not exceed the nonfederal share, in effect on July 1 of the state fiscal year for which the rate limit is being calculated, of the greater of either the statewide or any of the geographic groups' weighted average monthly nursing facility rate of the case mix resident class to which the elderly waiver eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, less the maintenance needs allowance as described in subdivision 1d, paragraph (a), until the July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented. Effective on July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented and July 1 of each subsequent state fiscal year, the individualized monthly negotiated payment for the services described in this clause shall not exceed the limit described in this clause which was in effect on June 30 of the previous state fiscal year and which has been adjusted by the greater of any legislatively adopted home and community-based services cost-of-living percentage increase or any legislatively adopted statewide percent rate increase for nursing facilities.

(2) The individualized monthly negotiated payment for assisted living services described in section 144A.4605 and delivered by a provider licensed by the department of health as a class A home care provider or an assisted living home care provider and provided in a building that is registered as a housing with services establishment under chapter 144D and that provides 24-hour supervision in combination with the payment for other elderly waiver services, including case management, must not exceed the limit specified in paragraph (b).

(i) The county shall negotiate individual service rates with vendors and may authorize payment for actual costs up to the county's current approved rate. Persons or agencies must be employed by or under a contract with the county agency or the public health nursing agency of the local board of health in order to receive funding under the elderly waiver program, except as a provider of supplies and equipment when the monthly cost of the supplies and equipment is less than \$250.

(j) Reimbursement for the medical assistance recipients under the approved waiver shall be made from the medical assistance account through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), only with the approval of the client's case manager. The budget for the state share of the Medicaid expenditures shall be forecasted with the medical assistance budget, and shall be consistent with the approved waiver.

(k) To improve access to community services and eliminate payment disparities between the alternative care program and the elderly waiver, the commissioner shall establish statewide maximum service rate limits and eliminate county-specific service rate limits.

(1) Effective July 1, 2001, for service rate limits, except those described or defined in paragraphs (g) and (h), the rate limit for each service shall be the greater of the alternative care statewide maximum rate or the elderly waiver statewide maximum rate.

(2) Counties may negotiate individual service rates with vendors for actual costs up to the statewide maximum service rate limit.

(1) Beginning July 1, 1991, the state shall reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who are receiving medical assistance."

Page 69, after line 9, insert:

"Sec. 25. Minnesota Statutes 2001 Supplement, section 256B.0924, subdivision 6, is amended to read:

Subd. 6. [PAYMENT FOR TARGETED CASE MANAGEMENT.] (a) Medical assistance and MinnesotaCare payment for targeted case management shall be made on a monthly basis. In order to receive payment for an eligible adult, the provider must document at least one contact per month and not more than two consecutive months without a face-to-face contact with the adult or the adult's legal representative, family, primary caregiver, or other relevant persons identified as necessary to the development or implementation of the goals of the personal service plan.

(b) Payment for targeted case management provided by county staff under this subdivision shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one combined average rate together with adult mental health case management under section 256B.0625, subdivision 20, except for calendar year 2002. In calendar year 2002, the rate for case management under this section shall be the same as the rate for adult mental health case management in effect as of December 31, 2001. Billing and payment must identify the recipient's primary population group to allow tracking of revenues.

(c) Payment for targeted case management provided by county-contracted vendors shall be based on a monthly rate negotiated by the host county. The negotiated rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the county may negotiate a team rate with a vendor who is a member of the team. The team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county, except to reimburse the county for advance funding provided by the county to the vendor.

(d) If the service is provided by a team that includes contracted vendors and county staff, the costs for county staff participation on the team shall be included in the rate for county-provided services. In this case, the contracted vendor and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, the county must document, in the recipient's file, the need for team targeted case management and a description of the different roles of the team members.

(e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for targeted case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds.

(f) The commissioner may suspend, reduce, or terminate reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal disallowances. The county may share this responsibility with its contracted vendors.

(g) The commissioner shall set aside five percent of the federal funds received under this section for use in reimbursing the state for costs of developing and implementing this section.

(h) Notwithstanding section 256.025, subdivision 2, payments to counties for targeted case management expenditures under this section shall only be made from federal earnings from services provided under this section. Payments to contracted vendors shall include both the federal earnings and the county share.

(i) Notwithstanding section 256B.041, county payments for the cost of case management services provided by county staff shall not be made to the state treasurer. For the purposes of targeted case management services provided by county staff under this section, the centralized disbursement of payments to counties under section 256B.041 consists only of federal earnings from services provided under this section.

(j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for targeted case management services under this subdivision is limited to the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year.

(k) Payment for targeted case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

(l) Any growth in targeted case management services and cost increases under this section shall be the responsibility of the counties.

Sec. 26. Minnesota Statutes 2001 Supplement, section 256B.0951, subdivision 7, is amended to read:

Subd. 7. [WAIVER OF RULES.] ~~If a federal waiver is approved under subdivision 8, the commissioner of health may exempt residents of intermediate care facilities for persons with mental retardation (ICFs/MR) who participate in the three-year alternative quality assurance pilot project established in section 256B.095 from the requirements of Minnesota Rules, chapter 4665, upon approval by the federal government of a waiver of federal certification requirements for ICFs/MR.~~

Sec. 27. Minnesota Statutes 2001 Supplement, section 256B.0951, subdivision 8, is amended to read:

Subd. 8. [FEDERAL WAIVER.] ~~The commissioner of human services shall seek federal authority to waive provisions of intermediate care facilities for persons with mental retardation (ICFs/MR) regulations to enable the demonstration and evaluation of the alternative quality assurance system for ICFs/MR under the project. The commissioner of human services shall apply for any necessary waivers as soon as practicable: a federal waiver to allow intermediate care facilities for persons with mental retardation (ICFs/MR) in Region 10 of Minnesota to participate in the alternative licensing system. If it is necessary for purposes of participation in this alternative licensing system for a facility to be decertified as an ICF/MR facility according to the terms of the federal waiver, when the facility seeks recertification under the provisions of ICF/MR regulations at the end of the demonstration project, it will not be considered a new ICF/MR as defined under section 252.291 provided the licensed capacity of the facility did not increase during its participation in the alternative licensing system. The provisions of sections 252.82, 252.292, and 256B.5011 to 256B.5015 will remain applicable for counties in Region 10 of Minnesota and the ICFs/MR located within those counties notwithstanding a county's participation in the alternative licensing system.~~

Page 82, after line 23, insert:

"(f) A facility that has received a planned closure rate adjustment may reassign it to another facility that is under the same ownership at any time within three years of its effective date. The amount of the adjustment shall be computed according to paragraph (a)."

Pages 87 to 88, delete section 23

Page 89, after line 33, insert:

"Any costs related to this study shall be paid out of base-level funding to the commissioner for deaf-blind services."

Sec. 40. [CASE MANAGEMENT STUDY.]

The commissioner of human services shall study case management services for persons with disabilities, in consultation with consumers, consumer advocates, and local social service agencies. The commissioner shall report to the chairs and ranking minority members of the house and senate committees having jurisdiction over health and human services policy and funding, by January 15, 2003, on strategies that:

- (1) streamline administration;
- (2) improve case management service availability across the state;
- (3) enhance consumer access to needed services and supports;
- (4) improve accountability and the use of performance measures;
- (5) provide for consumer choice of vendor; and
- (6) improve the financing of case management services.

**[EFFECTIVE DATE.]** This section is effective the day following final enactment."

Page 89, after line 36, insert:

"ARTICLE 3

MISCELLANEOUS

Section 1. Minnesota Statutes 2000, section 144.05, is amended by adding a subdivision to read:

Subd. 4. [IDENTIFICATION OF DECEASED INDIVIDUALS.] Upon receiving notice under section 149A.90, subdivision 1, of the death of an individual who cannot be identified, the commissioner must post on the department's Web site information regarding the individual for purposes of obtaining information that may aid in identifying the individual and for purposes of notifying relatives who may be seeking the individual. The information must remain on the Web site continuously until the person's identity is determined.

Sec. 2. Minnesota Statutes 2001 Supplement, section 149A.90, subdivision 1, is amended to read:

Subdivision 1. [DEATH RECORD.] (a) Except as provided in this section, a death record must be completed and filed for every known death by the mortician, funeral director, or other person lawfully in charge of the disposition of the body.

(b) If the body is that of an individual whose identity is unknown, the person in charge of the disposition of the body must notify the commissioner for purposes of compliance with section 144.05, subdivision 4.

Sec. 3. Minnesota Statutes 2000, section 150A.06, is amended by adding a subdivision to read:

Subd. 2c. [GUEST LICENSE OR REGISTRATION.] (a) The board shall grant a guest license to practice as a dentist or dental hygienist or a guest registration to practice as a dental assistant if the following conditions are met:

(1) the dentist, dental hygienist, or dental assistant is currently licensed or registered in good standing in North Dakota, South Dakota, Iowa, or Wisconsin;

(2) the dentist, dental hygienist, or dental assistant is currently engaged in the practice of that person's respective profession in North Dakota, South Dakota, Iowa, or Wisconsin;

(3) the dentist, dental hygienist, or dental assistant is seeking to practice in a public health setting in Minnesota that (i) is approved by the board; (ii) was established by a nonprofit organization that is tax exempt under chapter 501(c)(3) of the Internal Revenue Code of 1986; and (iii) provides dental care to patients who have difficulty accessing dental care;

(4) the dentist, dental hygienist, or dental assistant agrees to treat indigent patients who meet the eligibility criteria established by the clinic; and

(5) the dentist, dental hygienist, or dental assistant has applied to the board for a guest license or registration, providing evidence of being currently licensed or registered in good standing in North Dakota, South Dakota, Iowa, or Wisconsin, and has paid a nonrefundable license fee to the board of \$50.

(b) A dentist, dental hygienist, or dental assistant practicing under a guest license or registration may only practice at a single, specific location in Minnesota. A guest license or registration must be renewed annually with the board and an annual renewal fee of \$50 must be paid to the board. If the clinic in Minnesota at which a dentist, dental hygienist, or dental assistant seeks to practice permanently ceases operation, the guest license or registration issued under this subdivision is automatically revoked.

(c) A dentist, dental hygienist, or dental assistant practicing under a guest license or registration under this subdivision shall have the same obligations as a dentist, dental hygienist, or dental assistant who is licensed in Minnesota and shall be subject to the laws and rules of Minnesota and the regulatory authority of the board. If the board suspends or revokes the guest license or registration of, or otherwise disciplines, a dentist, dental hygienist, or dental assistant practicing under this subdivision, the board shall promptly report such disciplinary action to the dentist's, dental hygienist's, or dental assistant's regulatory board in the border state.

**[EFFECTIVE DATE.]** This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2001 Supplement, section 256B.69, subdivision 5b, is amended to read:

Subd. 5b. [PROSPECTIVE REIMBURSEMENT RATES.] (a) For prepaid medical assistance and general assistance medical care program contract rates set by the commissioner under subdivision 5 and effective on or after January 1, 1998, capitation rates for nonmetropolitan counties shall on a weighted average be no less than 88 percent of the capitation rates for metropolitan counties, excluding Hennepin county. The commissioner shall make a pro rata adjustment in capitation rates paid to counties other than nonmetropolitan counties in order to make this provision budget neutral. The commissioner, in consultation with a health care actuary, shall evaluate the regional rate relationships based on actual health plan costs for Minnesota health care programs. The commissioner may establish, based on the actuary's recommendation, new rate regions that recognize metropolitan areas outside of the seven-county metropolitan area.

(b) For prepaid medical assistance program contract rates set by the commissioner under subdivision 5 and effective on or after January 1, 2001, capitation rates for nonmetropolitan counties shall, on a weighted average, be no less than 89 percent of the capitation rates for metropolitan counties, excluding Hennepin county.

(c) This subdivision shall not affect the nongeographically based risk adjusted rates established under section 62Q.03, subdivision 5a.

Sec. 5. Minnesota Statutes 2000, section 261.063, is amended to read:

261.063 [TAX LEVY FOR SOCIAL SERVICES; BOARD DUTY; PENALTY.]

(a) The board of county commissioners of each county shall annually levy taxes and fix a rate sufficient to produce the full amount required for poor relief, general assistance, Minnesota family investment program, county share of county and state supplemental aid to supplemental security income applicants or recipients, and any other social security measures wherein there is now or may hereafter be county participation, sufficient to produce the full amount

necessary for each such item, including administrative expenses, for the ensuing year, within the time fixed by law in addition to all other tax levies and tax rates, however fixed or determined, and any commissioner who shall fail to comply herewith shall be guilty of a gross misdemeanor and shall be immediately removed from office by the governor. For the purposes of this paragraph, "poor relief" means county services provided under sections 261.035, 261.04, and 261.21 to 261.231.

(b) Nothing within the provisions of this section shall be construed as requiring a county agency to provide income support or cash assistance to needy persons when they are no longer eligible for assistance under general assistance, the Minnesota family investment program, or Minnesota supplemental aid.

Sec. 6. [604A.33] [REFERENCE CHECKS BY CERTAIN HEALTH CARE PROVIDERS AND FACILITIES.]

Subdivision 1. [APPLICATION.] This section applies to residential treatment programs for children or group homes for children licensed under chapter 245A, residential services and programs for juveniles licensed under section 241.021, providers licensed pursuant to sections 144A.01 to 144A.33 or sections 144A.43 to 144A.48, providers of day training and habilitation services under sections 252.40 to 252.46, board and lodging facilities licensed under chapter 157, intermediate care facilities for persons with mental retardation or related conditions, and other facilities licensed to provide residential services to persons with developmental disabilities.

Subd. 2. [CAUSES OF ACTION.] No action may be brought against a provider or facility listed in subdivision 1 or a designated employee or agent of such a provider or facility who discloses information regarding a former or current employee to a prospective employer as provided under this section. This subdivision does not preclude a charge or action under chapter 363, or an action arising from a disclosure that the plaintiff proves, by a preponderance of the evidence, was made fraudulently or with deliberate disregard as to its truth or falsity. This subdivision does not preclude an action against a prospective employer for disclosing information received under this section.

Subd. 3. [REFERENCE CHECKS.] (a) Upon written request, a provider or facility listed in subdivision 1 or a designated employee or agent of such a provider or facility may disclose the following information about a current or former employee to a prospective employer:

(1) dates of employment;

(2) compensation and wage history;

(3) job description and duties;

(4) training and education provided by the employer; and

(5) all acts of violence, theft, harassment, or illegal conduct documented in the personnel record which resulted in disciplinary action or resignation, and the employee's written response, if necessary, contained in the personnel record.

(b) With the written authorization of the current or former employee, a provider or facility listed in subdivision 1 or a designated employee or agent of such a provider or facility may also disclose the following information in writing to a prospective employer:

(1) written employee evaluations conducted prior to the employee's separation from the employer and the employee's written response, if any, contained in the employee's personnel record;

(2) disciplinary warnings and actions in the five years before the date of the authorization and the employee's written response, if any, contained in the employee's personnel record; and

(3) reasons for separation from employment.

(c) The provider, facility, designated employee, or agent must provide a written copy of a disclosure made under this subdivision and information on to whom the disclosure was made to the current or former employee upon request.

**[EFFECTIVE DATE.] This section is effective July 1, 2002, and applies to causes of action arising on or after that date."**

Reorder the sections in sequence

Delete the title and insert:

"A bill for an act relating to human services; making changes to certain licensing provisions and continuing care programs; planning for a pilot program to provide deaf-blind services; adding certain requirements when reporting incidents involving a person with mental retardation; changing provisions for nursing home license surcharge, case management services, mental health services, supplemental drug rebate program, personal care services, preadmission screening, and miscellaneous provisions; amending Minnesota Statutes 2000, sections 13.41, subdivision 1; 13.46, subdivision 3; 144.05, by adding a subdivision; 150A.06, by adding a subdivision; 245.462, subdivision 4; 245.4871, subdivision 4; 245.50, subdivisions 1, 2, 5; 245A.02, by adding subdivisions; 245A.035, subdivision 3; 245A.04, by adding a subdivision; 245B.02, subdivision 10; 245B.05, subdivision 7; 245B.07, subdivision 1; 256.9657, subdivision 1; 256B.0625, by adding a subdivision; 256B.0915, subdivisions 4, 6, by adding a subdivision; 256B.431, subdivisions 14, 30; 256B.5012, subdivision 2; 261.063; 626.557, subdivisions 3a, 14; Minnesota Statutes 2001 Supplement, sections 13.46, subdivisions 1, 4; 144A.071, subdivision 1a; 144A.36, subdivision 1; 149A.90, subdivision 1; 245A.03, subdivision 2; 245A.04, subdivisions 3, 3a, 3b, 13d; 245A.07, subdivisions 2a, 3; 245A.144; 245A.16, subdivision 1; 256.045, subdivisions 3b, 4; 256B.0625, subdivision 13; 256B.0627, subdivision 10; 256B.0911, subdivisions 4b, 4d; 256B.0913, subdivisions 4, 5, 8, 10, 12, 14; 256B.0915, subdivisions 3, 5; 256B.0924, subdivision 6; 256B.0951, subdivisions 7, 8; 256B.431, subdivisions 2e, 33; 256B.437, subdivisions 3, 6; 256B.438, subdivision 1; 256B.69, subdivision 5b; 256B.76; 626.556, subdivision 10i; 626.557, subdivision 9d; proposing coding for new law in Minnesota Statutes, chapters 245A; 604A; repealing Minnesota Statutes 2000, section 147B.01, subdivisions 8, 15; Minnesota Statutes 2001 Supplement, section 256B.0621, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Goodno from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 3236, A bill for an act relating to human services; making changes to licensing programs and continuing care programs; requiring certain activity for identification of a deceased person; establishing a guest license category for dentists, dental hygienists, and dental assistants; changing provisions for prospective reimbursement rates; clarifying county duties related to poor relief; amending Minnesota Statutes 2000, sections 144.05, by adding a subdivision; 150A.06, by adding a subdivision; 245.462, subdivision 4; 245.4871, subdivision 4; 245.50, subdivisions 1, 2, 5; 245B.02, subdivision 10; 245B.05, subdivision 7; 245B.07, subdivision 1; 261.063; 626.557, subdivision 14; Minnesota Statutes 2001 Supplement, sections 149A.90, subdivision 1; 245A.04, subdivisions 3b, 3d; 256B.0627, subdivision 10; 256B.0911, subdivisions 4b, 4d; 256B.0913, subdivision 5; 256B.0915, subdivision 3; 256B.0924, subdivision 6; 256B.0951, subdivisions 7, 8; 256B.437, subdivision 6; 256B.69, subdivision 5b.

Reported the same back with the following amendments:

Pages 1 to 54, delete articles 1 and 2

Page 54, delete lines 8 and 9

Pages 54 to 57, delete sections 3 to 5

Delete the title and insert:

"A bill for an act relating to human services; requiring notification for identification of a deceased person; amending Minnesota Statutes 2000, section 144.05, by adding a subdivision; Minnesota Statutes 2001 Supplement, section 149A.90, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Goodno from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 3350, A bill for an act relating to human services; establishing a donated dental services program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [144.129] [DONATED DENTAL SERVICES.]

Subdivision 1. [ESTABLISHMENT.] A donated dental services program is established in which dentists who volunteer their services without compensation provide dental care to public program recipients and the uninsured. The program shall be developed and operated by the Minnesota dental association, or another appropriate and qualified organization, as determined by the commissioner. The program shall:

(1) establish a network of volunteer dentists, including dental specialties, to donate dental services to eligible individuals;

(2) establish a system to refer eligible individuals to the appropriate volunteer dentists;

(3) develop and implement a public awareness campaign to educate eligible individuals about the availability of the program; and

(4) establish, in consultation with the commissioner of health, specific performance and outcome measures that the program must meet.

Subd. 2. [REPORT.] The organization shall provide an annual report to the house and senate committees having jurisdiction over health and human services that:

(1) accounts for state funding received by the program;

(2) documents the number of individuals served by the program and the number of dentists participating as program providers; and

(3) provides data on meeting the specific performance and outcome measures.



## Sec. 2. [APPROPRIATION.]

In fiscal year 2003 only, \$75,000 is transferred from the ADAP rebate account within the special revenue fund established under Minnesota Statutes, section 256.01, to the general fund. Of the amount transferred to the general fund, \$75,000 is appropriated to the commissioner of health in fiscal year 2003 for a grant to the Minnesota dental association, or another appropriate and qualified organization, as determined by the commissioner, to develop and operate the donated dental services program under section 1. The grant may be used for administrative or technical support."

Delete the title and insert:

"A bill for an act relating to health; establishing a donated dental services program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144."

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

The report was adopted.

McElroy from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 3497, A bill for an act relating to commerce; establishing a division of insurance fraud prevention within the department of commerce to investigate and prosecute insurance fraud; appropriating money; prescribing criminal penalties; amending Minnesota Statutes 2000, sections 60A.951, subdivisions 1, 2, by adding subdivisions; 60A.952, subdivisions 1, 2, by adding subdivisions; 60A.953; proposing coding for new law in Minnesota Statutes, chapters 45; 60A; repealing Minnesota Statutes 2000, section 175.16, subdivision 2.

Reported the same back with the following amendments:

Page 5, line 31, delete "than" and insert "that"

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

The report was adopted.

McElroy from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 3648, A bill for an act relating to unemployment insurance; providing a special assessment to pay interest on a federal loan; amending Minnesota Statutes 2000, section 268.051, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [FINDINGS.]

The legislature finds that it is in the public interest to preserve a balance in the workforce development fund that is adequate to fund necessary employment and training programs. Adequate funding preserves the state's ability to provide training and support to employees who, as a result of either large or small layoffs, experience job loss that

may require retraining for a new field, the upgrading of basic skills, or other temporary support that allows them to rejoin the workforce in stable and productive employment. Further, adequate funding for employment and training programs helps to secure a skilled workforce for employers in a variety of fields, and allows employers additional flexibility in locating and planning their business activities in Minnesota. The legislature finds that the transfer of funds out of the workforce development fund to support activities or programs not related to employment and training has the potential to interfere with the goals and objectives of the fund, and to upset the expectations of both employers and employees who rely upon the dedication of these funds to workforce development activities. Therefore, the legislature strongly recommends against any such transfers.

Sec. 2. Minnesota Statutes 2000, section 16A.86, is amended by adding a subdivision to read:

Subd. 5. [CONSULTATIONS.] A political subdivision must, prior to the submission of any capital project request to the governor or the legislature that involves new construction, consult with the commissioner of trade and economic development and obtain information about any existing buildings that may be available and that, either in their current condition or subsequent to proposed improvements, could adequately serve the same function as the proposed new construction. Information on any suitable available buildings must be provided to the legislature along with the capital budget request.

Sec. 3. Minnesota Statutes 2000, section 16B.305, is amended by adding a subdivision to read:

Subd. 4. [CONSULTATIONS.] State agencies must, prior to the submission of any capital project request to the governor or the legislature that involves new construction, consult with the commissioner of trade and economic development and obtain information about any existing buildings that may be available and that, either in their current condition or subsequent to proposed improvements, could adequately serve the same function as the proposed new construction. Information on any suitable available buildings must be provided to the legislature along with the capital budget request.

Sec. 4. Minnesota Statutes 2000, section 48.24, subdivision 5, is amended to read:

Subd. 5. Loans or obligations shall not be subject under this section to any limitation based upon such capital and surplus to the extent that they are secured or covered by guarantees, or by commitments or agreements to take over or to purchase the same, made by:

- (1) the commissioner of agriculture on the purchase of agricultural land;
- (2) any Federal Reserve bank;
- (3) the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States;
- (4) the Minnesota energy and economic development authority; or
- (5) ~~the Minnesota export finance authority; or~~
- (6) a municipality or political subdivision within Minnesota to the extent that the guarantee or collateral is a valid and enforceable general obligation of that political body.

Sec. 5. Minnesota Statutes 2001 Supplement, section 116C.03, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The members of the board are the director of the office of strategic and long-range planning, the commissioner of commerce, the commissioner of the pollution control agency, the commissioner of natural resources, the director of the office of environmental assistance, the commissioner of agriculture, the commissioner of health, the commissioner of trade and economic development, the commissioner of transportation, the chair of the board of water and soil resources, and a representative of the governor's office designated by the

governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members must have knowledge of and be conversant in water management issues in the state. Notwithstanding the provisions of section 15.06, subdivision 6, members of the board may not delegate their powers and responsibilities as board members to any other person. After June 30, 2003, and before July 1, 2004, this prohibition does not apply to the commissioner of trade and economic development.

Sec. 6. [116J.105] [PROMOTION OF AVAILABLE PROPERTIES.]

The commissioner shall communicate regularly with the League of Minnesota Cities, the Minnesota Chamber of Commerce, political subdivisions, and local chambers of commerce, as well as other appropriate local sources of information, to obtain information about available low-cost land and buildings in the state, including, but not limited to, very low-cost properties and properties that have been abandoned. The information the commissioner gains from these communications shall, to the greatest extent possible, be incorporated into any electronic or print publications or databases that the commissioner makes available for marketing purposes.

Sec. 7. Minnesota Statutes 2000, section 116J.565, subdivision 1, is amended to read:

Subdivision 1. [CHARACTERISTICS.] (a) If applications for grants exceed the available appropriations, grants shall be made for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred. In making this judgment, the commissioner shall give priority to redevelopment projects with one or more of the following characteristics:

- (1) the need for redevelopment in conjunction with contamination remediation needs;
- (2) the redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project;
- (3) the redevelopment potential within the municipality;
- (4) proximity to public transit if located in the metropolitan area; and
- (5) multijurisdictional projects that take into account the need for affordable housing, transportation, and environmental impact.

(b) The factors in paragraph (a), clauses (1) to (5), are not listed in a rank order of priority; rather the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The commissioner may consider other factors that affect the net return of public benefits for completion of the redevelopment plan. The commissioner, notwithstanding the listing of priorities and the goal of maximizing the return of public benefits, shall make grants that distribute available money to sites both within and outside of the metropolitan area. The commissioner shall provide a written statement of the supporting reasons for each grant. Unless sufficient applications are not received within the first nine months of a fiscal year for qualifying sites outside of the metropolitan area, at least ~~25~~ 50 percent of the money provided as grants in a fiscal year must be made for sites located outside of the metropolitan area. The commissioner shall consult with the metropolitan council about metropolitan area grants.

Sec. 8. Minnesota Statutes 2000, section 116J.58, subdivision 1, is amended to read:

Subdivision 1. [ENUMERATION.] The commissioner shall:

- (1) investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;
- (2) locate markets for manufacturers and processors and aid merchants in locating and contacting markets;

(3) investigate and study conditions affecting Minnesota business, industry, and commerce and collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state;

(4) plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;

(5) compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;

(6) conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;

(7) study trends and developments in the industries of the state and analyze the reasons underlying the trends; study costs and other factors affecting successful operation of businesses within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

(8) serve as a clearing house for business and industrial problems of the state; and advise small business enterprises regarding improved methods of accounting and bookkeeping;

(9) cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;

(10) cooperate with other state departments, and with boards, commissions, and other state agencies, in the preparation and coordination of plans and policies for the development of the state and for the use and conservation of its resources insofar as the use, conservation, and development may be appropriately directed or influenced by a state agency;

(11) assemble and coordinate information relative to the status, scope, cost, and employment possibilities and the availability of materials, equipment, and labor in connection with public works projects, state, county, and municipal; recommend limitations on the public works; gather current progress information with reference to public and private works projects of the state and its political subdivisions with reference to conditions of employment; inquire into and report to the governor, when requested by the governor, with respect to any program of public state improvements and the financing thereof; and request and obtain information from other state departments or agencies as may be needed properly to report thereon;

(12) study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;

(13) confer and cooperate with the executive, legislative, or planning authorities of the United States and neighboring states and provinces and of the counties and municipalities of such neighboring states, for the purpose of bringing about a coordination between the development of such neighboring provinces, states, counties, and municipalities and the development of this state;

(14) generally, gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other departments of the state for statistical data and results obtained by them and to arrange and compile that statistical information in a manner that seems wise;

(15) ~~prepare an annual report to the legislature estimating and, to the extent possible, describing the number of Minnesota companies which have left the state or moved to surrounding states or other countries. The report should include an estimate of the number of jobs lost by these moves, an estimate of the total employment payroll, average hourly wage of those jobs lost and those created in the new location, and to the extent possible, the reasons for each company moving out of state, if known;~~

~~(16)~~ publish documents and annually convene regional meetings to inform businesses, local government units, assistance providers, and other interested persons of changes in state and federal law related to economic development;

~~(17)~~ (16) annually convene conferences of providers of economic development related financial and technical assistance for the purposes of exchanging information on economic development assistance, coordinating economic development activities, and formulating economic development strategies;

~~(18)~~ (17) provide business with information on the economic benefits of energy conservation and on the availability of energy conservation assistance; and

~~(19)~~ (18) prepare, as part of biennial budget process, performance measures for each business loan or grant program within the jurisdiction of the commissioner. Measures would include source of funds for each program, numbers of jobs proposed or promised at the time of application and the number of jobs created, estimated number of jobs retained, the average salary and benefits for the jobs resulting from the program, and the number of projects approved.

Sec. 9. Minnesota Statutes 2000, section 116J.9665, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

~~(1) "Conference and service center" means the approximately 20,000 square feet of space on the third and fourth floors of the Minnesota world trade center that the state of Minnesota has the right to possess, occupy, and use subject to the terms and conditions of the development agreement.~~

~~(2)~~ "Development agreement" means the agreement entered into by and between the world trade center board, as agent of the state of Minnesota, and Oxford Development Minnesota, Inc. dated July 27, 1984, and the amendments to that agreement, for development and construction of a world trade center at a designated site in Minnesota.

~~(3)~~ (2) "Minnesota world trade center" means the facility constructed in accordance with the development agreement or other facilities meeting the membership requirements of the World Trade Centers Association.

Sec. 10. Minnesota Statutes 2000, section 116J.9665, subdivision 4, is amended to read:

Subd. 4. [DUTIES.] The commissioner shall:

(1) promote and market the Minnesota world trade center and membership in the World Trade Centers Association;

~~(2) sponsor conferences or other promotional events in the conference and service center;~~

~~(3)~~ sponsor, develop, and conduct educational programs related to international trade;

~~(4)~~ (3) establish and maintain an office in the Minnesota world trade center; and

~~(5)~~ (4) not duplicate programs or services provided by the commissioner of agriculture.

Sec. 11. Minnesota Statutes 2000, section 116J.9665, subdivision 6, is amended to read:

Subd. 6. [WORLD TRADE CENTER ACCOUNT.] The world trade center account is in the special revenue fund. ~~All money received from the use of the conference and service center or~~ appropriated under this section must be deposited in the account. Money in the account including interest earned is appropriated to the commissioner and must be used exclusively for the purposes of this section.

Sec. 12. Minnesota Statutes 2000, section 116M.14, subdivision 4, is amended to read:

Subd. 4. [LOW-INCOME AREA.] "Low-income area" means Minneapolis, St. Paul, and ~~inner ring suburbs as defined by the metropolitan council that had a median household income below \$31,000 as reported in the 1990 census~~ those cities in the metropolitan area as defined in section 473.121, subdivision 2, that have an average income that is below 60 percent of the median income for a four-person family as of the latest report by the United States Census Bureau.

Sec. 13. Minnesota Statutes 2000, section 116M.18, subdivision 2, is amended to read:

Subd. 2. [CHALLENGE GRANT ELIGIBILITY; NONPROFIT CORPORATION.] The board may enter into agreements with nonprofit corporations to fund and guarantee loans the nonprofit corporation makes in low-income areas under subdivision 4. A corporation must demonstrate that:

(1) its board of directors includes citizens experienced in development, minority business enterprises, and creating jobs in low-income areas;

(2) it has the technical skills to analyze projects;

(3) it is familiar with other available public and private funding sources and economic development programs;

(4) it can initiate and implement economic development projects;

(5) it can establish and administer a revolving loan account; and

(6) it can work with job referral networks which assist minority and other persons in low-income areas.

Sec. 14. Minnesota Statutes 2000, section 116M.18, subdivision 3, is amended to read:

Subd. 3. [REVOLVING LOAN FUND.] (a) The board shall establish a revolving loan fund to make grants to nonprofit corporations for the purpose of making loans and loan guarantees to new and expanding businesses in a low-income area to promote minority business enterprises and job creation for minority and other persons in low-income areas.

(b) Eligible business enterprises include, but are not limited to, technologically innovative industries, value-added manufacturing, and information industries. Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the board for approval. The commissioner must give final approval for each loan or loan guarantee made by the nonprofit corporation. The amount of ~~a grant the state funds contributed to any loan~~ or loan guarantee may not exceed 50 percent of each loan. ~~The amount of nonstate money must equal at least 50 percent for each loan.~~

Sec. 15. Minnesota Statutes 2000, section 116M.18, subdivision 4, is amended to read:

Subd. 4. [BUSINESS LOAN CRITERIA.] (a) The criteria in this subdivision apply to loans made or guaranteed by nonprofit corporations under the urban challenge grant program.

(b) Loans or guarantees must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the urban challenge grant program.

(c) A loan or guarantee must be used for a project designed to benefit persons in low-income areas through the creation of job or business opportunities for them. Priority must be given for loans to the lowest income areas.

(d) The minimum state contribution to a loan or guarantee is \$5,000 and the maximum is \$150,000.

(e) ~~A loan~~ The state contribution must be matched by at least an equal amount of new private investment.

(f) A loan may not be used for a retail development project.

(g) The business must agree to work with job referral networks that focus on minority applicants from low-income areas.

Sec. 16. Minnesota Statutes 2000, section 116M.18, subdivision 5, is amended to read:

Subd. 5. [REVOLVING FUND ADMINISTRATION; RULES.] (a) The board shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered.

(b) Loan repayment amounts equal to one-half of the principal and interest must be deposited in a revolving fund created by the board for challenge grants. The remaining amount of the loan repayment may be deposited in a revolving loan fund created by the nonprofit corporation originating the loan being repaid for further distribution, consistent with the loan criteria specified in subdivision 4.

(c) Administrative expenses of the board and nonprofit corporations with whom the board enters into agreements under subdivision 2, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business enterprise receiving a loan under subdivision 4, may be paid out of the interest earned on loans and out of interest earned on money invested by the state board of investment under section 116M.16, subdivision 2, as may be provided by the board.

Sec. 17. Minnesota Statutes 2000, section 116M.18, is amended by adding a subdivision to read:

Subd. 6a. [NONPROFIT CORPORATION LOANS.] The board may make loans to a nonprofit corporation with which it has entered into an agreement under subdivision 1. These loans must be used to support a new or expanding business. This support may include such forms of financing as the sale of goods to the business on installment or deferred payments, lease purchase agreements, or royalty investments in the business. The nonprofit corporation must provide at least an equal match to the loan received by the board. The maximum loan available to the nonprofit corporation under this subdivision is \$50,000. Loans made to the nonprofit corporation under this subdivision may be made without interest. Repayments made by the nonprofit corporation must be deposited in the revolving fund created for urban initiative grants.

Sec. 18. Minnesota Statutes 2000, section 116M.18, subdivision 8, is amended to read:

Subd. 8. [REPORTING REQUIREMENTS.] A nonprofit corporation that receives a challenge grant shall:

(1) submit an annual report to the board by September 30 of each year that includes a description of projects supported by the urban challenge grant program, an account of loans made during the calendar year, the program's impact on minority business enterprises and job creation for minority persons and persons in low-income areas, the source and amount of money collected and distributed by the urban challenge grant program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the board.

Sec. 19. Minnesota Statutes 2001 Supplement, section 268.022, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION AND COLLECTION OF SPECIAL ASSESSMENT.] (a) In addition to all other taxes, assessments, and payment obligations under chapter 268, each employer, except an employer making payments in lieu of taxes is liable for a special assessment levied at the rate of one-tenth of one percent per year until June 30, 2000, and seven-hundredths of one percent per year on and after July 1, 2000; on all taxable wages, as defined in section 268.035, subdivision 24. The assessment shall become due and be paid by each employer to the

department on the same schedule and in the same manner as other taxes. Until December 31, 2005, the assessment shall be at the rate specified in paragraph (b). On and after January 1, 2006, the assessment shall be at the rate of seven-hundredths of one percent on taxable wages.

(b) On or before October 1 of each year, the commissioner shall determine the special assessment rate for the following calendar year, which shall be no less than seven-hundredths of one percent of taxable wages and no greater than one-tenth of one percent of taxable wages. The commissioner shall set the rate no higher than necessary in order for the assessment to collect funds adequate to fund the anticipated need for services eligible for funding under this section while maintaining an adequate reserve in the workforce development fund of between \$25,000,000 and \$50,000,000. In determining the rate, the commissioner shall consider the balance in the workforce development fund, available state and local unemployment statistics, and any appropriate information regarding the state's overall economic outlook. On or before January 1 of each year, the commissioner shall report to the legislature on the rate chosen for that year, the reasons that rate was chosen, and the expected financial implications of the chosen rate. This paragraph expires December 31, 2005.

~~(b)~~ (c) The special assessment levied under this section shall not affect the computation of any other taxes, assessments, or payment obligations due under this chapter.

Sec. 20. Minnesota Statutes 2000, section 268.051, subdivision 8, is amended to read:

Subd. 8. [SOLVENCY SPECIAL ASSESSMENT FOR INTEREST ON FEDERAL LOAN.] (a) If the fund balance is less than \$150,000,000 on June 30 October 31 of any year, the commissioner, in consultation with the commissioner of finance, determines that an interest payment will be due during the following calendar year on any loan from the federal unemployment trust fund under section 268.194, subdivision 6, a solvency special assessment on taxpaying employers will be in effect for the following calendar year. The taxpaying employer shall pay quarterly a solvency The legislature authorizes the commissioner, in consultation with the commissioner of finance, to determine the appropriate level of the assessment, of ten from two percent to eight percent of the quarterly unemployment taxes due, that will be necessary to pay the interest due on the loan.

(b) The solvency special assessment shall be placed into a special account from which the commissioner shall pay any interest accruing that has accrued on any loan from the federal unemployment trust fund provided for under section 268.194, subdivision 6. If, at the end of each calendar quarter, the commissioner, in consultation with the commissioner of finance, determines that the balance in this special account, including interest earned on the special account, is more than is necessary to pay the interest which has accrued on any loan as of that date, or will accrue over the following calendar quarter, the commissioner shall immediately pay to the fund the amount in excess of that necessary to pay the interest on any loan.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 21. Minnesota Statutes 2000, section 446A.07, subdivision 4, is amended to read:

Subd. 4. [INTENDED USE PLAN.] (a) The pollution control agency public facilities authority shall annually prepare and submit to the United States Environmental Protection Agency an intended use plan. The plan must identify the intended uses of the amounts available to the water pollution control revolving fund, including a list of wastewater treatment and storm water projects and all other eligible activities to be funded during the fiscal year. Information regarding eligible activities must be submitted to the pollution control agency by the appropriate state agency or department within 30 days of written notification by the pollution control agency.

(b) To be eligible for placement on the intended use plan:

- (1) a project must be listed on the pollution control agency's project priority list;
- (2) the applicant must submit a written request to the public facilities authority, including a brief description of the project, a project cost estimate and the requested loan amount, and a proposed project schedule; and
- (3) for a construction loan, the project must have a facility plan approved by the pollution control agency.



(c) The pollution control agency shall annually provide to the public facilities authority its project priority list of wastewater and storm water projects to be considered for funding. The ~~pollution control agency public facilities authority~~ may not submit the plan until it has received the review and comment of the ~~authority pollution control agency~~ or until 30 days have elapsed since the plan was submitted to the ~~authority pollution control agency~~, whichever occurs first. In addition, the public facilities authority shall offer municipalities seeking placement on the intended use plan an opportunity to review and comment on the plan before it is adopted. The plan may be amended to add additional projects for consideration for funding as it determines funds are available and additional projects are able to proceed.

Sec. 22. Minnesota Statutes 2000, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. [BONDING AUTHORITY.] The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed ~~\$850,000,000~~ \$1,000,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 23. Minnesota Statutes 2000, section 462A.04, subdivision 1, is amended to read:

Subdivision 1. [CREATION; MEMBERS.] There is created a public body corporate and politic to be known as the "Minnesota housing finance agency," which shall perform the governmental functions and exercise the sovereign powers delegated to it in this chapter in furtherance of the public policies and purposes declared in section 462A.02. The agency shall consist of the ~~commissioner of trade and economic development~~, state auditor; and ~~five~~ six public members appointed by the governor with advice and consent of the senate. No more than ~~two~~ three public members shall reside in the area of jurisdiction of the metropolitan council as provided in section 473.123, subdivision 1, and no more than one public member shall reside in any one of the development regions established under the provisions of sections 462.381 to 462.396. Each member shall hold office until a successor has been appointed and has qualified. At least one member shall have private sector business experience. A certificate of appointment or reappointment of any member shall be conclusive evidence of the due and proper appointment of the member.

Sec. 24. Minnesota Statutes 2000, section 462A.04, subdivision 4, is amended to read:

Subd. 4. [CHAIRS.] The chair of the board of directors shall be designated by the governor from among the public members appointed. ~~The vice-chair of the board shall be the commissioner of trade and economic development.~~

Sec. 25. Laws 2001, First Special Session chapter 4, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. Office of Tourism

10,219,000

10,111,000

To develop maximum private sector involvement in tourism, \$3,500,000 the first year and \$3,500,000 the second year of the amounts appropriated for marketing activities are contingent on receipt of an equal contribution from nonstate sources that have been certified by the commissioner. Up to one-half of the match may be given in in-kind contributions.

In order to maximize marketing grant benefits, the commissioner must give priority for joint venture marketing grants to organizations with year-round sustained tourism activities. For programs and projects submitted, the commissioner must give priority to those that encompass two or more areas or that attract nonresident travelers to the state.

If an appropriation for either year for grants is not sufficient, the appropriation for the other year is available for it.

The commissioner may use grant dollars or the value of in-kind services to provide the state contribution for the partnership program.

Any unexpended money from general fund appropriations made under this subdivision does not cancel but must be placed in a special advertising account for use by the office of tourism to purchase additional media.

Of this amount, \$50,000 the first year is for a one-time grant to the Mississippi River parkway commission to support the increased promotion of tourism along the Great River Road.

\$829,000 the first year and \$829,000 the second year are for the Minnesota film board. \$329,000 of this appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind from nonstate sources for every \$3 provided by this appropriation. Of this amount, \$500,000 the first year and \$500,000 the second year are for grants to the Minnesota film board for a film production jobs fund to stimulate film production in Minnesota. This appropriation is to reimburse film and television producers for up to ten percent of the documented wages and cost of services that they paid to Minnesotans for film and television production after January 1, 2001.

\$150,000 the first year is for partnerships with local tourism interests to operate travel information centers. This is a one-time appropriation. This appropriation is available until spent.

Sec. 26. Laws 2001, First Special Session chapter 4, article 2, section 31, is amended to read:

Sec. 31. [WORKFORCE ENHANCEMENT FEE.]

Subdivision 1. [FEE.] Notwithstanding Minnesota Statutes, section 268.022, effective January 1, 2002, the special assessment under that section on taxable wages as defined in Minnesota Statutes, section 268.035, subdivision 24, is suspended until December 31, 2005. Effective January 1, 2002, there shall be assessed, in addition to unemployment taxes due under Minnesota Statutes, section 268.051, a workforce enhancement fee of ~~09~~ 12 percent on taxable wages. This fee shall be due and be paid on the same schedule and in the same manner as unemployment taxes under Minnesota Statutes, section 268.051. Any amount past due under this section shall be subject to the same interest and collection provisions as unemployment taxes. This fee shall expire on December 31, 2005.

Subd. 2. [USE OF FUNDS COLLECTED.] An amount equal to ~~.07~~ 0.1 percent on taxable wages shall be deposited in the workforce development fund provided for under Minnesota Statutes, section 268.022, subdivision 2. An amount equal to .02 percent on taxable wages, less reimbursement for collection costs of the total amount of the fee, shall be deposited in the unemployment insurance technology initiative account provided for in section 32.

Sec. 27. [FARMLAND FOODS EXTRA BENEFITS.]

Subdivision 1. [EXTRA BENEFITS; AVAILABILITY.] Extra unemployment benefits are available to an applicant if the applicant was permanently laid off due to lack of work on or after July 8, 2001, from the Farmland Foods Company in Freeborn county.

Subd. 2. [PAYMENT FROM FUND; EFFECT ON EMPLOYER.] Extra unemployment benefits are payable from the fund. Extra unemployment benefits shall not affect the future tax rate of a taxpaying employer nor be charged to the reimbursing account of a government or nonprofit employer.

Subd. 3. [ELIGIBILITY CONDITIONS.] An applicant is eligible to receive extra unemployment benefits under this section for any week until July 5, 2003, as a result of a layoff described under subdivision 1, if:

(1) a majority of the applicant's wage credits were with Farmland Foods Company;

(2) except as provided in subdivision 6, the applicant meets the eligibility requirements of Minnesota Statutes, section 268.085;

(3) the applicant is not subject to a disqualification under Minnesota Statutes, section 268.095;

(4) the applicant is not entitled to regular unemployment benefits and the applicant is not entitled to receive unemployment benefits under any other state or federal law for that week; and

(5) the applicant is enrolled in, or has within the last two weeks successfully completed, a program that qualifies as reemployment assistance training under the dislocated worker program, except that an applicant whose training is scheduled to begin in more than 30 days may be considered to be in training if: (i) the applicant's chosen training program does not offer an available start date within 30 days; (ii) the applicant is scheduled to begin training on the earliest available start date for the chosen training program; and (iii) the applicant is scheduled to begin training in no more than 60 days.

If an applicant qualifies for a new regular benefit account at any time after exhausting regular unemployment benefits as a result of the layoff under subdivision 1, the applicant must apply for and exhaust entitlement to those new regular unemployment benefits.

Subd. 4. [WEEKLY AMOUNT OF EXTRA BENEFITS.] The weekly extra unemployment benefits amount available to an applicant is the same as the applicant's weekly regular unemployment benefit amount on the benefit account established as a result of a layoff under subdivision 1.

Subd. 5. [MAXIMUM AMOUNT OF EXTRA UNEMPLOYMENT BENEFITS.] The maximum amount of extra unemployment benefits available is 26 times the applicant's weekly extra unemployment benefits amount. Any type of unemployment benefits, under any state or federal law, the applicant may be entitled to after exhausting regular unemployment benefits as a result of a layoff under subdivision 1, shall reduce the maximum amount of extra unemployment benefits available. The reduction in total extra unemployment benefits available shall equal the total amount of any other type of unemployment benefits available.

Subd. 6. [PROGRAM EXPIRATION.] This extra unemployment benefit program expires on July 5, 2003. No extra unemployment benefits shall be paid for any week after the expiration of this program.

[EFFECTIVE DATE.] This section is effective the day following final enactment and is retroactive to July 8, 2001.

Sec. 28. [AIRLINE AND RELATED INDUSTRIES EXTRA BENEFITS.]

Subdivision 1. [EXTRA BENEFITS; AVAILABILITY.] Extra unemployment benefits are available to an applicant who has a benefit account effective March 11, 2001, or thereafter if the applicant was laid off due to lack of work from Northwest Airlines, Sun Country Airlines, Mesaba Airlines, United Airlines, LSG Sky Chefs, Air Wisconsin, American Airlines, American TransAir, Champion Air, Chautaugua Airlines, Continental Airlines, Emery Worldwide Air, Great Lakes Airlines, PanAm International, Skyway Airlines, and U.S. Airways.

Subd. 2. [PAYMENT FROM FUND; EFFECT ON EMPLOYER.] Extra unemployment benefits are payable from the fund.

Subd. 3. [ELIGIBILITY CONDITIONS.] An applicant described under subdivision 1 is eligible to receive extra unemployment benefits under this section for any week through March 15, 2003, if:

(1) a majority of the applicant's wage credits were with an employer specified under subdivision 1;

(2) the applicant meets the eligibility requirements of Minnesota Statutes, section 268.085;

(3) the applicant is not subject to a disqualification under Minnesota Statutes, section 268.095;

(4) the applicant is not entitled to any regular, additional, or extended unemployment benefits for that week and the applicant is not entitled to receive unemployment benefits under any other state or federal law for that week;

(5) the applicant is enrolled in, or has within the last two weeks successfully completed, a program that qualifies as reemployment assistance training under the Minnesota dislocated worker program except that an applicant whose training is scheduled to begin in more than 30 days may be considered to be in training if: (i) the applicant's chosen training program does not offer an available start date within 30 days; (ii) the applicant is scheduled to begin training on the earliest available start date for the chosen training program; and (iii) the applicant is scheduled to begin training in no more than 60 days; and

(6) an applicant qualifies for a new regular benefit account at any time after exhausting regular unemployment benefits as a result of a layoff under subdivision 1, the applicant must apply for and exhaust entitlement to those new regular or any other type of unemployment benefits under any state or federal law.

Subd. 4. [WEEKLY AMOUNT OF EXTRA BENEFITS.] The weekly extra unemployment benefits amount available to an applicant is the same as the applicant's weekly regular unemployment benefit amount on the benefit account established as a result of a layoff under subdivision 1.

Subd. 5. [MAXIMUM AMOUNT OF EXTRA UNEMPLOYMENT BENEFITS.] The maximum amount of extra unemployment benefits available is 13 times the applicant's weekly extra unemployment benefits amount. Any type of unemployment benefits, under any state or federal law, the applicant may be entitled to after exhausting regular unemployment benefits as a result of a layoff under subdivision 1, shall reduce the maximum amount of extra unemployment benefits available. The reduction in total extra unemployment benefits available shall equal the total amount of any other type of unemployment benefits available.

Subd. 6. [PROGRAM EXPIRATION.] This extra unemployment benefit program expires on January 3, 2004. No extra unemployment benefits shall be paid for any week after the expiration of this program.

[EFFECTIVE DATE.] This section is effective the day following final enactment and is retroactive to September 16, 2001.

## Sec. 29. [FINDINGS.]

The legislature finds that the extension of unemployment benefits as provided in this act is appropriate based on the unique circumstances of airline and airport businesses. Specifically, the extension is appropriate because:

- (1) a national emergency contributed to the unemployment experienced by the affected applicants;
- (2) the federal government shut down the airline industry after September 11, 2001; and
- (3) the airline industry received substantial assistance from the federal government.

## Sec. 30. [REINSTATEMENT OF LAW.]

Notwithstanding its repeal by Laws 2001, First Special Session chapter 4, article 2, section 41, Minnesota Statutes 2000, section 268.976, as amended by Laws 2001, chapter 175, section 50, is revived.

## Sec. 31. [REPEALER.]

Minnesota Statutes 2000, sections 116J.9672; and 116J.9673, are repealed."

Delete the title and insert:

"A bill for an act relating to economic development; modifying programs and practices; providing findings; modifying fees and assessments; providing extra unemployment benefits for certain laid-off workers; providing a special assessment; providing consultation requirements for capital projects; repealing obsolete provisions; reinstating a repealed law; amending Minnesota Statutes 2000, sections 16A.86, by adding a subdivision; 16B.305, by adding a subdivision; 48.24, subdivision 5; 116J.565, subdivision 1; 116J.58, subdivision 1; 116J.9665, subdivisions 1, 4, 6; 116M.14, subdivision 4; 116M.18, subdivisions 2, 3, 4, 5, 8, by adding a subdivision; 268.051, subdivision 8; 446A.07, subdivision 4; 446A.12, subdivision 1; 462A.04, subdivisions 1, 4; Minnesota Statutes 2001 Supplement, sections 116C.03, subdivision 2; 268.022, subdivision 1; Laws 2001, First Special Session chapter 4, article 1, section 2, subdivision 5; Laws 2001, First Special Session chapter 4, article 2, section 31; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 2000, sections 116J.9672; 116J.9673."

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

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 2604, 3166 and 3236 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. Nos. 1030, 1072, 1555, 2419, 2422, 2433, 2448, 2533, 2540, 2568, 2578, 2580, 2612, 2680, 2752, 2768, 2795, 2890, 2949, 2953, 2960, 2998, 3034, 3073, 3080, 3084, 3100, 3115, 3117, 3124, 3126, 3145, 3147, 3167, 3174, 3204, 3231, 3257, 3258, 3315 and 3322 were read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Daggett introduced:

H. F. No. 3684, A bill for an act relating to the city of Detroit Lakes; authorizing pooling of tax increments to meet certain debt service obligations of a tax increment financing district.

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

Erickson introduced:

H. F. No. 3685, A bill for an act relating to health; providing for record of birth to be filed for birth resulting in stillbirth; amending Minnesota Statutes 2001 Supplement, section 144.215, subdivision 2, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Erickson introduced:

H. F. No. 3686, A resolution urging the Congress of the United States to repeal a provision of federal law that requires each state to record the social security number of a citizen on an application for a driver's license for the state to receive certain federal funding.

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

Kahn introduced:

H. F. No. 3687, A bill for an act relating to taxation; authorizing the extension of the duration of a tax increment financing district located in the city of Minneapolis.

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

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 58, A bill for an act relating to alcoholic beverages; prescribing standards for identification of beer kegs; requiring retailers of beer to maintain records of sale of beer kegs and to record the identification number of each beer keg sold; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 340A.

H. F. No. 3190, A bill for an act relating to corrections; requiring the juvenile court to send data relating to juvenile petitions to the statewide supervision system; amending Minnesota Statutes 2000, sections 260B.171, subdivision 2; 299C.09; 299C.147, subdivisions 3, 4; Minnesota Statutes 2001 Supplement, section 299C.147, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2612, A bill for an act relating to occupations; revising circumstances in which the signature of a licensed architect, licensed engineer, licensed land surveyor, licensed landscape architect, licensed geoscientist, or certified interior designer is required; amending Minnesota Statutes 2000, section 326.12, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 3256, 3168, 2739, 2516, 2430, 3133, 3345, 3136, 3288, 3286, 2460 and 3380.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 3293, 2492, 2463, 2678, 2611, 2957, 222, 2989, 3059, 3086, 2627, 3024 and 2988.

PATRICK E. FLAHAVEN, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 3256, A bill for an act relating to agriculture; modifying limits on the sale of prepared foods at community events or farmers' markets; amending Minnesota Statutes 2000, section 28A.15, subdivision 9.

The bill was read for the first time.

Schumacher moved that S. F. No. 3256 and H. F. No. 3406, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3168, A bill for an act relating to municipalities; providing for a bidding exception for certain water tank service contracts; authorizing an agreement for the city of Walker to maintain and operate the state's water tower at Ah-Gwah-Ching; amending Minnesota Statutes 2000, section 471.345, by adding a subdivision.

The bill was read for the first time.

Howes moved that S. F. No. 3168 and H. F. No. 2995, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2739, A bill for an act relating to liquor; exempting hotel honor bars from hours of sale restrictions; modifying minimum distance from specified state universities; authorizing the cities of Proctor, Albert Lea, Eden Prairie, West St. Paul, Brainerd, and Coon Rapids to issue on-sale licenses; amending Minnesota Statutes 2000, section 340A.504, by adding a subdivision; Minnesota Statutes 2001 Supplement, section 340A.412, subdivision 4; Laws 1999, chapter 202, section 12.

The bill was read for the first time.

Stang moved that S. F. No. 2739 and H. F. No. 3058, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2516, A bill for an act relating to agriculture; clarifying the definition of pastures for the purpose of animal feedlot regulation; amending Minnesota Statutes 2000, section 116.07, subdivision 7.

The bill was read for the first time.

Skoe moved that S. F. No. 2516 and H. F. No. 2894, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2430, A bill for an act relating to higher education; requesting the University of Minnesota and Minnesota state colleges and universities to complete a study allowing students to rent instructional materials.

The bill was read for the first time and referred to the Committee on Higher Education Finance.

S. F. No. 3133, A bill for an act relating to health; requiring legislative approval before the commissioner of health adopts certain new or amended rules governing the Minnesota Clean Indoor Air Act; amending Minnesota Statutes 2000, section 144.417, subdivision 1.

The bill was read for the first time.

Seifert moved that S. F. No. 3133 and H. F. No. 2625, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3345, A bill for an act relating to insurance; regulating certain credit scoring procedures; proposing coding for new law in Minnesota Statutes, chapter 60K.

The bill was read for the first time.

Davids moved that S. F. No. 3345 and H. F. No. 3425, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3136, A bill for an act relating to workers' compensation; modifying payment provisions; modifying intervention procedures; changing the calculation of special fund assessments; amending Minnesota Statutes 2000, sections 176.092, subdivision 1, by adding a subdivision; 176.106, subdivision 6; 176.111, subdivision 22; 176.129, subdivisions 7, 9, by adding subdivisions; 176.130, subdivisions 8, 9; 176.139, subdivision 2; 176.155, subdivision 2; 176.181, subdivision 3; 176.182; 176.185, subdivision 5a; 176.194, subdivision 3; 176.361; 176.84, subdivision 2; Minnesota Statutes 2001 Supplement, sections 176.103, subdivision 3; 176.129, subdivisions 10, 13; 176.194, subdivision 4; repealing Minnesota Statutes 2000, section 176.129, subdivisions 3, 4, 4a.

The bill was read for the first time.



Nornes moved that S. F. No. 3136 and H. F. No. 3348, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3288, A bill for an act relating to public employment labor relations; extending the expiration of an interest arbitration provision governing firefighters; amending Minnesota Statutes 2000, section 179A.16, subdivision 7a.

The bill was read for the first time.

Rhodes moved that S. F. No. 3288 and H. F. No. 3537, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3286, A bill for an act relating to adoption; requiring a registered putative father to serve notice of a paternity action on an interested party; amending Minnesota Statutes 2000, section 259.52, subdivision 10.

The bill was read for the first time.

Larson moved that S. F. No. 3286 and H. F. No. 3059, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2460, A bill for an act relating to crimes; imposing special civil liability for destruction of field crop products, animals, and organisms; providing criminal penalties for persons who promote, advocate, and take responsibility for criminal acts under certain circumstances; amending Minnesota Statutes 2001 Supplement, section 609.495, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 604.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 3380, A bill for an act relating to family law; modifying provisions governing postnuptial contracts; amending Minnesota Statutes 2000, section 519.11, subdivision 1a.

The bill was read for the first time.

Leighton moved that S. F. No. 3380 and H. F. No. 3455, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3293, A bill for an act relating to highways; transferring three state highways and vacating one state highway; repealing Minnesota Statutes 2000, section 161.115, subdivisions 122, 197, 204, 233.

The bill was read for the first time.

Clark, J., moved that S. F. No. 3293 and H. F. No. 3135, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2492, A bill for an act relating to economic development; providing extra unemployment benefits for certain workers laid off from Fingerhut Companies, Incorporated, Farmland Foods Company, and airline and airline-related industries.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

S. F. No. 2463, A bill for an act relating to employment; regulating overtime for nurses; allowing reciprocity for border state nursing licensees; amending Minnesota Statutes 2000, sections 148.211, by adding a subdivision; 148.261, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the first time.

Howes moved that S. F. No. 2463 and H. F. No. 2993, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2678, A bill for an act relating to natural resources; making technical changes and clarifications; modifying certain requirements for nonresident youth small game hunting; modifying requirements for firearms safety certificate; modifying prohibitions of hunting while under the influence; providing for taking unprotected birds; making certain stamp exemptions; modifying certain report requirements; amending Minnesota Statutes 2000, sections 86B.311, subdivision 5; 97A.015, subdivisions 16, 17; 97A.085, subdivision 7; 97A.451, subdivision 3a; 97B.020; 97B.065, subdivisions 1, 3, 4; 97B.066, subdivision 1; 97B.651; 97B.655, subdivision 1; 97B.715, subdivision 1; 97B.801; 97C.031; 97C.317; 169A.03, subdivision 3; Minnesota Statutes 2001 Supplement, section 97C.305, subdivision 2; Laws 1989, chapter 335, article 1, section 21, subdivision 8.

The bill was read for the first time.

Hackbarth moved that S. F. No. 2678 and H. F. No. 2684, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2611, A bill for an act relating to crime prevention; adopting a new compact for interstate adult offender supervision and repealing the existing compact; creating an advisory council on interstate adult offender supervision; requiring the appointment of a compact administrator; imposing criminal penalties for a violation of the new compact; appropriating money; amending Minnesota Statutes 2000, section 243.161; proposing coding for new law in Minnesota Statutes, chapter 243; repealing Minnesota Statutes 2000, section 243.16.

The bill was read for the first time.

Stanek moved that S. F. No. 2611 and H. F. No. 2662, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2957, A bill for an act relating to professions; requiring reporting of practice act violations to the board of dentistry; providing complainant immunity; amending Minnesota Statutes 2000, section 13.383, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 150A.

The bill was read for the first time.

McElroy moved that S. F. No. 2957 and H. F. No. 3193, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 222, A bill for an act relating to natural resources; establishing a gross misdemeanor penalty for gross overlimit violations of fish and game laws; setting certain restitution values; providing criminal penalties; requiring fish and game license seizure for certain violations; establishing possession criteria for commercial fishing operations; modifying commercial license reinstatement provisions; amending Minnesota Statutes 2000, sections 97A.015, by adding a subdivision; 97A.225, subdivision 1; 97A.255, by adding a subdivision; 97A.421, subdivision 5, by adding a subdivision; 97C.505, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 97A; 97C.

The bill was read for the first time.

Haas moved that S. F. No. 222 and H. F. No. 94, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2989, A bill for an act relating to corrections; clarifying mandatory sentences for driving while impaired offenders; enhancing offender accountability by requiring offender co-payment of certain sex offender treatment fees; authorizing an independent, contracted, board-certified forensic pathologist to sign the record of death on department incarcerated deaths; amending Minnesota Statutes 2000, section 241.67, by adding a subdivision; Minnesota Statutes 2001 Supplement, sections 169A.276, subdivision 1; 390.23.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 3059, A bill for an act relating to youth employment; modifying the requirements for youth employment involvement in certain construction projects paid for with grant funds; amending Minnesota Statutes 2000, section 119A.45.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

S. F. No. 3086, A bill for an act relating to domestic abuse; providing for the effect of a recognition of paternity upon temporary custody; providing a presumption concerning an order of protection; amending Minnesota Statutes 2000, sections 13.82, subdivision 5; 257.75, subdivision 3; 518.179, subdivision 2; 518B.01, subdivisions 5, 7, 13; 609.748, subdivision 4; 629.341, subdivision 4; Minnesota Statutes 2001 Supplement, sections 518B.01, subdivision 6; 629.72, subdivision 4.

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

S. F. No. 2627, A bill for an act relating to health; requiring optometrists and ophthalmologists to give patients copies of their prescriptions for contact lenses; establishing other requirements for access to and the content of prescriptions for contact lenses; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time.

Paulsen moved that S. F. No. 2627 and H. F. No. 2603, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3024, A bill for an act relating to commerce; providing certain cosmetology definitions; regulating continuing education and licensing requirements for certain licensees; regulating the contractor's recovery fund; providing for the adoption and amendment of uniform conveyancing forms; amending Minnesota Statutes 2000, sections 82.20, subdivision 13; 82.22, subdivision 6; 82B.19, subdivision 1; 82B.21; 155A.03, by adding subdivisions; 155A.07, by adding a subdivision; 326.975, by adding subdivisions; 507.09; Minnesota Statutes 2001 Supplement, section 82.22, subdivision 13.

The bill was read for the first time.

Haas moved that S. F. No. 3024 and H. F. No. 2989, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2988, A bill for an act relating to financial institutions; regulating detached facilities, certain charges and fees, and mortgage prepayment penalties; amending Minnesota Statutes 2000, sections 47.20, subdivision 5; 47.204, subdivision 1; 47.21; 47.54, subdivisions 1, 2; 47.59, subdivision 1; 58.04, subdivision 4; 334.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 58; 334; repealing Minnesota Statutes 2000, sections 52.17, subdivision 1; 334.021.

The bill was read for the first time.

Davids moved that S. F. No. 2988 and H. F. No. 3257, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

### CALENDAR FOR THE DAY

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

### MOTIONS AND RESOLUTIONS

Vandever moved that the name of Krinkie be added as chief author on H. F. No. 2968. The motion prevailed.

Gerlach moved that the names of Jacobson, Abeler and Jordan be added as authors on H. F. No. 3275. The motion prevailed.

Holsten moved that H. F. No. 1543 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Ways and Means. The motion prevailed.

Ozment moved that H. F. No. 2920 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Ways and Means. The motion prevailed.

Hackbarth moved that H. F. No. 2970 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Ways and Means. The motion prevailed.

Holsten moved that H. F. No. 2973 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Ways and Means. The motion prevailed.

Davids moved that S. F. No. 3015 be recalled from the Committee on Jobs and Economic Development Finance and be re-referred to the Committee on Ways and Means. The motion prevailed.

Holsten moved that H. F. No. 3432 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Ways and Means. The motion prevailed.

Abrams moved that H. F. No. 3664 be recalled from the Committee on Local Government and Metropolitan Affairs and be re-referred to the Committee on Taxes. The motion prevailed.

Ozment moved that H. F. No. 2604, now on the General Register, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Abeler moved that H. F. No. 3166, now on the General Register, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Vandever moved that H. F. No. 3169, now on the General Register, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Vandever moved that H. F. No. 3236, now on the General Register, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

#### ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 8:00 p.m., Wednesday, March 13, 2002. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 8:00 p.m., Wednesday, March 13, 2002.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

