

STATE OF MINNESOTA

EIGHTY-SECOND SESSION — 2001

 TWENTY-SIXTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 26, 2001

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

Prayer was offered by Pastor Marylee Fithian, United Methodist Pastor, 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	Dorn	Holberg	Lieder	Otremba	Stang
Abrams	Eastlund	Holsten	Lindner	Ozment	Swapinski
Anderson, B.	Entenza	Howes	Lipman	Paulsen	Swenson
Bakk	Erhardt	Huntley	Luther	Pawlentz	Sykora
Bernardy	Erickson	Jacobson	Mahoney	Paymar	Thompson
Biernat	Evans	Jaros	Mares	Penas	Tingelstad
Bishop	Finseth	Jennings	Mariani	Peterson	Tuma
Boudreau	Folliard	Johnson, J.	Marko	Pugh	Vandever
Bradley	Fuller	Johnson, R.	Marquart	Rhodes	Wagenius
Buesgens	Gerlach	Johnson, S.	McElroy	Rifenberg	Walker
Carlson	Gleason	Kahn	McGuire	Rukavina	Walz
Cassell	Goodno	Kalis	Milbert	Ruth	Wasiluk
Clark, J.	Goodwin	Kelliher	Molnau	Schumacher	Wenzel
Clark, K.	Gray	Kielkucki	Mulder	Seagren	Westerberg
Daggett	Greiling	Knoblach	Mullery	Seifert	Westrom
Davids	Gunther	Koskinen	Murphy	Sertich	Wilkin
Davnie	Haas	Krinkie	Ness	Skoe	Winter
Dawkins	Hackbarth	Kubly	Nornes	Skoglund	Wolf
Dehler	Harder	Kuisle	Olson	Slawik	Workman
Dempsey	Hausman	Larson	Opatz	Smith	Spk. Sviggum
Dibble	Hilstrom	Lenczewski	Osskopp	Solberg	
Dorman	Hilty	Leppik	Osthoff	Stanek	

A quorum was present.

Anderson, I.; Juhnke and Leighton were excused.

Pelowski was excused until 3:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Penas 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. 741 and H. F. No. 828, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Mullery moved that the rules be so far suspended that S. F. No. 741 be substituted for H. F. No. 828 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 77, A bill for an act relating to agriculture; providing grants and property tax incentives to motor fuel retailers who install E85 pumps and equipment; requiring the state to buy and operate E85 vehicles when they are available; appropriating money; amending Minnesota Statutes 2000, section 273.11, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16C and 41A.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 1, line 16, delete "Sec. 2." and insert "Section 1."

Page 1, line 22, delete "retailer for retailers" and insert "outlet for those"

Pages 1 and 2, delete section 3

Page 2, line 24, delete "4" and insert "2"

Page 2, line 26, delete "2" and insert "1"

Page 2, line 28, delete "5" and insert "3"

Page 2, delete line 29

Page 2, line 30, delete "thereafter." and delete "4" and insert "2"

Delete the title and insert:

"A bill for an act relating to agriculture; providing grants to motor fuel outlets who install E85 pumps and equipment; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 41A."

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

The report was adopted.

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

H. F. No. 137, A bill for an act relating to railroads; requiring local approval of the physical design component of commuter rail corridor plans; amending Minnesota Statutes 2000, section 174.86, subdivisions 2 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [DAN PATCH COMMUTER RAIL LINE; RESTRICTIONS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "Dan Patch commuter rail line" means the commuter rail line between the cities of Northfield and Minneapolis as identified in the commissioner of transportation's commuter rail system plan.

Subd. 2. [PROPERTY ACQUISITION.] The commissioner of transportation may not undertake any capital improvements, including rail track construction, reconstruction, or upgrading, whether directly or by contract, for the Dan Patch commuter rail line unless the commissioner has first acquired, by purchase, gift, or condemnation, or made a good-faith offer to purchase, each parcel of real property that is (1) wholly or primarily used for residential purposes, and (2) located in whole or in part within 100 feet of the railroad right-of-way on which the commuter rail line is or will be located.

Subd. 3. [COMPLIANCE WITH FEDERAL REGULATIONS.] All construction, reconstruction, and upgrading of railroad track for the Dan Patch commuter rail line must comply with federal regulations governing new railroad track construction.

Subd. 4. [LOCAL APPROVAL.] (a) The commissioner of transportation may not construct rail facilities or improve or construct rail track in the Dan Patch commuter rail corridor until:

(1) a public hearing on the physical design component of the advanced corridor plan for the Dan Patch corridor has been held as required by Minnesota Statutes, section 174.86, subdivision 1;

(2) the physical design component of the advanced corridor plan for that corridor has been submitted to the governing body of each statutory or home rule charter city, county, and town as required by Minnesota Statutes, section 174.86, subdivision 2; and

(3) each city and town through which the corridor runs has approved that part of the physical design component located within the city's or town's boundaries.

(b) Failure by a city or town to disapprove the physical design component within 45 days of the public hearing constitutes approval. Approval once given under paragraph (a) may not be subsequently withdrawn.

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

Delete the title and insert:

"A bill for an act relating to railroads; imposing certain restrictions on Dan Patch commuter rail line."

With the recommendation that when so amended the bill be re-referred to the Committee on Transportation Finance without further recommendation.

The report was adopted.

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

H. F. No. 214, A bill for an act relating to the military; increasing allowable tuition reimbursement for national guard members; appropriating money; amending Minnesota Statutes 2000, section 192.501, subdivision 2.

Reported the same back with the following amendments:

Page 1, lines 12 and 13, delete the new language

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 232, A bill for an act relating to crime prevention; appropriating money for grants related to restorative justice programs.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 611A.775, is amended to read:

611A.775 [RESTORATIVE JUSTICE PROGRAMS.]

(a) A community-based organization, in collaboration with a local governmental unit, may establish a restorative justice program. A restorative justice program is a program that provides forums where certain individuals charged with or petitioned for having committed an offense meet with the victim, if appropriate; the victim's family members or other supportive persons, if appropriate; the offender's family members or other supportive persons, if appropriate; a law enforcement official or prosecutor when appropriate; other criminal justice system professionals when appropriate; and members of the community, in order to:

- (1) discuss the impact of the offense on the victim and the community;
- (2) provide support to the victim and methods for reintegrating the victim into community life;
- (3) assign an appropriate sanction to the offender; and
- (4) provide methods for reintegrating the offender into community life.

(b) Restorative justice programs must not provide services in domestic abuse cases.

Sec. 2. [APPROPRIATION.]

\$. is appropriated for the fiscal year ending June 30, 2002, and \$. is appropriated for the fiscal year ending June 30, 2003, from the general fund to the commissioner of corrections for grants related to restorative justice programs as defined in Minnesota Statutes, section 611A.775. Grant recipients must be chosen with community-based practitioner input by an interagency committee made up of representatives from the department of public safety, department of children, families, and learning, department of corrections, supreme court, juvenile

justice advisory committee, and the office of dispute resolution. The interagency committee must consult with community-based restorative justice practitioners. Grant awards must be allocated in a balanced manner among rural, suburban, and urban organizations operating restorative justice programs. Preference must be given to organizations or programs that:

- (1) are currently operating;
- (2) are community-based;
- (3) are based on "best practices" as established by the Minnesota restorative services coalition;
- (4) have demonstrated effectiveness or include evaluation efforts; and
- (5) are supported by both private and public funding."

Delete the title and insert:

"A bill for an act relating to crime prevention; limiting services provided by restorative justice programs; funding restorative justice program grants; appropriating money; amending Minnesota Statutes 2000, section 611A.775."

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

The report was adopted.

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

H. F. No. 279, A bill for an act relating to health; repealing MinnesotaCare premium and provider taxes, the insurance premium tax on health insurance, the assessment for the Minnesota comprehensive health association, and the health maintenance organization and hospital surcharges; requiring pass-through of savings to purchasers; transferring responsibility for losses of the Minnesota comprehensive health association to the state treasury; providing for disposition of tobacco settlement money; providing for contingent repeal of the health care access fund; providing civil penalties; amending Minnesota Statutes 2000, sections 62E.11, subdivision 5; 62Q.095, subdivision 6; 214.16, subdivisions 2 and 3; 256.9657, subdivision 4; 270B.01, subdivision 8; 270B.14, subdivision 1; and 297I.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62Q; and 256L; repealing Minnesota Statutes 2000, sections 13.4967, subdivision 3; 16A.76; 62E.11, subdivision 6; 62T.09; 62T.10; 144.1484, subdivision 2; 256.9657, subdivisions 2 and 3; 256L.02, subdivision 3; 295.50; 295.51; 295.52; 295.53; 295.54; 295.55; 295.56; 295.57; 295.58; 295.582; 295.59; and 297I.05, subdivision 5.

Reported the same back with the following amendments:

Page 3, line 11, delete everything after the period

Page 3, delete lines 12 to 18

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

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

H. F. No. 325, A bill for an act relating to medical assistance; abolishing the hospital surcharge for certain medical assistance costs; appropriating money; repealing Minnesota Statutes 2000, sections 256.9657, subdivision 2; and 256B.19, subdivision 1b.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 1, line 17, delete "Sec. 2." and insert "Section 1."

Page 1, line 18, delete "sections" and insert "section" and delete "subdivision 2;" and insert "subdivisions 2 and 3,"

Page 1, line 19, delete everything before "are"

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

Page 1, line 5, delete "sections" and insert "section" and delete "subdivision 2; and" and insert "subdivisions 2, 3."

Page 1, delete line 6

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 362, A bill for an act relating to motor fuels; requiring that diesel fuel sold in the state contain a minimum of five percent biodiesel fuel oil by volume; proposing coding for new law in Minnesota Statutes, chapter 239.

Reported the same back with the following amendments:

Page 1, lines 8 and 9, delete "Biodiesel fuel oil is" and insert ""Biodiesel fuel oil" means"

Page 1, line 10, delete "or animal fats" and after "that" insert "meets ASTM specification PS 121-99 and"

Page 1, lines 15 and 18, after "Minnesota" insert "for use in internal combustion engines"

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

The report was adopted.

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

H. F. No. 380, A bill for an act relating to health; repealing MinnesotaCare provider tax; repealing the premium tax for health plan companies and nonprofit health service plan corporations; repealing the health care access fund; repealing hospital surcharge; appropriating money; amending Minnesota Statutes 2000, sections 62J.041, subdivision 1; 62Q.095, subdivision 6; 144.1494, subdivision 1; 144.1495, subdivision 2; 144.1496, subdivision 1; 214.16, subdivisions 2 and 3; 256L.02, subdivisions 3 and 4; 270B.01, subdivision 8; 270B.14, subdivision 1; and 297I.15, by adding a subdivision; repealing Minnesota Statutes 2000, sections 13.4967, subdivision 3; 16A.724; 16A.76; 62T.10; 144.1484, subdivision 2; 256.9657, subdivision 2; 256B.19, subdivision 1b; 295.50; 295.51; 295.52; 295.53; 295.54; 295.55; 295.56; 295.57; 295.58; 295.581; 295.582; 295.59; and 297I.05, subdivision 5.

Reported the same back with the following amendments:

Page 8, line 16, delete "sections" and insert "section"

Page 8, line 17, delete "; and 256B.19, subdivision 1b, are" and insert ", is"

Amend the title as follows:

Page 1, line 15, delete "256B.19,"

Page 1, line 16, delete "subdivision 1b;"

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

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

H. F. No. 383, A bill for an act relating to health; repealing the insurance premium tax on health insurance and the premium tax on nonprofit health plan companies; amending Minnesota Statutes 2000, section 297I.05, subdivision 1; repealing Minnesota Statutes 2000, sections 62T.10; and 297I.05, subdivision 5.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Davids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 514, A bill for an act relating to retirement; providing continued insurance coverage for spouses of certain retirees.

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

The report was adopted.

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

H. F. No. 525, A bill for an act relating to state government; revising conditions under which public employees receive daily payments for service on boards and councils; requiring groups to adopt standards for daily payments; amending Minnesota Statutes 2000, sections 15.0575, subdivision 3; 15.059, subdivision 3; and 214.09, subdivision 3.

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

The report was adopted.

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

H. F. No. 560, A bill for an act relating to health; providing patient protections; amending Minnesota Statutes 2000, sections 45.027, subdivision 6; 62D.17, subdivision 1; 62J.38; 62M.02, subdivision 21; 62Q.56; and 62Q.58; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Reported the same back with the following amendments:

Page 3, line 34, after the period, insert "Capital costs and costs incurred must be reported according to generally accepted accounting principles."

Page 4, line 6, delete everything after "other" and insert "costs incurred pursuant to a partnership, joint venture, integration, or affiliation agreement with a"

Page 4, line 7, delete "pursuant to a"

Page 4, delete line 8

Page 4, line 9, delete "agreement;" and insert a comma

Page 6, delete line 36 and insert:

"(iv) a physical or mental disability defined as an inability to engage in one or more major life activities, provided that the disability has lasted or can be expected to last for at least a year or can be expected to result in death; or"

Page 7, delete line 1

Page 8, delete lines 29 and 30 and insert:

"(iv) a physical or mental disability defined as an inability to engage in one or more major life activities, provided that the disability has lasted or can be expected to last for at least a year or can be expected to result in death; or"

Page 12, delete section 7

Page 12, line 36, delete "8" and insert "7"

Page 13, line 1, delete "to 7" and insert "and 6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after "62Q.58" and insert a period

Page 1, delete line 6

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Davids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 565, A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for a center for agricultural innovation in the city of Olivia.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Jobs and Economic Development Finance without further recommendation.

The report was adopted.

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

H. F. No. 624, A bill for an act relating to transportation; requiring route to be identified before spending appropriations to study light rail transit and commuter rail; amending Minnesota Statutes 2000, sections 174.35; 174.88, subdivision 2; and 473.399, by adding a subdivision.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Transportation Finance without further recommendation.

The report was adopted.

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

H. F. No. 699, A bill for an act relating to crime; requiring additional findings before pretrial release of a defendant accused of domestic abuse, harassment, or violation of an order for protection; defining qualified domestic violence-related offenses; providing that additional crimes and crimes from other jurisdictions may be used to enhance penalties; increasing criminal penalties; specifying standards for domestic abuse offender programs and requiring courts to sentence certain offenders to these programs; authorizing domestic abuse advocates to access private data in police reports; allowing certain prior statements of domestic abuse by the victim to be admissible in judicial proceedings; requiring probation agencies to adopt specialized policies for classifying the risk level of domestic abuse offenders; requiring data collection on disorderly conduct convictions; establishing a grant program to increase supervision of high risk domestic abuse offenders; appropriating money to increase supervision of high risk domestic abuse offenders by means of caseload reduction; appropriating money to fund services for battered women; appropriating money for criminal justice intervention projects; appropriating money for monitoring judicial responses to domestic assault; amending Minnesota Statutes 2000, sections 518B.01, subdivisions 2, 3, 6, 14; 595.02,

by adding a subdivision; 609.02, by adding a subdivision; 609.224, subdivisions 2, 4; 609.2242, subdivisions 2, 4; 609.2244, subdivision 2; 609.748, subdivision 6; 609.749, subdivisions 4, 5; 611A.201, subdivision 2; 629.72; proposing coding for new law in Minnesota Statutes, chapters 518B; 611A; repealing Minnesota Statutes 2000, section 609.2244, subdivision 4.

Reported the same back with the following amendments:

Page 10, after line 22, insert:

"Sec. 5. Minnesota Statutes 2000, section 518B.01, subdivision 18, is amended to read:

Subd. 18. [NOTICES.] Each order for protection granted under this chapter must contain a conspicuous notice to the respondent or person to be restrained that:

(1) violation of an order for protection ~~is~~ may be (i) a misdemeanor punishable by imprisonment for up to 90 days or a fine of up to \$700, or both, (ii) a gross misdemeanor punishable by imprisonment of up to one year or a fine of up to \$3,000, or both, or (iii) a felony punishable by imprisonment of up to five years or a fine of up to \$10,000, or both;

(2) the respondent is forbidden to enter or stay at the petitioner's residence, even if invited to do so by the petitioner or any other person; in no event is the order for protection voided;

(3) a peace officer must arrest without warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order for protection restraining the person or excluding the person from a residence; and

(4) pursuant to the Violence Against Women Act of 1994, United States Code, title 18, section 2265, the order is enforceable in all 50 states, the District of Columbia, tribal lands, and United States territories, that violation of the order may also subject the respondent to federal charges and punishment under United States Code, title 18, sections 2261 and 2262, and that if a final order is entered against the respondent after the hearing, the respondent may be prohibited from possessing, transporting, or accepting a firearm under the 1994 amendment to the Gun Control Act, United States Code, title 18, section 922(g)(8)."

Page 12, line 34, delete everything after "the" and insert "court, after considering the recommendation of the probation agent, authorizes"

Page 13, line 13, delete "shall" and insert "may"

Page 13, line 14, delete ", if reasonable"

Page 13, line 19, delete "30" and insert "36"

Page 22, after line 27, insert:

"Sec. 20. Minnesota Statutes 2000, section 609.748, subdivision 8, is amended to read:

Subd. 8. [NOTICE.] An order granted under this section must contain a conspicuous notice to the respondent:

(1) of the specific conduct that will constitute a violation of the order;

(2) that violation of an order ~~is~~ may be (i) a misdemeanor punishable by imprisonment for up to 90 days or a fine of up to \$700, or both, ~~and that a subsequent violation is~~ (ii) a gross misdemeanor punishable by imprisonment for up to one year or a fine of up to \$3,000, or both, or (iii) a felony punishable by imprisonment for up to five years or a fine of up to \$10,000, or both; and

(3) that a peace officer must arrest without warrant and take into custody a person if the peace officer has probable cause to believe the person has violated a restraining order."

Page 23, line 7, after "assault" insert "as they pertain to both men and women"

Page 30, line 21, after "violence" insert "including false assault accusations"

Page 31, line 27, delete "14, and 16 to 18" and insert "15, and 17 to 19"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 27, after "14" insert ", 18"

Page 1, line 30, delete "subdivision 6" and insert "subdivisions 6, 8"

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

The report was adopted.

Davids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 700, A bill for an act relating to appropriations; authorizing grants to the city of Ada to reimburse expenses in connection with temporary financing in anticipation of FEMA financing for 1997 flood recovery projects; appropriating money.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Jobs and Economic Development Finance without further recommendation.

The report was adopted.

Davids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 721, A bill for an act relating to appropriations; appropriating money for redevelopment grants for the city of Richfield.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Jobs and Economic Development Finance without further recommendation.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 730, A bill for an act relating to metropolitan government; regulating transit on park roads in St. Paul; amending Minnesota Statutes 2000, section 473.411, subdivision 5.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Transportation Policy.

The report was adopted.

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

H. F. No. 775, A bill for an act relating to human services; establishing a mediation process for day training and habilitation service variance requests; establishing a day training and habilitation rate structure pilot project; establishing county responsibilities; extending a task force; appropriating money; amending Minnesota Statutes 2000, section 252.46, by adding a subdivision; Laws 1999, chapter 152, section 4.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

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

H. F. No. 814, A bill for an act relating to medical assistance; abolishing the hospital surcharge for certain medical assistance costs; appropriating money; repealing Minnesota Statutes 2000, sections 256.9657, subdivision 2; and 256B.19, subdivision 1b.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 1, line 17, delete "Sec. 2." and insert "Section 1."

Page 1, line 18, delete "sections" and insert "section" and delete "subdivision 2;" and insert "subdivisions 2 and 3,"

Page 1, line 19, delete everything before "are"

Delete the title and insert:

"A bill for an act relating to health; abolishing certain health provider surcharges; repealing Minnesota Statutes 2000, section 256.9657, subdivisions 2, 3."

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 829, A bill for an act relating to local building officials; authorizing the creation of local building department professional activity funds; authorizing the commissioner of administration to grant funds to municipalities for professional activity funds; amending Minnesota Statutes 2000, section 16B.70, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

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

H. F. No. 857, A bill for an act relating to elections; requiring picture identification before registering on election day or voting; requiring additional information for registration; limiting use of certain information; requiring report of certain felony convictions; providing for rulemaking; amending Minnesota Statutes 2000, sections 201.061, subdivision 3; 201.071, subdivisions 1, 3, and by adding subdivisions; 201.091, subdivision 4; 201.155; and 204C.10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 201.061, subdivision 3, is amended to read:

Subd. 3. [ELECTION DAY REGISTRATION.] An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration card, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove identity and residence for purposes of registering by:

(1) showing a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) showing any picture identification document approved by the secretary of state as proper identification;

(3) showing an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, Department of the Interior, that contains the name, address, signature, and picture of the individual;

(4) showing one of the following:

(i) a current valid student picture identification card from a post-secondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

~~(4)~~ (5) showing a picture identification card or document listed in clause (1), (2), (3), or (4), and proving current residence in the precinct by having a voter who is registered to vote in the precinct sign an oath in the presence of the election judge vouching that the voter personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day.

A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration card.

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

Sec. 2. Minnesota Statutes 2000, section 201.071, subdivision 1, is amended to read:

Subdivision 1. [FORM.] A registration card must be of suitable size and weight for mailing and contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; the final four digits of the voter's social security number (or the statement "NONE" if the voter has no social security number); date of registration; and voter's signature. The card must also contain a certification of voter eligibility.

The form of the voter registration card and the certification of voter eligibility must be as provided in the rules of the secretary of state. Voter registration forms authorized by the National Voter Registration Act may also be accepted as valid.

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

Sec. 3. Minnesota Statutes 2000, section 201.071, subdivision 3, is amended to read:

Subd. 3. [DEFICIENT REGISTRATION.] No registration is deficient if it contains the voter's name, address, date of birth, the final four digits of the voter's social security number (or the statement "NONE" if the voter has no social security number), prior registration, if any, and signature. The absence of a zip code number does not cause the registration to be deficient. The election judges shall request an individual to correct a registration card if it is deficient or illegible or if the name or number of the voter's school district is missing or obviously incorrect. No eligible voter may be prevented from voting unless the voter's registration card is deficient or the voter is duly and successfully challenged in accordance with section 201.195 or 204C.12.

A registration card accepted prior to August 1, 1983, is not deficient for lack of date of birth. The county or municipality may attempt to obtain the date of birth for a registration card accepted prior to August 1, 1983, by a request to the voter at any time except at the polling place. Failure by the voter to comply with this request does not make the registration deficient.

A registration card accepted before April 1, 2002, is not deficient for lack of the final four digits of the voter's social security number. A county or municipality may attempt to obtain this information for a registration card accepted before April 1, 2002, by a request to the voter at any time except at the polling place. Failure by the voter to comply with this request does not make the registration deficient.

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

Sec. 4. Minnesota Statutes 2000, section 201.071, is amended by adding a subdivision to read:

Subd. 9. [EXISTING CARDS.] Existing stocks of registration cards printed before April 1, 2002, that do not contain the social security information required under this section may continue to be used until the stock is exhausted. All registration cards printed after March 31, 2002, must conform with this section.

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

Sec. 5. Minnesota Statutes 2000, section 201.071, is amended by adding a subdivision to read:

Subd. 10. [RULES.] The secretary of state shall adopt rules to provide for registration cards that conform with this section.

Sec. 6. Minnesota Statutes 2000, section 201.091, subdivision 1, is amended to read:

Subdivision 1. [MASTER LIST.] Each county auditor shall prepare and maintain a current list of registered voters in each precinct in the county which is known as the master list. The master list must be created by entering each completed voter registration card received by the county auditor into the statewide registration system. It must show the name, residence address, and date of birth of each voter registered in the precinct. The information contained in the master list may only be made available to public officials for purposes related to election administration, jury selection, and in response to a law enforcement inquiry concerning a violation of or failure to comply with any criminal statute or state or local tax statute. If a copy of the master list is provided to a public official for jury selection or in response to a law enforcement inquiry described in this subdivision, the list may not include the final four digits of the social security number of any voter.

Sec. 7. Minnesota Statutes 2000, section 201.091, is amended by adding a subdivision to read:

Subd. 1a. [POLLING PLACE ROSTER.] A polling place roster produced from data maintained in the statewide voter registration file may not include the final four digits of the social security number of any voter.

Sec. 8. Minnesota Statutes 2000, section 201.091, subdivision 4, is amended to read:

Subd. 4. [PUBLIC INFORMATION LISTS.] (a) The county auditor shall make available for inspection a public information list which must contain the name, address, year of birth, and voting history of each registered voter in the county. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The list must not contain the final four digits of the social security number of any voter. The county auditor may adopt reasonable rules governing access to the list.

(b) No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists and other information from the statewide registration system for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.

(c) Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

(d) Upon receipt of a written request and a copy of the court order, the secretary of state may withhold from the public information list the name of any registered voter placed under court-ordered protection.

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

Sec. 9. Minnesota Statutes 2000, section 201.155, is amended to read:

201.155 [REPORT ON FELONY CONVICTIONS.]

The state court administrator shall report at least monthly to the secretary of state the name, address, final four digits of the voter's social security number (or the statement "NONE" if the voter has no social security number), date of birth, date of sentence, effective date of the sentence, and county in which the conviction occurred of each person who has been convicted of a felony. The state court administrator shall also report the name, address, final four digits of the voter's social security number (or the statement "NONE" if the voter has no social security number), and date of birth of each person previously convicted of a felony whose civil rights have been restored. The secretary of state ~~shall determine if any of the persons in the report is registered to vote and shall prepare forward~~ a list of those ~~registrants for individuals~~ to each county auditor. The county auditor shall determine if any person identified in the report as a resident of the county is registered to vote in the county and change the status of those registrants each such registrant in the appropriate manner in the statewide registration system.

Sec. 10. Minnesota Statutes 2000, section 203B.16, subdivision 1, is amended to read:

Subdivision 1. [MILITARY SERVICE; TEMPORARY RESIDENCE OUTSIDE UNITED STATES.] Sections 203B.16 to 203B.27 provide alternative voting procedures for eligible voters who are absent from the precinct where they maintain residence because they are:

(~~a~~) (1) either in the military or the spouses or dependents of individuals serving in the military; or

(b) (2) temporarily outside the territorial limits of the United States.

Sections 203B.16 to 203B.27 are intended to implement the federal Uniformed and Overseas Citizens Absentee Voting Act, United States Code, title 42, section 1973ff.

Sec. 11. Minnesota Statutes 2000, section 203B.17, subdivision 1, is amended to read:

Subdivision 1. [SUBMISSION OF APPLICATION.] (a) An application for absentee ballots for a voter described in section 203B.16 may be submitted in writing or by electronic facsimile device. An application for absentee ballots for a voter described in section 203B.16 may be submitted by that voter or by that voter's parent, spouse, sister, brother, or child over the age of 18 years. For purposes of an application under this subdivision, a person's social security number, no matter how it is designated, qualifies as the person's military identification number if the person is in the military.

(b) An application for a voter described in section 203B.16, subdivision 1, shall be submitted to the county auditor of the county where the voter maintains residence.

(c) An application for a voter described in section 203B.16, subdivision 2, shall be submitted to the county auditor of the county where the voter last maintained residence in Minnesota.

(d) An application for absentee ballots for a primary shall also constitute an application for absentee ballots for the any ensuing general or special election conducted during the same calendar year in which the application is received.

(e) There shall be no limitation of time for filing and receiving applications for ballots under sections 203B.16 to 203B.27.

Sec. 12. Minnesota Statutes 2000, section 204C.10, is amended to read:

204C.10 [PERMANENT REGISTRATION; VERIFICATION OF REGISTRATION.]

(a) An individual seeking to vote shall sign a polling place roster which states that the individual is at least 18 years of age, a citizen of the United States, has resided in Minnesota for 20 days immediately preceding the election, certifies residence at the address shown, is not under guardianship of the person, has not been found by a court of law to be legally incompetent to vote or convicted of a felony without having civil rights restored, is registered and has not already voted in the election.

(b) A judge ~~may shall~~, before the applicant signs the roster, confirm the applicant's identity by requiring a picture identification card or document issued by the United States or Minnesota or an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, Department of the Interior, and may confirm the applicant's name, address, and date of birth. If an applicant does not have a card or document described by this section, the applicant may sign the roster after executing an affidavit before the judge. The affidavit must state:

(1) the name of the applicant;

(2) that the applicant does not have a picture identification card or document issued by the United States or Minnesota or an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, Department of the Interior, that contains the name, address, signature, and picture of the applicant; and

(3) that the applicant swears or affirms that the applicant is the same individual whose name is listed on the roster for this precinct.

(c) After the applicant signs the roster, the judge shall give the applicant a voter's receipt. The voter shall deliver the voter's receipt to the judge in charge of ballots as proof of the voter's right to vote, and thereupon the judge shall hand to the voter the ballot. The voters' receipts must be maintained during the time for notice of filing an election contest.

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

Sec. 13. Minnesota Statutes 2000, section 204D.11, subdivision 4, is amended to read:

Subd. 4. [SPECIAL FEDERAL WHITE BALLOT.] (a) The names of all candidates for the offices of president and vice-president of the United States and senator and representative in Congress shall be placed on a ballot printed on white paper which shall be known as the "special federal white ballot."

(b) This ballot shall be prepared by the county auditor in the same manner as the white ballot and shall be subject to the rules adopted by the secretary of state pursuant to subdivision 1. This ballot must be prepared and furnished in accordance with the federal Uniformed and Overseas Citizens Absentee Voting Act, United States Code, title 42, section 1973ff.

(c) The special federal white ballot shall be the only ballot sent to citizens of the United States who are eligible to vote by absentee ballot for federal candidates in Minnesota."

Delete the title and insert:

"A bill for an act relating to elections; requiring picture identification before registering on election day or voting; requiring additional information for registration; limiting use of certain information; requiring report of certain felony convictions; changing certain provisions for overseas absentee ballots; providing for rulemaking; amending Minnesota Statutes 2000, sections 201.061, subdivision 3; 201.071, subdivisions 1, 3, by adding subdivisions; 201.091, subdivisions 1, 4, by adding a subdivision; 201.155; 203B.16, subdivision 1; 203B.17, subdivision 1; 204C.10; 204D.11, subdivision 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 891, A bill for an act relating to lake improvement districts; changing the percent of property owners necessary to petition for creation and termination of a district and for holding a referendum on creation; amending Minnesota Statutes 2000, sections 103B.521, subdivision 1; and 103B.581, subdivision 1.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

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

H. F. No. 901, A bill for an act relating to elections; clarifying voting provisions for overseas voters; amending Minnesota Statutes 2000, sections 203B.16, subdivision 1; 203B.17, subdivision 1; and 204D.11, subdivision 4.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2000, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION PROCEDURES.] Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. The county auditor shall prepare absentee ballot application forms in the format provided in the rules of the secretary of state and shall furnish them to any person on request. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) the county auditor of the county where the applicant maintains residence; or

(b) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02. The application may contain a request for the voter's date of birth, which must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device, ~~at the discretion of the auditor or clerk~~. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election. The absentee ballot applications or a list of persons applying for an absentee ballot may not be made available for public inspection until the close of voting on election day."

Page 1, line 25, delete everything after "device"

Page 2, line 1, delete "municipal clerk"

Page 2, line 17, after "the" insert "same"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "expanding the use of facsimile applications for absentee ballots;"

Page 1, line 4, after "sections" insert "203B.04, subdivision 1;"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

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

H. F. No. 905, A bill for an act relating to insurance; simplifying regulation of health insurers and health maintenance organizations; transferring regulatory authority of certain health-related organizations; establishing a task force on small business; providing appointments; amending Minnesota Statutes 2000, sections 62A.021, subdivision 1; 62D.02, subdivisions 3, 8; 62D.08, by adding a subdivision; 62D.12, subdivision 1; 62D.15, subdivision 1; 62D.24; 62E.05, subdivision 2; 62E.11, subdivision 13; 62E.14, subdivision 6; 62J.041, subdivision 4; 62J.701; 62J.74, subdivisions 1, 2; 62J.75; 62L.02, subdivision 8; 62L.05, subdivision 12; 62L.08, subdivisions 10,

11; 62L.09, subdivision 3; 62L.10, subdivision 4; 62L.11, subdivision 2; 62M.11; 62M.16; 62N.02, subdivision 4; 62N.25, subdivision 7; 62N.26; 62Q.01, subdivision 2; 62Q.03, subdivision 5a; 62Q.075, subdivision 4; 62Q.106; 62Q.19, subdivision 1; 62Q.22, subdivisions 2, 6, 7; 62Q.33, subdivision 2; 62Q.49, subdivision 2; 62Q.51, subdivision 3; 62Q.525, subdivision 3; 62Q.69, subdivisions 2, 3; 62Q.71; 62Q.72; 62Q.73, subdivisions 3, 4, 5, 6; 62R.04, subdivision 5; 62R.06, subdivision 1; 62T.01, subdivision 4; 256B.692, subdivisions 2, 7; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 2000, sections 62D.08, subdivision 5; 62Q.07.

Reported the same back with the following amendments:

Page 3, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2000, section 62D.08, subdivision 5, is amended to read:

Subd. 5. [~~CHANGES IN PARTICIPATING ENTITIES NOTIFICATIONS TO COMMISSIONER; PENALTY.~~] Every health maintenance organization shall inform the commissioner of any change in the information described in section 62D.03, subdivision 4, clause (e), including any change in address, any modification of the duration of any contract or agreement, and any addition to the list of participating entities, within ten working days of the notification of the change. Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner 120 days before the effective date. When the health maintenance organization terminates a provider for cause, death, disability, or loss of license, the health maintenance organization must notify the commissioner within ~~three~~ ten working days of the date the health maintenance organization sends out or receives the notice of cancellation, discontinuance, or termination. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to \$200 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17."

Page 8, line 22, delete "and"

Page 8, line 23, delete "one member" and insert "two members" and after the comma insert, "who represent consumers."

Page 8, line 24, before the period, insert "; and

(10) one member appointed by the Minnesota consortium for citizens with disabilities"

Amend the title as follows:

Page 1, line 8, after "62D.08," delete "by" and insert "subdivision 5"

Page 1, line 9, delete "adding a subdivision"

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

The report was adopted.

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

H. F. No. 923, A bill for an act relating to education; repealing the mandate for three additional days of student instruction or staff development training; repealing Minnesota Statutes 2000, section 120A.41.

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

The report was adopted.

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

H. F. No. 926, A bill for an act relating to health; modifying content and format requirements for Minnesota uniform health care identification cards; requiring uniform prescription drug information to be included on cards; establishing requirements for issuance of cards; amending Minnesota Statutes 2000, section 62J.60.

Reported the same back with the following amendments:

Page 3, line 23, after the period, insert "Except for the medical assistance, general assistance medical care, and MinnesotaCare programs,"

Page 3, line 28, after the period, insert "Anytime that a card is issued upon enrollment or replaced by the medical assistance, general assistance medical care, or MinnesotaCare program, the card must conform to the adopted NCPDP standards in effect and to the implementation guide in use at the time of issuance."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 941, A bill for an act relating to agriculture; adopting federal rules; amending Minnesota Statutes 2000, sections 18B.06, subdivision 1, and by adding subdivisions; 18C.121, by adding subdivisions; 21.85, by adding a subdivision; 25.40, subdivision 1, and by adding subdivisions; and 29.237.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 949, A bill for an act relating to qualified newspapers; modifying requirements for qualified newspapers serving smaller local public corporations; amending Minnesota Statutes 2000, section 331A.02, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 20, delete "2,000" and insert "1,300 and the newspaper does not receive a public subsidy"

Page 2, lines 15 and 19, delete "2,000" and insert "1,300"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 966, A bill for an act relating to elections; increasing the penalty for certain voters who vote in the wrong precinct; changing certain recount requirements and procedures; changing provisions for meeting of presidential electors; amending Minnesota Statutes 2000, sections 201.016, subdivision 1a; 204C.35; 204C.36, subdivisions 1 and 3; 208.06; 208.08; and 209.065.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 201.016, subdivision 1a, is amended to read:

Subd. 1a. [VIOLATIONS; PENALTY.] (a) The county auditor shall mail a violation notice to any voter who the county auditor can determine has voted in a precinct other than the precinct in which the voter maintains residence. The notice must be in the form provided by the secretary of state. The county auditor shall also change the status of the voter in the statewide registration system to "challenged" and the voter shall be required to provide proof of residence to either the county auditor or to the election judges in the voter's precinct before voting in the next election. Any of the forms authorized by section 201.061 for registration at the polling place may be used for this purpose.

(b) A voter who votes in a precinct other than the precinct in which the voter maintains residence after receiving an initial violation notice as provided in this subdivision is guilty of a petty misdemeanor. ~~Any subsequent violation~~

(c) A voter who votes in a precinct other than the precinct in which the voter maintains residence after having been found to have committed a petty misdemeanor under paragraph (b) is guilty of a misdemeanor.

(d) A voter who votes in a precinct other than the precinct in which the voter maintains residence after having been convicted of a misdemeanor under paragraph (c), is guilty of a felony.

(e) Reliance by the voter on inaccurate information regarding the location of the voter's polling place provided by the state, a county, or municipality is an affirmative defense to a prosecution under this subdivision.

Sec. 2. Minnesota Statutes 2000, section 204C.35, is amended to read:

204C.35 [~~LEGISLATIVE AND~~ FEDERAL, STATE, AND JUDICIAL RACES.]

Subdivision 1. [AUTOMATIC RECOUNTS.] (a) In a state primary when the difference between the votes cast for the candidates for nomination to a statewide federal office, state constitutional office, statewide judicial office, congressional office, state legislative office, or ~~to a district judicial office is 100 or less, the difference:~~

(1) is less than ~~ten~~ one-half of one percent of the total number of votes counted for that nomination; or

(2) is ten votes or less and the total number of votes cast for the nomination is 400 votes or less;

and the difference determines the nomination, the canvassing board with responsibility for declaring the results for that office shall recount the vote.

(b) In a state general election when the difference between the votes of a candidate who would otherwise be declared elected to a statewide federal office, state constitutional office, statewide judicial office, congressional office, state legislative office, or ~~to a~~ district judicial office and the votes of any other candidate for that office:

(1) is ~~100 or less~~ less than one-half of one percent of the total number of votes counted for that office; or

(2) is ten votes or less if the total number of votes cast for the office is 400 votes or less,

the canvassing board shall recount the votes.

(c) A recount ~~shall~~ must not delay any other part of the canvass. The results of the recount ~~shall~~ must be certified by the canvassing board as soon as possible.

(d) Time for notice of a contest for an office which is recounted pursuant to this section shall begin to run upon certification of the results of the recount by the canvassing board.

(e) A losing candidate may waive a recount required pursuant to this section by filing a written notice of waiver with the canvassing board.

Subd. 2. [OPTIONAL RECOUNT.] (a) A losing candidate for nomination or election to a statewide federal office, state constitutional office, statewide judicial office, congressional office, state legislative office, or ~~to a~~ district ~~court~~ judicial office may request a recount in a manner provided in this section at the candidate's own expense when the vote difference is greater than the difference required by this section. The votes shall be recounted as provided in this section if the candidate files a request during the time for filing notice of contest of the primary or election for which a recount is sought.

(b) The requesting candidate shall file with the filing officer a bond, cash, or surety in an amount set by the filing officer for the payment of the recount expenses. The requesting candidate is responsible for the following expenses: the compensation of the secretary of state, or designees, and any election judge, municipal clerk, county auditor, administrator, or other personnel who participate in the recount; the costs of computer operation, preparation of ballot counting equipment, necessary supplies and travel related to the recount; the compensation of the appropriate canvassing board and costs of preparing for the canvass of recount results; and any attorney fees incurred in connection with the recount by the governing body responsible for the recount.

Sec. 3. Minnesota Statutes 2000, section 204C.36, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED RECOUNTS.] (a) Except as provided in paragraph (b), a losing candidate for nomination or election to a county, municipal, or school district office may request a recount of the votes cast for the nomination or election to that office if the difference between the vote cast for that candidate and for a winning candidate for nomination or election is:

(a) ~~Five votes or less when the total vote cast for nomination or election to that office is 100 votes or less;~~

(b) ~~Ten votes or less when the total vote cast for nomination or election to that office is more than 100 but not more than 500 votes;~~

(c) ~~Twenty votes or less when the total vote cast for nomination or election to that office is more than 500 but not more than 2,000 votes;~~

(d) ~~One percent of the votes or less when the total vote cast for nomination or election to that office is more than 2,000 but less than 10,000 votes, or~~

(e) One hundred votes or less when the total vote cast for nomination or election to that office is 10,000 votes or more; less than one-half of one percent of the total votes counted for that office. In case of offices where two or more seats are being filled from among all the candidates for the office, the one-half of one percent difference is between the elected candidate with the fewest votes and the candidate with the most votes from among the candidates who were not elected.

(b) A losing candidate for nomination or election to a county, municipal, or school district office may request a recount of the votes cast for nomination or election to that office if the difference between the vote cast for that candidate and for a winning candidate for nomination or election is ten votes or less, and the total number of votes cast for the nomination or election of all candidates is no more than 400. In cases of offices where two or more seats are being filled from among all the candidates for the office, the ten vote difference is between the elected candidate with the fewest votes and the candidate with the most votes from among the candidates who were not elected.

(c) Candidates for county offices shall file a written request for the recount with the county auditor. Candidates for municipal or school district offices shall file a written request with the municipal or school district clerk as appropriate. All requests shall be filed during the time for notice of contest of the primary or election for which a recount is sought.

(d) Upon receipt of a request made pursuant to this section, the county auditor shall recount the votes for a county office at the expense of the county, the governing body of the municipality shall recount the votes for a municipal office at the expense of the municipality, and the school board of the school district shall recount the votes for a school district office at the expense of the school district.

Sec. 4. Minnesota Statutes 2000, section 204C.36, subdivision 3, is amended to read:

Subd. 3. [DISCRETIONARY BALLOT QUESTION RECOUNTS.] A recount may be conducted for a ballot question when the difference between the votes for and the votes against the question is less than or equal to the difference provided in subdivision 1, ~~clauses (a) to (e)~~. A recount may be requested by any person eligible to vote on the ballot question. A written request for a recount must be filed with the filing officer of the county, municipality, or school district placing the question on the ballot and must be accompanied by a petition containing the signatures of 25 voters eligible to vote on the question. If the difference between the votes for and the votes against the question is greater than the difference provided in subdivision 1, ~~clauses (a) to (e)~~; the person requesting the recount shall also file with the filing officer of the county, municipality, or school district a bond, cash, or surety in an amount set by the appropriate governing body for the payment of recount expenses. The written request, petition, and any bond, cash, or surety required must be filed during the time for notice of contest for the election for which the recount is requested.

Sec. 5. Minnesota Statutes 2000, section 208.06, is amended to read:

208.06 [ELECTORS TO MEET AT CAPITOL; FILLING OF VACANCIES.]

The presidential electors, ~~before 12:00 M.~~ at 9:00 a.m. on the day ~~before that~~ fixed by Congress for the electors to vote for president and vice-president of the United States, shall assemble in the location designated under section 208.08 and notify the governor that they are at the state capitol and ready ~~at the proper time~~ to fulfill their duties as electors. The governor shall deliver to the electors present a certificate of the names of all the electors. If any elector named therein fails to appear ~~before by~~ by 9:00 a.m. on the day; and at the place; fixed for voting for president and vice-president of the United States, the electors present shall, in the presence of the governor, immediately elect by ballot a person to fill the vacancy. If more than the number of persons required have the highest and an equal number of votes when the electors cast ballots to fill any vacancy, the governor, in the presence of the electors attending, shall decide by lot which of those persons shall be elected as a substituted presidential elector.

Sec. 6. Minnesota Statutes 2000, section 208.08, is amended to read:

208.08 [ELECTORS TO MEET AT STATE CAPITOL.]

(a) At least seven days before the date the presidential electors are required to assemble, the secretary of state shall designate the location within the state capitol where the assembly will be conducted and notify the governor and electors of this location.

(b) The original and substituted presidential electors, at 12:00 M., shall meet in the executive chamber at the state capitol and shall, immediately after filling any vacancy among the electors in accordance with section 208.06, perform all the duties imposed upon them as electors by the constitution and laws of the United States and this state. The secretary of state, or an individual designated by the secretary of state, shall preside at this assembly.

(c) The electors shall vote by secret ballot.

(d) The secretary of state shall transmit all certifications by the electors to the individuals required to receive the certifications under the constitution and laws of the United States.

Sec. 7. Minnesota Statutes 2000, section 209.065, is amended to read:

209.065 [PLEADINGS; PROCEDURE.]

The notice of contest and any answer are the pleadings in the case and may be amended in the discretion of the court. The contest proceedings must be brought on for trial by either the contestant or contestee as soon as practicable within 20 days after the filing of the notice of contest. The court shall proceed to the extent possible in the manner provided in the rules for recounts adopted by the secretary of state under section 204C.361. If a court finds that proceeding in accordance with all or part of the rules for recounts is not possible, the court shall proceed in the manner provided for the trial of civil actions so far as practicable."

With the recommendation that when so amended the bill pass.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 981, A bill for an act relating to metropolitan government; establishing the legislative commission on metropolitan government; providing for oversight of the metropolitan council's operating and capital budgets, work program, and capital improvement program; requiring legislative authorization for the council to adopt its budget, work program, and capital improvement program; proposing coding for new law in Minnesota Statutes, chapters 3; and 473.

Reported the same back with the following amendments:

Page 1, line 24, after "reside in" insert "or represent a portion of" and after the period, insert "The appointing authorities shall insure balanced geographic representation."

Page 2, delete lines 22 to 32, and insert:

"Subd. 8. [POWERS; DUTIES; METROPOLITAN COUNCIL LEVY, BUDGET OVERSIGHT.] The commission shall monitor, review, and make recommendations to the metropolitan council and to the legislature for the following calendar year on:

(1) the tax rate and dollar amount of the metropolitan council's property tax levies and any proposed increases in the rate or dollar amount of tax;

(2) any request for an increase in the debt of the metropolitan council;

(3) the overall work and role of the metropolitan council;

(4) the metropolitan council's proposed operating and capital budgets, work program, and capital improvement program; and

(5) the metropolitan council's implementation of the operating and capital budgets, work program, and capital improvement program."

Page 3, delete lines 5 to 17, and insert:

"Sec. 2. [473.246] [LEGISLATIVE COMMISSION ON METROPOLITAN GOVERNMENT; REVIEW.]

The metropolitan council shall submit to the legislative commission on metropolitan government information on the council's tax rates and dollar amounts levied for the current year, proposed property tax rates and levies, operating and capital budgets, work program, capital improvement program, and any other information requested by the commission, for review by the legislative commission, as provided in section 3.99."

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, delete lines 7 and 8

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

The report was adopted.

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

H. F. No. 1023, A bill for an act relating to veterans; authorizing the placement of plaques on the capitol grounds recognizing the service of Minnesota's members of the Merchant Marine and of the Women Airforce Service Pilots (WASP) during World War II.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PLAQUE HONORING THOUSANDS OF CIVILIANS WHO CONTRIBUTED TO WORLD WAR II EFFORT.]

A memorial plaque may be placed in the court of honor on the capitol grounds to recognize the valiant service of thousands of men and women who served honorably and bravely as civilians in supporting the nation's war effort during World War II, and who years later had bestowed upon them by Congress the status of veteran. Often this service was at great risk to personal safety and in the face of the enemy. Several thousands of these brave and noble civilians sacrificed their lives during the course of this patriotic service. The plaque must be furnished by a person or organization other than the department of veterans affairs and must be approved by the commissioner of veterans affairs and the capitol area architectural and planning board.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to veterans; authorizing the placement of a plaque on the capitol mall recognizing the service of Minnesota's civilians who contributed valiantly to the nation's war efforts during World War II."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1053, A bill for an act relating to insurance; revising certain provisions involving state regulation of private health coverage; transferring certain regulatory control; establishing requirements for managed care plans; amending Minnesota Statutes 2000, sections 62A.021, subdivision 1; 62A.041, subdivisions 1 and 2; 62A.042; 62A.043, subdivision 1; 62A.105; 62A.14; 62A.149, subdivision 1; 62A.15, subdivision 1; 62A.152, subdivision 1; 62A.153; 62A.20; 62A.21; 62A.615; 62A.616; 62A.65, subdivision 5; 62D.02, subdivisions 3 and 8; 62D.12, subdivisions 1 and 1a; 62D.15, subdivision 1; 62D.24; 62E.05, subdivision 2; 62E.11, subdivision 13; 62E.14, subdivision 6; 62E.16; 62J.041, subdivision 4; 62J.701; 62J.74, subdivisions 1 and 2; 62J.75; 62L.02, subdivision 8; 62L.05, subdivision 12; 62L.08, subdivisions 10 and 11; 62L.09, subdivision 3; 62L.10, subdivision 4; 62L.11, subdivision 2; 62L.12, subdivision 2; 62M.11; 62M.16; 62N.02, subdivision 4; 62N.26; 62Q.01, subdivision 2; 62Q.03, subdivision 5a; 62Q.07; 62Q.106; 62Q.22, subdivisions 2, 6, and 7; 62Q.32; 62Q.33, subdivision 2; 62Q.49, subdivision 2; 62Q.51, subdivision 3; 62Q.525, subdivision 3; 62Q.68, subdivision 1; 62Q.69, subdivisions 2 and 3; 62Q.71; 62Q.72; 62Q.73, subdivisions 3, 4, 5, and 6; 62R.04, subdivision 5; 62R.06, subdivision 1; 62T.01, subdivision 4; 256B.692, subdivisions 2 and 7; and 257.34, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2000, sections 62A.049; 62A.21, subdivision 3; 62C.14, subdivisions 5, 5a, 5b, and 14; 62C.142; 62D.09, subdivision 3; 62D.101; 62D.105; 62D.12, subdivision 19; 62D.123, subdivisions 2, 3, and 4; 62D.124; 62Q.095; 62Q.10; and 62Q.45; Minnesota Rules, parts 4685.0801, subpart 7; 4685.1010; 4685.1105; 4685.1110; 4685.1115; 4685.1120; 4685.1125; 4685.1130; 4685.1300; 4685.1900; 4685.2000; and 4685.2200, subpart 3.

Reported the same back with the following amendments:

Page 4, delete lines 28 to 35 and insert:

"Subd. 13. [INDIVIDUAL COVERAGE, INDIVIDUAL HEALTH PLAN, OR INDIVIDUAL MANAGED CARE PLAN.] "Individual coverage," "individual health plan," or "individual managed care plan" means coverage, a health plan, or a managed care plan, as appropriate, issued to and covering an individual. The individual coverage, health plan, or managed care plan, as appropriate, may also cover dependents of the individual."

Page 4, delete line 36 and insert:

"Subd. 14. [MANAGED CARE PLAN.] (a) "Managed care plan" means a health plan that either requires an enrollee to use or creates incentives, including financial incentives, for an enrollee to use health care providers managed, owned, or employed by or under contract with the health plan company and that results in an enrollee being subject to at least one of the following:

(1) use of prescriptions included in a drug formulary, unless a higher copayment is applied;

(2) use of a provider to coordinate some or all health care services;

(3) having the enrollee's health care subject to utilization review, as defined in section 62M.02, subdivision 20; and

(4) other managed care techniques designed to use health care protocols to control costs or access to health care services.

(b) A health plan is not a managed care plan if the financial incentive to use certain health care providers is solely the difference in the obligation of the enrollee to pay for the balance of charges after the health plan company has paid its usual and customary charges."

Page 5, delete lines 1 to 9

Page 5, line 10, delete "16" and insert "15"

Page 5, line 16, delete "17" and insert "16"

Page 5, after line 31, insert:

"(b) Notwithstanding paragraph (a), sections 62U.01 to 62U.16 apply to all health maintenance organizations.

(c) Notwithstanding paragraph (a), sections 62U.13, 62U.14, and 62U.15 apply to managed care plans offered in connection with medical assistance under chapter 256B, general assistance medical care under chapter 256D, or the MinnesotaCare program under chapter 256L."

Page 5, line 32, delete "(b)" and insert "(d)"

Page 24, line 27, after the first semicolon, insert "and" and delete everything after "19"

Page 24, line 28, delete everything before the comma

Page 24, delete line 30

Page 24, line 31, delete "4685.1130;"

Page 24, after line 32, insert:

"(c) Minnesota Statutes, sections 62D.123, subdivisions 2, 3, and 4; and 62D.124, are repealed effective January 1, 2004.

(d) Minnesota Rules, parts 4685.1105; 4685.1110; 4685.1115; 4685.1120; 4685.1125; and 4685.1130, are repealed effective January 1, 2004."

Page 59, line 3, before the first "The" insert "(a)"

Page 59, after line 8, insert:

"(b) The revisor of statutes shall recode Minnesota Statutes, section 62Q.095, subdivision 5, as a new subdivision of Minnesota Statutes, section 62Q.10."

Page 59, line 19, after "62Q.095" insert ", subdivisions 1, 2, 3, 4, and 6" and delete "62Q.10;"

Amend the title as follows:

Page 1, line 34, delete "; 62Q.10" and insert ", subdivisions 1, 2, 3, 4, and 6"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

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

H. F. No. 1115, A bill for an act relating to insurance; regulating the Minnesota comprehensive health association; modifying the definition of contributing member; permitting extensions of writing carrier contract period; providing subsidies to reduce assessments borne by individuals and small businesses; appropriating money; amending Minnesota Statutes 2000, sections 62E.02, subdivision 23; 62E.10, subdivision 1; and 62E.13, subdivision 3.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

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

H. F. No. 1118, A bill for an act relating to transportation; providing for design-build method of state transportation project delivery; proposing coding for new law in Minnesota Statutes, chapter 161.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [161.3201] [DESIGN-BUILD CONTRACTS; DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 161.3201 to 161.3208 have the meanings given in this section.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of transportation.

Subd. 3. [DESIGN-BUILD CONTRACT.] "Design-build contract" means a single contract between the department of transportation and a design-build company or firm to furnish the architectural or engineering and related design services as well as the labor, material, supplies, equipment, and construction services for the transportation project.

Subd. 4. [DESIGN-BUILD FIRM.] "Design-build firm" means a proprietorship, partnership, limited liability partnership, joint venture, corporation, any type of limited liability company, professional corporation, or any legal entity.

Subd. 5. [DESIGN PROFESSIONAL.] "Design professional" means a person who holds a license under chapter 326 that is required to be registered under Minnesota law.

Subd. 6. [DESIGN-BUILD TRANSPORTATION PROJECT.] "Design-build transportation project" means the procurement of both the design and construction of a transportation project in a single contract with a company or companies capable of providing the necessary engineering services and construction.

Subd. 7. [DESIGN-BUILDER.] "Design-builder" means the design-build firm that proposes to design and build a transportation project governed by the procedures of this section.

Subd. 8. [REQUEST FOR PROPOSALS OR RFP.] "Request for proposals" or "RFP" means the document by which the commissioner solicits proposals from prequalified design-build firms to design and construct the transportation project.

Subd. 9. [REQUEST FOR QUALIFICATIONS OR RFQ.] "Request for qualifications" or "RFQ" means a document to prequalify and short-list potential design-build firms.

Sec. 2. [161.3202] [DESIGN-BUILD AUTHORITY FOR MAJOR PROJECTS.]

Subdivision 1. [BEST VALUE SELECTION.] Notwithstanding sections 16C.25, 161.315, 161.32, 161.321, 174.14 to 174.17, or any other law to the contrary, the commissioner may solicit and award a design-build contract for a project on the basis of a best value selection process.

Subd. 2. [COMPETITIVE, OPEN PROCESS.] Sections 161.3201 to 161.3208 apply only to transportation projects using the two-step competitive process utilizing public solicitation for design-build services.

Subd. 3. [RESTRICTION; REPORTS.] (a) The number of design-build contracts awarded by the commissioner in any fiscal year may not exceed ten percent of the total number of transportation construction contracts awarded by the commissioner in the previous fiscal year.

(b) The commissioner shall notify the chairs of the senate and house of representatives committees with jurisdiction over transportation policy and transportation finance each time the commissioner decides to use the design-build method of procurement and explain why that method was chosen.

Sec. 3. [161.3203] [PRELIMINARY DETERMINATION TO AWARD DESIGN-BUILD CONTRACT.]

Subdivision 1. [GENERAL CRITERIA.] A design-build contracting procedure authorized under sections 161.3201 to 161.3208 may be used for a specific project only after the commissioner determines that awarding a design-build contract will serve the public interest or that use of the traditional method of awarding a construction contract to the lowest responsive and responsible bidder is not practical for meeting desired quality standards or delivery schedules.

Subd. 2. [SPECIFIC CRITERIA.] The commissioner shall use the following criteria as the minimum basis for determining when to use the design-build method of project delivery:

(1) the extent to which it can adequately define the project requirements in a proposed scope of the design and construction desired;

(2) the time constraints for delivery of the project;

(3) the capability and experience of potential contractors with the design-build method of project delivery or similar experience;

(4) the suitability of the project for use of the design-build method of project delivery with respect to time, schedule, costs, and quality factors;

(5) the capability of the department of transportation to manage the project, including the employment of experienced personnel or outside consultants;

(6) the capability of the department of transportation to oversee the project with persons who are familiar and experienced with the design-build method of project delivery or similar experience; and

(7) other criteria the commissioner deems relevant and states in writing in its determination to utilize the design-build method of project delivery.

Sec. 4. [161.3204] [DESIGN-BUILD NOTICE; REPORT.]

Subdivision 1. [SUMMARY REPORT OF REASONS FOR DETERMINATION.] The commissioner shall summarize in a written statement its reasons for using the design-build construction contracting procedure. This statement, along with other relevant information describing the project, must be made available upon request to interested parties.

Subd. 2. [FINAL DETERMINATION AUTHORITY.] Final determination to use a design-build construction contracting procedure may be made only by the commissioner.

Sec. 5. [161.3205] [LICENSING REQUIREMENTS.]

Subdivision 1. [LICENSED PROFESSIONAL REQUIRED.] Each design-builder shall employ, or have as a partner, member, officer, coventurer, or subcontractor a person duly licensed and registered to provide the design services required to complete the project and do business in the state.

Subd. 2. [CONTRACTING FOR LICENSED PROFESSIONAL.] A design-builder may enter into a contract to provide professional or construction services for a project that the design-builder is not licensed, registered, or qualified to perform, so long as the design-builder provides those services through subcontractors with duly licensed, registered, or otherwise qualified persons in accordance with sections 161.3201 to 161.3208.

Subd. 3. [LIABILITY.] (a) Nothing in this section authorizing design-build contracts is intended to limit or eliminate the responsibility or liability owed by a professional on a design-build project to the state, county, or city, or other third parties under existing law.

(b) The design service portion of a design-build contract must be considered a service and not a product.

Sec. 6. [161.3206] [DESIGN-BUILD RFQ; SELECTION TEAM; EVALUATION.]

Subdivision 1. [TWO-PHASE PROCEDURE.] If the commissioner determines that the design-build method of project delivery is appropriate for a project, the commissioner shall establish a two-phase procedure for awarding the design-build contract, as described in this subdivision and section 161.3207.

Subd. 2. [TECHNICAL REVIEW COMMITTEE.] During the phase-one request for qualifications (RFQ) and before solicitation, the commissioner shall appoint a technical review committee of at least five persons. The technical review committee must include an individual whose name and qualifications are submitted to the commissioner by the Minnesota chapter of the associated general contractors, after consultation with other commercial contractor associations in the state. Members of the technical review committee who are not state employees are subject to the Minnesota Government Data Practices Act and section 16C.06 to the same extent that state agencies are subject to those provisions. A technical review committee member may not participate in the review or discussion of responses from a person in whom the member has a financial interest.

Subd. 3. [CONTENTS.] The commissioner shall prepare or have prepared a request for qualifications. The request for qualifications must include the following:

- (1) the minimum qualifications of design-builders necessary to meet the requirements for acceptance;
- (2) a scope of work statement and schedule;
- (3) documents defining the project requirements;
- (4) the form of contract to be awarded;
- (5) the weighted selection criteria for compiling a short list and the number of firms to be included in the short list, which must be at least two but not more than five;
- (6) a description of the RFP requirements;
- (7) the maximum time allowed for design and construction;
- (8) the commissioner's estimated cost of design and construction; and
- (9) requirements for construction experience, design experience, financial, personnel, and equipment resources available from potential design-builders for the project and experience in other design-build transportation projects or similar projects, provided that these requirements may not unduly restrict competition.

Subd. 4. [EVALUATION.] The selection team shall evaluate the design-build qualifications of responding firms and shall compile a short list of firms in accordance with qualifications criteria described in the RFQ. If only one design-build firm responds to the RFQ, the commissioner may readvertise or cancel the project as the commissioner deems necessary.

Sec. 7. [161.3207] [RFP FOR DESIGN-BUILD.]

During phase two, the commissioner shall issue a request for proposals (RFP) to the design-builders on the short list. The request must include:

- (1) the scope of work, including (i) performance and technical requirements, (ii) conceptual design, (iii) specifications, and (iv) functional and operational elements for the delivery of the completed project, which must be prepared by a registered or licensed professional engineer;
- (2) a description of the qualifications required of the design-builder and the selection criteria, including the weight or relative order, or both, of each criterion;
- (3) copies of the contract documents that the successful proposer will be expected to sign;
- (4) the maximum time allowable for design and construction;
- (5) the road authority's estimated cost of design and construction;
- (6) the requirement that a submitted proposal be segmented into two parts, a technical proposal and a price proposal;
- (7) the requirement that each proposal be in a separately sealed, clearly identified package and include the date and time of the submittal deadline;

(8) the requirement that the technical proposal include a critical path method, schedule of the work to be performed, or similar schematic design plans and specifications; technical reports; calculations; permit requirements; applicable development fees; and other data requested in the request for proposals;

(9) the requirement that the price proposal contain all design, construction, engineering, inspection, and construction costs of the proposed project;

(10) the date, time, and location of the public opening of the sealed price proposals; and

(11) other information relevant to the project.

Sec. 8. [161.3208] [DESIGN-BUILD AWARD; LOW-BID PROCESS.]

Subdivision 1. [AWARD; COMPUTATION, ANNOUNCEMENT, ADJUSTMENT, STIPENDS.] A design-build contract shall be awarded as follows:

(a) The technical review committee shall score the technical proposals using the selection criteria in the request for proposals (RFP). The technical review committee shall then submit a technical proposal score for each design-builder to the commissioner. The technical review committee shall reject any proposal it deems nonresponsive.

(b) The commissioner shall announce the technical proposal score for each design-builder and shall publicly open the sealed price proposals and shall divide each design-builder's price by the technical score that the technical review committee has given to it to obtain an adjusted score. The design-builder selected must be that responsive and responsible design-builder whose adjusted score is the lowest.

(c) If a time factor is included with the selection criteria in the request for proposals package, the commissioner may also adjust the bids using a value of the time factor established by the commissioner. The value of the time factor must be expressed as a value per day. The adjustment must be based on the total time value. The total time value is the design-builder's total number of days to complete the project multiplied by the factor. The time-adjusted price is the total time value plus the bid amount. This adjustment must be used for selection purposes only, and must not affect the department of transportation's liquidated damages schedule or incentive or disincentive program. An adjusted score must then be obtained by dividing each design-builder's time-adjusted price by the score given by the technical review team. The commissioner shall select the responsive and responsible design-builder whose adjusted score is the lowest.

(d) Unless all proposals are rejected, the commissioner shall award the contract to the responsive and responsible design-builder with the lowest adjusted score. The commissioner shall reserve the right to reject all proposals.

(e) The commissioner shall award a stipulated fee not less than two-tenths of one percent of the department's estimated cost of design and construction to each short-listed, responsible proposer who provides a responsive but unsuccessful proposal. If the commissioner does not award a contract, all responsive proposers must receive the stipulated fee. If the commissioner cancels the contract before reviewing the technical proposals, the commissioner shall award each design-builder on the short list a stipulated fee of not less than two-tenths of one percent of the commissioner's estimated cost of design and construction. The commissioner shall pay the stipulated fee to each proposer within 90 days after the award of the contract or the decision not to award a contract. In consideration for paying the stipulated fee, the commissioner may use any ideas or information contained in the proposals in connection with any contract awarded for the project or in connection with a subsequent procurement, without any obligation to pay any additional compensation to the unsuccessful proposers. Notwithstanding the other provisions of this paragraph, an unsuccessful short-list proposer may elect to waive the stipulated fee. If an unsuccessful short-list proposer elects to waive the stipulated fee, the commissioner may not use ideas and information contained in that proposer's proposal.

Subd. 2. [LOW-BID DESIGN-BUILD PROCESS.] (a) The commissioner may also use low-bid, design-build procedures to award a design-build contract. The low-bid, design-build procedures may be used for design-build projects where the scope of work can be clearly defined and the department has completed a portion of the design of the project and has provided that portion of the design to the design-build firms.

(b) Low-bid, design-build projects may not require an RFQ or short-listing, but will require an RFP.

(c) Submitted proposals under this subdivision must include separately a technical proposal and a price proposal. The low-bid, design-build procedures must follow a two-step process, as follows:

(1) The first step is the review of the technical proposal by the technical review committee as provided in section 161.3206, subdivision 2. The technical review committee must open the technical proposal first and must determine if it complies with the requirements of the RFP and is responsive. The technical review committee may not perform any ranking or scoring of the technical proposals.

(2) The second step is the determination of the low bidder based on the price proposal. The commissioner may not open the price proposal until the review of the technical proposal is complete.

(d) The contract award under low-bid, design-build procedures must be made to the proposer whose sealed bid is responsive to the technical requirements as determined by the technical review committee and that is also the lowest bid.

(e) For transportation projects using low-bid, design-build procedures, any engineering consultant that completes the design for the low-bid, design-build project must have previously been approved by the department.

(f) A stipulated fee may not be paid for unsuccessful bids on low-bid, design-build projects.

Subd. 3. [REJECTION OF BIDS.] The commissioner may reject all bids under this section.

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

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

The report was adopted.

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

H. F. No. 1144, A bill for an act relating to health data; modifying access of the attorney general to health data held by governmental and private entities; amending Minnesota Statutes 2000, sections 13.384, subdivision 3; 13.46, by adding a subdivision; 62D.145, subdivision 2; 72A.502, by adding a subdivision; and 144.335, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [8.37] [ACCESS TO HEALTH RECORDS.]

Notwithstanding section 13.384, subdivision 3; 13.46; 62D.145, subdivision 2; or 72A.502, or any other provision of law to the contrary, the attorney general must follow the procedure established in this section to obtain access to patient health records or any other individually identifiable medical data about a patient. To obtain access to patient

health records or any other individually identifiable medical data about a patient, the attorney general must seek a court order authorizing release of the data. Before releasing the data, the court or the entity maintaining the data must contact all patients who are the subjects of the data, notify the patients that the attorney general has requested access to the data, and give the patients the opportunity to refuse to have their data released to the attorney general. The court shall not release any patient health records or other individually identifiable medical data, pursuant to a court order, if the patient who is the subject of the data has refused to consent to the release."

Delete the title and insert:

"A bill for an act relating to health data; modifying access of the attorney general to health data held by governmental and private entities; proposing coding for new law in Minnesota Statutes, chapter 8."

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

The report was adopted.

Dauids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 1152, A bill for an act relating to appropriations; appropriating money for construction of local public service facilities.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Jobs and Economic Development Finance without further recommendation.

The report was adopted.

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

H. F. No. 1155, A bill for an act relating to insurance; requiring an affirmative provider consent to participate in a network under a category of coverage; requiring disclosure of changes in a provider's contract; amending Minnesota Statutes 2000, section 62Q.74, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 62Q.74, subdivision 2, is amended to read:

Subd. 2. [PROVIDER CONSENT REQUIRED.] (a) No network organization shall require a health care provider to participate in a network under a category of coverage that differs from the category or categories of coverage to which the existing contract between the network organization and the provider applies, without the affirmative consent of the provider obtained under subdivision 3.

(b) This section does not apply to situations in which the network organization wishes the provider to participate in a new or different plan or other arrangement within a category of coverage that is already provided for in an existing contract between the network organization and the provider.

(c) Compliance with this section may not be waived in a contract or otherwise.

Sec. 2. Minnesota Statutes 2000, section 62Q.74, subdivision 3, is amended to read:

Subd. 3. [CONSENT PROCEDURE.] (a) The network organization, if it wishes to apply an existing contract with a provider to a different category of coverage, shall first notify the provider in writing. The written notice must include at least the following:

(1) the network organization's name, address, and telephone number, and the name of the specific network, if it differs from that of the network organization;

(2) a description of the proposed new category of coverage;

(3) the names of all payers expected by the network organization to use the network for the new category of coverage;

(4) the approximate number of current enrollees of the network organization in that category of coverage within the provider's geographical area;

(5) a disclosure of all contract terms of the proposed new category of coverage, including the discount or reduced fees, care guidelines, utilization review criteria, prior authorization process, and dispute resolution process;

(6) a form for the provider's convenience in accepting or declining participation in the proposed new category of coverage, provided that the provider need not use that form in responding; and

(7) a statement informing the provider of the provisions of paragraph (b).

~~(b) If the provider does not decline participation within 30 days after the postmark date of the notice, the provider is deemed to have accepted the proposed new category of coverage. Unless the provider has affirmatively agreed to participate within 60 days after the postmark date of the notice, the provider is deemed to have not accepted the proposed new category of coverage.~~

Sec. 3. Minnesota Statutes 2000, section 62Q.74, subdivision 4, is amended to read:

Subd. 4. [CONTRACT TERMINATION RESTRICTED.] (a) A network organization must not terminate an existing contract with a provider, or fail to honor the contract in good faith, based solely on the provider's decision not to accept a proposed new category of coverage. The most recent agreed-upon contractual obligations remain in force until the existing contract's renewal or termination date.

(b) If a provider declines to participate in a category of coverage, the network organization must permit the provider the opportunity to participate in that category of coverage when the organization determines a demographic or geographic need.

Sec. 4. [62Q.745] [PROVIDER CONTRACT AMENDMENT DISCLOSURE.]

(a) Any amendment or change in the terms of an existing contract between a network organization and a health care provider must be disclosed to the provider.

(b) Any amendment or change in the contract that alters the financial reimbursement or performance requirements must be disclosed to the provider before the amendment or change is deemed to be in effect.

(c) For purposes of this section, "network organization" and "health care provider" or "provider" have the meanings given in section 62Q.74."

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

The report was adopted.

Davids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 1169, A bill for an act relating to occupational safety and health; modifying safety committee requirements; amending Minnesota Statutes 2000, section 182.676.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2000, section 182.666, subdivision 2, is amended to read:

Subd. 2. Any employer who has received a citation for a serious violation of its duties under section 182.653, or any standard, rule, or order adopted under the authority of the commissioner as provided in this chapter, shall be assessed a fine not to exceed \$7,000 for each violation. If a serious violation under section 182.653, subdivision 2, causes or contributes to the death of an employee, the employer shall be assessed a fine of up to \$25,000."

Page 1, line 6, delete "Section 1." and insert "Sec. 2."

Page 1, line 22, after "of" insert "10 to" and delete "or fewer"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "increasing penalty limits for certain violations;"

Page 1, line 4, delete "section" and insert "sections 182.666, subdivision 2;"

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

The report was adopted.

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

H. F. No. 1192, A bill for an act relating to education; permitting applicants for a temporary limited teaching license or a personnel variance to submit their application by July 1 in any year; directing the board of teaching to amend its rules to conform with the July 1 date; amending Minnesota Statutes 2000, section 122A.18, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, lines 17 and 21, after "the" insert "complete"

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

The report was adopted.

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

H. F. No. 1214, A bill for an act relating to elections; clarifying certain language; changing certain requirements and procedures; amending Minnesota Statutes 2000, sections 201.022; 201.091, subdivision 4; 202A.19, subdivision 1; 203B.04, subdivision 5; 203B.06, by adding a subdivision; 203B.11, by adding a subdivision; 204B.06, subdivision 1; 204B.07, subdivision 2; 204B.09, subdivisions 1 and 3; 204B.20; 204B.21, subdivision 1; 204B.22, subdivision

1; 204B.23; 204B.28, subdivision 1; 204B.45, subdivision 2; 204B.46; 204C.03, subdivision 1; 204D.24, subdivision 2; 205.02, subdivision 1; 205.185, subdivisions 2 and 3; 205A.02; 205A.11, subdivision 2; 211A.02, subdivisions 1 and 4; 358.10; and 367.03, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 200 and 201; repealing Minnesota Statutes 2000, section 204B.06, subdivision 1a.

Reported the same back with the following amendments:

Page 10, after line 17, insert:

"Sec. 18. Minnesota Statutes 2000, section 204B.29, subdivision 1, is amended to read:

Subdivision 1. [SECURING ELECTION MATERIALS.] Before 9:00 p.m. on the day preceding an election, at least one election judge from each precinct in each municipality, or school district if applicable, shall secure voter registration files, ballots, forms, envelopes and other required supplies from the municipal clerk, school district clerk, or other legal custodian. The election judge shall deliver the materials to the polling place before the time when voting is scheduled to begin on election day. The county auditor shall send or deliver the election supplies enumerated in this section to the election judges in the precincts in unorganized territory. The election supplies may be sent by certified mail, parcel post, express mail or any other postal service providing assured delivery by no later than the day before the election. If the election supplies are delivered by any other means, they shall be delivered by no later than the day before the election.

Each precinct shall be furnished with 100 ballots of each kind for every ~~85~~ 65 individuals who voted in that precinct at the last election for the same office or on similar questions, or with ballots of each kind in an amount at least ~~ten~~ 50 percent greater than the number of votes which are reasonably expected to be cast in that precinct in that election taking into account any new housing development, census numbers, or other evidence of population growth, whichever supply of ballots is greater. No precinct shall be furnished with any ballots containing the name of any candidate who cannot properly be voted for in that precinct.

The election judges shall be responsible for the preservation of all election materials received by them until returned to the appropriate election officials after the voting has ended."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 10, after the third semicolon, insert "204B.29, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Seagren from the Committee on K-12 Education Finance to which was referred:

H. F. No. 1221, A bill for an act relating to appropriations; appropriating money for grants for pilot programs in school districts for integrated service models for children's mental health.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Health and Human Services Finance without further recommendation.

The report was adopted.

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

H. F. No. 1231, A bill for an act relating to education; dedicating a department of children, families, and learning staff position to school media programs; studying school media centers; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING; SCHOOL MEDIA STAFF PERSON.]

The commissioner of children, families, and learning shall designate a staff person as a resource person for providing state-level leadership for school media programs. The commissioner shall pay all costs for that staff person out of existing department appropriations.

[EFFECTIVE DATE.] This section is effective July 1, 2001.

Sec. 2. [SCHOOL MEDIA CENTER STUDY.]

The commissioner shall use existing funds to conduct a study of school media centers. The study must:

- (1) make available comprehensive data about school media center staffing, facilities, collections, and technology;
- (2) identify elements of school media programs that contribute to students' educational achievement; and
- (3) recommend best practices for school media programs.

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

Amend the title as follows:

Page 1, line 4, delete the second semicolon and insert a period

Page 1, delete line 5

With the recommendation that when so amended the bill pass and be re-referred to the Committee on K-12 Education Finance.

The report was adopted.

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

H. F. No. 1245, A bill for an act relating to commerce; amending provisions relating to charges recipients of dishonored checks may collect from persons who write the checks; amending Minnesota Statutes 2000, section 332.50.

Reported the same back with the following amendments:

Page 2, line 19, delete "of" and insert "after" and delete "after 30 days"

Page 2, line 20, after "charge" insert "within 30 days after the date of the mailing of the notice"

Page 2, line 31, after "greater" insert "; interest charges from the date of dishonor; and, under some circumstances, reasonable attorney fees"

Page 3, delete line 31, and insert "penalties described charges permitted in paragraph (b), clauses (1), (2), and (3)."

Page 3, line 32, delete the new language

Page 3, after line 36, insert:

"(f) If the issuer's account had insufficient funds because a paycheck, maintenance check, or child support check that was legally owed, paid to, and deposited by the issuer in good faith was dishonored, the issuer can submit an affidavit to the payee or holder to extend the time permitted to pay the dishonored check and the service charge before the additional charge in paragraph (b) will be imposed. The affidavit must be sent to the payee or holder before the 30 days provided in the Notice of Dishonor have expired. The affidavit must state that under penalty of perjury the sole reason that there were insufficient funds in the issuer's account was because:

(1) a paycheck, maintenance check, or child support check paid to the issuer and deposited in good faith in the account was dishonored on or before the time the dishonored check was presented for payment; and

(2) at the time the dishonored check was written, the issuer did not have notice that the paycheck, maintenance check, or child support check deposited in the account was dishonored.

The issuer must also provide the payee or holder with proof of the name of the person or entity who issued the dishonored paycheck, maintenance check, or child support check, the date the check was deposited, the date it was dishonored, and the check amount.

The payee or holder shall then give the issuer an additional 30 days beyond the initial 30 days given in the Notice of Dishonor to submit full payment for value of the check and the service charge before the additional charge in paragraph (b) will be imposed. If after the additional 30 days, the issuer fails to submit full payment for the check and service charge, the payee or holder shall send the Notice of Failure to pay, giving the issuer ten additional days before the issuer shall be liable for the additional charge of \$75 per dishonored check or the value of the check, whichever is greater."

Page 4, line 3, strike "nonpayment or"

Page 4, line 16, delete "cost" and insert "charge"

Page 5, line 20, after the first "the" insert "payee or"

Page 5, line 22, delete "\$100" and insert "\$75"

Page 5, line 24, delete "value" and insert "face amount"

Page 5, after line 35, insert:

"If your account had insufficient funds because a paycheck, maintenance check, or child support check that was legally owed to you, paid to you, and deposited in your account was dishonored, you can submit an affidavit to the payee or holder to extend the time permitted to pay the dishonored check and the service charge by an additional 30 days beyond the initial 30 days given in the Notice of Dishonor before the additional charge of \$75 or the value of the check, whichever is greater, will be imposed. You must send the affidavit before the 30 days provided in the Notice of Dishonor have expired. The affidavit must state under penalty of perjury that:

(1) the sole reason your account had insufficient funds was because a paycheck, maintenance check, or child support check paid to you and deposited in good faith in your account was dishonored on or before the time you wrote the dishonored check; and

(2) at the time you wrote the dishonored check, you did not have notice that the paycheck, maintenance check, or child support check deposited in your account was dishonored.

You must also provide the payee or holder with proof of the name of the person or entity who issued you the dishonored check, the date that check was deposited in your account, and the amount of that check."

Page 6, after line 34, insert:

"If your account had insufficient funds because a paycheck, maintenance check, or child support check that was legally owed to you, paid to you, and deposited in your account was dishonored, you can submit an affidavit to the payee or holder to extend the time permitted to pay the dishonored check and the service charge by an additional 30 days beyond the initial 30 days given in the Notice of Dishonor before the additional charge of \$75 or the value of the check, whichever is greater, will be imposed. You must send the affidavit before the 30 days provided in the Notice of Dishonor have expired. The affidavit must state under penalty of perjury that:

(1) the sole reason your account had insufficient funds was because a paycheck, maintenance check, or child support check paid to you and deposited in good faith in your account was dishonored on or before the time you wrote the dishonored check; and

(2) at the time you wrote the dishonored check, you did not have notice that the paycheck, maintenance check, or child support check deposited in your account was dishonored.

You must also provide the payee or holder with proof of the name of the person or entity who issued you the dishonored check, the date that check was deposited in your account, and the amount of that check."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1247, A bill for an act relating to veterans homes; providing for the veterans homes board to administer planned giving donations; amending Minnesota Statutes 2000, section 198.16; repealing Minnesota Statutes 2000, section 198.161.

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

The report was adopted.

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

H. F. No. 1248, A bill for an act relating to veterans homes; changing certain resident deposit accounts; amending Minnesota Statutes 2000, section 198.265.

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

The report was adopted.

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

H. F. No. 1261, A bill for an act relating to corrections; removing obsolete language referencing the secure treatment unit operated by Regions Hospital; requiring predatory offenders who request risk level reassessments to demonstrate full compliance with supervised release and other conditions; designating the department of corrections as the agency to administer the statewide supervision data system; clarifying language allowing the department of corrections to charge counties for the use of a correctional camp; allowing licensed mental health professionals to admit inmates to the mental health unit at MCF-Oak Park Heights; authorizing a corrections agent to request a review of an offender's risk level based on offender behavior in the community; providing that offenders returned to prison as release violators do not have a right to a risk reassessment by the end-of-confinement review committee unless substantial evidence indicates the offender's risk has increased; amending Minnesota Statutes 2000, sections 241.021, subdivision 4; 241.69; 242.32, subdivision 1a; and 244.052, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 241.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 241.016, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL REPORT.] ~~Notwithstanding section 15.91,~~ The department of corrections shall ~~submit~~ issue a performance report ~~by November 30 of each year to the chairs and ranking minority members of the senate and house committees and divisions having jurisdiction over criminal justice funding by January 15 of each year.~~ The issuance and content of the report must ~~conform with section 15.91.~~ include the following:

(1) department strategic mission, goals, and objectives;

(2) the department-wide per diem, adult facility-specific per diems, and an average per diem, reported in a standard calculated method as outlined in the departmental policies and procedures;

(3) department annual statistics as outlined in the departmental policies and procedures; and

(4) on an alternating basis, the department shall complete a detailed recidivism analysis of the adult facility, juvenile services, and community services divisions, reporting on one of these three areas each year.

Sec. 2. Minnesota Statutes 2000, section 241.021, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OVER CORRECTIONAL INSTITUTIONS.] ~~(a)~~ (a) Except as provided in paragraph (b), the commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons detained or confined therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons detained or confined therein. Commencing September 1, 1980, no individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless licensed by the commissioner of corrections. The commissioner shall review the correctional facilities described in this subdivision at least once every biennium, except as otherwise provided herein, to determine compliance with the minimum standards established pursuant to this subdivision. The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the interests and well-being of the persons detained or confined therein are protected. The commissioner may grant licensure up to two years. The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons detained or confined in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated

by the commissioner. The commissioner may require that any or all such information be provided through the department of corrections detention information system. The education program offered in a correctional facility for the detention or confinement of juvenile offenders must be approved by the commissioner of children, families, and learning before the commissioner of corrections may grant a license to the facility.

(b) For juvenile facilities licensed by the commissioner of human services, the commissioner may inspect and certify programs based on certification standards set forth in Minnesota Rules. For the purpose of this paragraph, "certification" has the meaning given it in section 245A.02, subdivision 4.

~~(2)~~ (c) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

~~(3)~~ (d) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

~~(4)~~ (e) When the commissioner finds that any facility described in ~~clause (1) paragraph (a)~~, except foster care facilities for delinquent children and youth as provided in subdivision 2, does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance, the commissioner shall promptly notify the chief executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, the commissioner may issue an order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed. When the commissioner is satisfied that satisfactory progress towards substantial compliance with minimum standard is being made, the commissioner may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.

~~(5)~~ (f) As used in this subdivision, "correctional facility" means any facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted, or adjudicated to be guilty or delinquent.

Sec. 3. Minnesota Statutes 2000, section 241.021, subdivision 4, is amended to read:

Subd. 4. [HEALTH CARE.] The commissioner of corrections shall provide professional health care to persons confined in institutions under the control of the commissioner of corrections and pay the costs of their care in hospitals and other medical facilities not under the control of the commissioner of corrections, ~~including the secure treatment unit operated by the St. Paul - Ramsey Hospital~~. All reimbursements for these health care services shall be deposited in the general fund. The commissioner of corrections is authorized to contract with entities, including health care management companies, to provide health care to inmates. With respect to these contracts, these entities shall not be regulated as, or otherwise considered to be, health plan companies as defined in section 62Q.01, subdivision 4.

Sec. 4. Minnesota Statutes 2000, section 241.021, subdivision 4a, is amended to read:

Subd. 4a. [CHEMICAL DEPENDENCY TREATMENT PROGRAMS.] All residential chemical dependency treatment programs operated by the commissioner of corrections to treat adults ~~and juveniles~~ committed to the commissioner's custody shall comply with the standards mandated in Minnesota Rules, parts 9530.4100 to

9530.6500, or successor rule parts for treatment programs operated by community-based ~~residential~~ treatment facilities. When the commissioners of corrections and human services agree that these established standards for community-based programs cannot reasonably apply to correctional facilities, alternative equivalent standards shall be developed by the commissioners and established through an interagency agreement.

Sec. 5. Minnesota Statutes 2000, section 241.021, is amended by adding a subdivision to read:

Subd. 4b. [REVIEW ORGANIZATION.] The commissioner of corrections must establish a health care peer review committee. Sections 145.61 to 145.67 apply to the committee. The committee must gather, review, and evaluate information relating to the on-site and off-site care and treatment of offenders. The committee must consist of:

- (1) the director of health services;
- (2) the department medical director;
- (3) the regional medical director of the contracted health care vendor;
- (4) the department director of nursing;
- (5) a physician from the contracting hospital provider; and
- (6) another physician who provides health care to offenders on site at a correctional facility.

Sec. 6. Minnesota Statutes 2000, section 241.021, subdivision 6, is amended to read:

Subd. 6. [BACKGROUND STUDIES.] (a) The commissioner of corrections is authorized to do background studies on personnel employed by any facility serving children or youth that is licensed under this section. The commissioner of corrections shall contract with the commissioner of human services to conduct background studies of individuals providing services in secure and nonsecure residential facilities and detention facilities which have direct contact, as defined under section 245A.04, subdivision 3, with persons served in the facilities. A disqualification of an individual in this section shall disqualify the individual from positions allowing direct contact or access to persons and residents receiving services in programs licensed by the departments of health and human services.

(b) A clerk or administrator of any court, the bureau of criminal apprehension, a prosecuting attorney, a county sheriff, or a chief of a local police department, shall assist in these studies by providing to the commissioner of human services, or the commissioner's representative, all criminal conviction data available from local, state, and national criminal history record repositories, including the criminal justice data communications network, pertaining to the following individuals: applicants, operators, all persons living in the household, and all staff of any facility subject to background studies under this subdivision.

(c) The department of human services shall conduct the background studies required by paragraph (a) in compliance with the provisions of chapter 245A. For the purpose of this subdivision, the term "secure and nonsecure residential facility and detention facility" shall include programs licensed or certified under subdivision 2. The department of human services shall provide necessary forms and instructions, conduct the necessary background studies of individuals, and provide notification of the results of the studies to the facilities, individuals, and commissioner of corrections. Individuals shall be disqualified under the provisions of chapter 245A.

If an individual is disqualified, the department of human services shall notify the facility and the individual and shall inform the individual of the right to request a reconsideration of the disqualification by submitting the request to the department of corrections.

(d) The commissioner of corrections shall review and decide reconsideration requests, including the granting of variances, in accordance with the procedures and criteria contained in chapter 245A. The commissioner's decision shall be provided to the individual and to the department of human services. The commissioner's decision to grant or deny a reconsideration of disqualification is the final administrative agency action.

(e) Facilities described in paragraph (a) shall be responsible for cooperating with the departments in implementing the provisions of this subdivision. The responsibilities imposed on applicants and licensees under chapter 245A shall apply to these facilities. The provisions of section 245A.04, subdivision 3, paragraph (e), shall apply to an applicant's, licensee's, or individual's refusal to cooperate with the completion of the background studies.

Sec. 7. Minnesota Statutes 2000, section 241.67, subdivision 8, is amended to read:

Subd. 8. [COMMUNITY-BASED SEX OFFENDER PROGRAM EVALUATION PROJECT.] (a) For the purposes of this project, a sex offender is an adult who has been convicted, or a juvenile who has been adjudicated, for a sex offense or a sex-related offense which would require registration under section 243.166.

(b) The commissioner shall develop a long-term project to accomplish the following:

(1) provide follow-up information on each sex offender for a period of three years following the offender's completion of or termination from treatment;

(2) provide treatment programs in several geographical areas in the state;

(3) provide the necessary data to form the basis to recommend a fiscally sound plan to provide a coordinated statewide system of effective sex offender treatment programming; and

(4) provide an opportunity to local and regional governments, agencies, and programs to establish models of sex offender programs that are suited to the needs of that region.

~~(c) The commissioner shall provide the legislature with an annual report of the data collected and the status of the project by October 15 of each year, beginning in 1993.~~

~~(d)~~ The commissioner shall establish an advisory task force consisting of county probation officers from Community Corrections Act counties and other counties, court services providers, and other interested officials. The commissioner shall consult with the task force concerning the establishment and operation of the project.

Sec. 8. Minnesota Statutes 2000, section 241.69, is amended to read:

241.69 [PSYCHIATRIC UNIT; ESTABLISHMENT.]

Subdivision 1. [AUTHORITY; RULES.] The commissioner of corrections shall, in accordance with applicable rules and standards prescribed by the ~~departments~~ department of health and welfare ~~human services~~, establish, staff, equip, maintain and operate at one of the adult correctional institutions under the commissioner's control a psychiatric mental health unit for the care and treatment of those inmates of state correctional institutions who become mentally ill.

Subd. 2. [EXAMINATION.] When any person confined in an adult correctional institution under the control of the commissioner of corrections is alleged to be a mentally ill person, the ~~chief executive officer~~ director of psychological services, warden, or other person in charge of the institution shall cause the person to be examined by a licensed physician especially qualified in the diagnosis of mental illness, or, if none is available, by any licensed physician or licensed psychologist mental health professional available to the institution.

Subd. 3. [TRANSFER.] If the ~~examining physician or psychologist~~ licensed mental health professional finds the person to be mentally ill and in need of short term care, the examining ~~physician~~ health care professional may recommend transfer by the commissioner of corrections to the psychiatric mental health unit established pursuant to subdivision 1.

Subd. 4. [COMMITMENT.] If the examining ~~physician health care professional or psychologist~~ licensed mental health professional finds the person to be mentally ill and in need of long term care in a hospital, or if an inmate transferred pursuant to subdivision 3 refuses to voluntarily participate in the treatment program at the psychiatric mental health unit, the ~~chief executive officer of~~ director of psychological services of the institution or ~~other person in charge~~ the mental health professional shall initiate proceedings for judicial commitment as provided in section 253B.07. Upon the recommendation of the ~~physician or psychologist~~ licensed mental health professional and upon completion of the hearing and consideration of the record, the court may commit the person to the psychiatric mental health unit established in subdivision 1 or to another hospital. A person confined in a state correctional institution for adults who has been adjudicated to be mentally ill and in need of treatment may be committed to the commissioner of corrections and placed in the psychiatric mental health unit established in subdivision 1.

Subd. 5. [DISCHARGE.] The ~~chief medical officer~~ director of psychological services of the psychiatric mental health unit established under this section may, subject to the provisions of chapter 253B, provisionally discharge any inmate patient admitted as mentally ill without discharging the commitment and order the inmate patient's release into the general population of the institution from which admitted, subject to return to the facility for further treatment.

When the ~~chief medical officer~~ director of psychological services of the facility certifies that a patient is no longer in need of institutional care for mental illness the ~~chief medical officer~~ director of psychological services shall discharge the patient to the institution from which committed, and the discharge shall also discharge the mental illness commitment.

A copy of the certification that the inmate is no longer in need of care for mental illness shall be transmitted to the commissioner of corrections. The commissioner of corrections shall give serious consideration to the aforementioned certification for purposes of their supervision over the inmate upon the inmate's release.

Subd. 6. [TRANSFER UPON EXPIRATION OF SENTENCE.] If the sentence of a person who has been adjudicated to be mentally ill and committed to the psychiatric mental health unit established under this section should expire before the person recovers and is discharged therefrom, and, in the judgment of the ~~chief medical officer~~ director of psychological services of the unit, the person requires further hospitalization for mental illness, the person shall be transferred by the commissioner of corrections to a state hospital designated by the commissioner of human services, there to be detained as in the case of other mentally ill persons under judicial commitment.

Subd. 7. [COSTS.] The costs of the commitment proceedings under this section shall be borne by the state.

Subd. 8. [DEFINITIONS.] For the purposes of this section, the words defined in section 253B.02 have the meanings given them in that section.

Sec. 9. Minnesota Statutes 2000, section 242.32, subdivision 1a, is amended to read:

Subd. 1a. [ALTERNATIVE RESIDENTIAL PROGRAMS; FUNDING.] The commissioner of corrections may establish and operate alternative residential programs for juveniles. Programming is available to court and social service agencies for placement of juveniles to act as early intervention in juvenile crime. The commissioner shall require participating state or federal agencies and local units of government sending participants to the program to pay the cost of the program. Funds received by the commissioner for the cost of the program from state and federal agencies and local units of government under this subdivision must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner to fund the program.

Sec. 10. Minnesota Statutes 2000, section 243.05, subdivision 6, is amended to read:

Subd. 6. [SUPERVISION BY COMMISSIONER OF CORRECTIONS; AGENTS.] (a) The commissioner of corrections, as far as possible, shall exercise supervision over persons released on parole or probation pursuant to this section and section 242.19.

(b) The commissioner of corrections shall exercise supervision over probationers as provided in section 609.135, and over persons conditionally released pursuant to section 241.26.

(c) For the purposes of clauses (a) and (b), and sections 609.115 and 609.135, subdivision 1, the commissioner shall appoint state agents who shall be in the classified service of the state civil service. The commissioner may also appoint suitable persons in any part of the state or enter into agreements with individuals and public or private agencies, for the same purposes, and pay the costs incurred under the agreements. ~~Parole agents shall reside in the various districts of the state in which they are employed.~~ Each agent or person shall perform the duties the commissioner may prescribe in behalf of or in the supervision of those persons described in clause (b). In addition, each agent or person shall act under the orders of the commissioner in the supervision of those persons conditionally released as provided in clause (a). Agents shall provide assistance to conditionally released persons in obtaining employment, and shall conduct relevant investigations and studies of persons under supervision upon the request of the commissioner. Regional supervisors may also supervise state parole agents as directed by the commissioner of corrections. This duty shall not interfere with the supervisor's responsibility under the County Probation Act, Laws 1959, chapter 698.

Sec. 11. Minnesota Statutes 2000, section 243.51, subdivision 2, is amended to read:

Subd. 2. [TRANSFER OF INMATES TO FEDERAL GOVERNMENT.] The commissioner of corrections may transfer to the custody of the United States attorney general any inmate of ~~the a~~ Minnesota correctional facility ~~Stillwater or the Minnesota correctional facility-Shakopee~~ facility whose presence is seriously detrimental to the internal discipline and well-being of the facility, or whose personal safety cannot be reasonably secured therein or in any other state facility, provided the attorney general of the United States accept such transfer. Such transfer shall be accomplished in the manner prescribed by United States Code, title 18, section 5003 and acts amendatory thereof, and the commissioner of corrections may execute such contracts as therein provided. The reimbursement of the federal government for all costs and expenses incurred for the care, custody, subsistence, education, treatment and training of such transferee shall be paid from the appropriation for the operation of the Minnesota correctional facility ~~Stillwater or the Minnesota correctional facility-Shakopee~~ facility from which the inmate was transferred.

The chief executive officer of the transferring facility shall attach to such contract a duly certified copy of the warrant of commitment under which such inmate is held, together with copies of such other commitment papers as are required by section 243.49, and such other data relating to the character and condition of such inmates as the officer may deem necessary or may be required by the federal prison authorities. Such copy of the warrant of commitment and accompanying papers shall constitute sufficient authority for the United States to hold such inmate on behalf of the state of Minnesota.

Any inmate so transferred under this subdivision shall be subject to the terms and conditions of the inmate's original sentence as if the inmate were serving the same within the confines of the facility from which transferred. Nothing herein contained shall deprive such inmate of the right to parole or the rights to legal process in the courts of this state.

Sec. 12. Minnesota Statutes 2000, section 243.53, subdivision 1, is amended to read:

Subdivision 1. [SEPARATE CELLS.] (a) When there are sufficient cells available, each inmate shall be confined in a separate cell. Each inmate shall be confined in a separate cell in institutions classified by the commissioner as custody level five and six institutions. This requirement does not apply to the following:

(1) geriatric dormitory-type facilities;

(2) honor dormitory-type facilities; and

(3) any other multiple occupancy facility at a custody level five or six institution that confines inmates who could be confined in an institution at custody level four or lower.

(b) Correctional institutions classified by the commissioner as custody level one, two, three, or four institutions must permit multiple occupancy, except segregation units, to the greatest extent possible. ~~The commissioner shall annually publish a list of the custody levels of all correctional institutions.~~

Sec. 13. Minnesota Statutes 2000, section 244.052, subdivision 3, is amended to read:

Subd. 3. [END-OF-CONFINEMENT REVIEW COMMITTEE.] (a) The commissioner of corrections shall establish and administer end-of-confinement review committees at each state correctional facility and at each state treatment facility where predatory offenders are confined. The committees shall assess on a case-by-case basis the public risk posed by predatory offenders who are about to be released from confinement.

(b) Each committee shall be a standing committee and shall consist of the following members appointed by the commissioner:

(1) the chief executive officer or head of the correctional or treatment facility where the offender is currently confined, or that person's designee;

(2) a law enforcement officer;

(3) a treatment professional who is trained in the assessment of sex offenders;

(4) a caseworker experienced in supervising sex offenders; and

(5) a victim's services professional.

Members of the committee, other than the facility's chief executive officer or head, shall be appointed by the commissioner to two-year terms. The chief executive officer or head of the facility or designee shall act as chair of the committee and shall use the facility's staff, as needed, to administer the committee, obtain necessary information from outside sources, and prepare risk assessment reports on offenders.

(c) The committee shall have access to the following data on a predatory offender only for the purposes of its assessment and to defend the committee's risk assessment determination upon administrative review under this section:

(1) private medical data under section 13.384 or 144.335, or welfare data under section 13.46 that relate to medical treatment of the offender;

(2) private and confidential court services data under section 13.84;

(3) private and confidential corrections data under section 13.85; and

(4) private criminal history data under section 13.87.

Data collected and maintained by the committee under this paragraph may not be disclosed outside the committee, except as provided under section 13.05, subdivision 3 or 4. The predatory offender has access to data on the offender collected and maintained by the committee, unless the data are confidential data received under this paragraph.

(d)(i) Except as otherwise provided in item (ii), at least 90 days before a predatory offender is to be released from confinement, the commissioner of corrections shall convene the appropriate end-of-confinement review committee for the purpose of assessing the risk presented by the offender and determining the risk level to which the offender shall be assigned under paragraph (e). The offender and the law enforcement agency that was responsible for the charge resulting in confinement shall be notified of the time and place of the committee's meeting. The offender has a right to be present and be heard at the meeting. The law enforcement agency may provide material in writing that is relevant to the offender's risk level to the chair of the committee. The committee shall use the risk factors described in paragraph (g) and the risk assessment scale developed under subdivision 2 to determine the offender's risk assessment score and risk level. Offenders scheduled for release from confinement shall be assessed by the committee established at the facility from which the offender is to be released.

(ii) If an offender is received for confinement in a facility with less than 90 days remaining in the offender's term of confinement, the offender's risk shall be assessed at the first regularly scheduled end of confinement review committee that convenes after the appropriate documentation for the risk assessment is assembled by the committee. The commissioner shall make reasonable efforts to ensure that offender's risk is assessed and a risk level is assigned or reassigned at least 30 days before the offender's release date.

(e) The committee shall assign to risk level I a predatory offender whose risk assessment score indicates a low risk of reoffense. The committee shall assign to risk level II an offender whose risk assessment score indicates a moderate risk of reoffense. The committee shall assign to risk level III an offender whose risk assessment score indicates a high risk of reoffense.

(f) Before the predatory offender is released from confinement, the committee shall prepare a risk assessment report which specifies the risk level to which the offender has been assigned and the reasons underlying the committee's risk assessment decision. The committee shall give the report to the offender and to the law enforcement agency at least 60 days before an offender is released from confinement. If the risk assessment is performed under the circumstances described in paragraph (d), item (ii), the report shall be given to the offender and the law enforcement agency as soon as it is available. The committee also shall inform the offender of the availability of review under subdivision 6.

(g) As used in this subdivision, "risk factors" includes, but is not limited to, the following factors:

(1) the seriousness of the offense should the offender reoffend. This factor includes consideration of the following:

(i) the degree of likely force or harm;

(ii) the degree of likely physical contact; and

(iii) the age of the likely victim;

(2) the offender's prior offense history. This factor includes consideration of the following:

(i) the relationship of prior victims to the offender;

(ii) the number of prior offenses or victims;

(iii) the duration of the offender's prior offense history;

(iv) the length of time since the offender's last prior offense while the offender was at risk to commit offenses; and

(v) the offender's prior history of other antisocial acts;

- (3) the offender's characteristics. This factor includes consideration of the following:
- (i) the offender's response to prior treatment efforts; and
 - (ii) the offender's history of substance abuse;
- (4) the availability of community supports to the offender. This factor includes consideration of the following:
- (i) the availability and likelihood that the offender will be involved in therapeutic treatment;
 - (ii) the availability of residential supports to the offender, such as a stable and supervised living arrangement in an appropriate location;
 - (iii) the offender's familial and social relationships, including the nature and length of these relationships and the level of support that the offender may receive from these persons; and
 - (iv) the offender's lack of education or employment stability;
- (5) whether the offender has indicated or credible evidence in the record indicates that the offender will reoffend if released into the community; and
- (6) whether the offender demonstrates a physical condition that minimizes the risk of reoffense, including but not limited to, advanced age or a debilitating illness or physical condition.
- (h) Upon the request of the law enforcement agency or the offender's corrections agent, the commissioner may reconvene the end-of-confinement review committee for the purpose of reassessing the risk level to which an offender has been assigned under paragraph (e). In a request for a reassessment, the law enforcement agency which was responsible for the charge resulting in confinement or agent shall list the facts and circumstances arising after the initial assignment or facts and circumstances known to law enforcement or the agent but not considered by the committee under paragraph (e) which support the request for a reassessment. The request for reassessment by the law enforcement agency must occur within 30 days of receipt of the report indicating the offender's risk level assignment. The offender's corrections agent, in consultation with the chief law enforcement officer in the area where the offender resides or intends to reside, may request a review of a risk level at any time if substantial evidence exists that the offender's risk level should be reviewed by an end-of-confinement review committee. This evidence includes, but is not limited to, evidence of treatment failures or completions, evidence of exceptional crime-free community adjustment or lack of appropriate adjustment, evidence of substantial community need to know more about the offender or mitigating circumstances that would narrow the proposed scope of notification, or other practical situations articulated and based in evidence of the offender's behavior while under supervision. Upon review of the request, the end-of-confinement review committee may reassign an offender to a different risk level. If the offender is reassigned to a higher risk level, the offender has the right to seek review of the committee's determination under subdivision 6.
- (i) An offender may request the end-of-confinement review committee to reassess the offender's assigned risk level after three years have elapsed since the committee's initial risk assessment and may renew the request once every two years following subsequent denials. In a request for reassessment, the offender shall list the facts and circumstances which demonstrate that the offender no longer poses the same degree of risk to the community. In order for a request for a risk level reduction to be granted, the offender must demonstrate full compliance with supervised release conditions, completion of required post-release treatment programming, and full compliance with all registration requirements as detailed in section 243.166. The offender must also not have been convicted of any felony, gross misdemeanor, or misdemeanor offenses subsequent to the assignment of the original risk level. The committee shall follow the process outlined in paragraphs (a) to ~~(e)~~, and ~~(g)~~ (c) in the reassessment. An offender who is incarcerated may not request a reassessment under this paragraph.

(j) Offenders returned to prison as release violators shall not have a right to a subsequent risk reassessment by the end-of-confinement review committee unless substantial evidence determines that the offender's risk to the public has increased.

(k) The commissioner shall establish an end-of-confinement review committee to assign a risk level to offenders who are released from a federal correctional facility in Minnesota or another state and who intend to reside in Minnesota, and to offenders accepted from another state under a reciprocal agreement for parole supervision under the interstate compact authorized by section 243.16. The committee shall make reasonable efforts to conform to the same timelines as applied to Minnesota cases. Offenders accepted from another state under a reciprocal agreement for probation supervision are not assigned a risk level, but are considered downward dispositional departures. The probation or court services officer and law enforcement officer shall manage such cases in accordance with section 244.10, subdivision 2a. The policies and procedures of the committee for federal offenders and interstate compact cases must be in accordance with all requirements as set forth in this section, unless restrictions caused by the nature of federal or interstate transfers prevents such conformance.

~~(k)~~ (l) If the committee assigns a predatory offender to risk level III, the committee shall determine whether residency restrictions shall be included in the conditions of the offender's release based on the offender's pattern of offending behavior.

Sec. 14. Minnesota Statutes 2000, section 244.17, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The commissioner may select offenders who meet the eligibility requirements of subdivisions 2 and 3 and have been deemed eligible by a court under section 609.105, subdivision 2a, to participate in a challenge incarceration program described in sections 244.171 and 244.172 for all or part of the offender's sentence if the offender agrees to participate in the program and signs a written contract with the commissioner agreeing to comply with the program's requirements.

Sec. 15. Minnesota Statutes 2000, section 244.173, is amended to read:

244.173 [CHALLENGE INCARCERATION PROGRAM; EVALUATION AND REPORT.]

The commissioner shall develop a system for gathering and analyzing information concerning the value and effectiveness of the challenge incarceration program. ~~The commissioner shall report to the committees of the house of representatives and senate with jurisdiction over criminal justice policy by January 1, 1996, on the operation of the program.~~

Sec. 16. Minnesota Statutes 2000, section 390.11, subdivision 1, is amended to read:

Subdivision 1. [DEATHS REQUIRING INQUESTS AND INVESTIGATIONS.] Except as provided in subdivision 1a, the coroner shall investigate and may conduct inquests in all human deaths of the following types:

(1) violent deaths, whether apparently homicidal, suicidal, or accidental, including but not limited to deaths due to thermal, chemical, electrical, or radiational injury, and deaths due to criminal abortion, whether apparently self induced or not;

(2) deaths under unusual or mysterious circumstances;

(3) deaths of persons whose bodies are to be cremated, dissected, buried at sea, or otherwise disposed of so that the bodies will later be unavailable for examination; and

(4) deaths of inmates of public institutions who are not hospitalized for organic disease and whose deaths are not of any type referred to in clause (1) or (2).

Sec. 17. Minnesota Statutes 2000, section 390.11, is amended by adding a subdivision to read:

Subd. 1a. [COMMISSIONER OF CORRECTIONS; INVESTIGATION OF DEATHS.] The commissioner of corrections may require that all department of corrections incarcerated deaths be reviewed by a department of corrections contracted board-certified forensic pathologist.

Sec. 18. Minnesota Statutes 2000, section 390.32, is amended by adding a subdivision to read:

Subd. 11. [COMMISSIONER OF CORRECTIONS; INVESTIGATION OF DEATHS.] The commissioner of corrections may require that all department of corrections incarcerated deaths be reviewed by a department of corrections contracted board-certified forensic pathologist.

Sec. 19. Minnesota Statutes 2000, section 609.105, is amended by adding a subdivision to read:

Subd. 2a. [CHALLENGE INCARCERATION PROGRAM ELIGIBILITY.] (a) At the time of sentencing, the judge, after receiving input from the prosecutor, defense counsel, and victim or victims, shall determine whether the offender is eligible for placement consideration in the challenge incarceration program based upon criteria established in section 244.17 and information presented at the time of sentencing.

(b) The commissioner of corrections shall retain authority to actually place offenders deemed eligible by the court in the program after considering institutional behavior, time remaining in the sentence, statutory requirements, and any eligibility criteria established by the commissioner.

(c) If the court fails to make a determination at the time of sentencing concerning the eligibility of an offender for the challenge incarceration program, the offender shall be presumed eligible.

(d) If the court determines that an offender is ineligible, the commissioner may make a written request to the sentencing judge, with notice to the parties described in paragraph (a), at a later date, requesting that the offender be deemed eligible. The court shall determine whether to grant eligibility to the offender for placement consideration in the challenge incarceration program.

Sec. 20. Minnesota Statutes 2000, section 609.341, subdivision 11, is amended to read:

Subd. 11. (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to (f), and 609.345, subdivision 1, clauses (a) to (e), and (h) to ~~(h)~~ (m), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts, or

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by a person in a position of authority, or by coercion, or by inducement if the complainant is under 13 years of age or mentally impaired, or

(iii) the touching by another of the complainant's intimate parts effected by coercion or by a person in a position of authority, or

(iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts.

(b) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (g) and (h), and 609.345, subdivision 1, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts;

- (ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;
- (iii) the touching by another of the complainant's intimate parts; or
- (iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts.

(c) "Sexual contact with a person under 13" means the intentional touching of the complainant's bare genitals or anal opening by the actor's bare genitals or anal opening with sexual or aggressive intent or the touching by the complainant's bare genitals or anal opening of the actor's or another's bare genitals or anal opening with sexual or aggressive intent.

Sec. 21. Minnesota Statutes 2000, section 609.344, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, the actor may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

- (i) the actor or an accomplice used force or coercion to accomplish the penetration;
- (ii) the complainant suffered personal injury; or
- (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred:

- (i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual penetration by means of deception or false representation that the penetration is for a bona fide medical purpose. Consent by the complainant is not a defense; ~~or~~

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual penetration occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual penetration occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense; or

(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense.

Sec. 22. Minnesota Statutes 2000, section 609.345, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant. Consent by the complainant to the act is not a defense. In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor believes the complainant to be 16 years of age or older;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

- (i) the actor or an accomplice used force or coercion to accomplish the contact;
- (ii) the complainant suffered personal injury; or
- (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred:

- (i) during the psychotherapy session; or
- (ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual contact by means of deception or false representation that the contact is for a bona fide medical purpose. Consent by the complainant is not a defense; or

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual contact occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual contact occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense; or

(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense.

Sec. 23. Minnesota Statutes 2000, section 609.3452, subdivision 1, is amended to read:

Subdivision 1. [ASSESSMENT REQUIRED.] When a person is convicted of a ~~violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a charge based on one or more of those sections~~ sex offense, the court shall order an independent professional assessment of the offender's need for sex offender treatment. The court may waive the assessment if: (1) the sentencing guidelines provide a presumptive prison sentence for the offender, or (2) an adequate assessment was conducted prior to the conviction. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders.

Sec. 24. Minnesota Statutes 2000, section 609.3452, is amended by adding a subdivision to read:

Subd. 1a. [REPEAT OFFENDERS; MANDATORY ASSESSMENT.] When a person is convicted of a felony-level sex offense, and the person has previously been convicted of a sex offense regardless of the penalty level, the court shall order a sex offender assessment to be completed by the Minnesota security hospital. The assessment must contain the facts upon which the assessment conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status unless the offender refuses to be examined. The assessment conclusion may not be based on testing alone. Upon completion, the assessment must be forwarded to the court and the commissioner of corrections. The court shall consider the assessment when sentencing the offender and, if applicable, when making the preliminary determination regarding the appropriateness of a civil commitment petition under section 609.1351.

Sec. 25. Minnesota Statutes 2000, section 609.3452, is amended by adding a subdivision to read:

Subd. 4. [DEFINITION.] As used in this section, "sex offense" means a violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23; or another offense arising out of a charge based on one or more of those sections.

Sec. 26. Minnesota Statutes 2000, section 611A.19, is amended to read:

611A.19 [TESTING OF SEX OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) Upon the request or with the consent of the victim, the prosecutor shall make a motion in camera and the sentencing court shall issue an order requiring an adult convicted of or a juvenile adjudicated delinquent for violating section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or any other violent crime, as defined in section 609.1095, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

(1) the crime involved sexual penetration, however slight, as defined in section 609.341, subdivision 12; or

(2) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during the commission of the crime in a manner which has been demonstrated epidemiologically to transmit the human immunodeficiency virus (HIV).

(b) When the court orders an offender to submit to testing under paragraph (a), the court shall order that the test be performed by an appropriate health professional who is trained to provide the counseling described in section 144.7414, and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services, except in the medical record maintained by the department of corrections.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of a test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. The results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results shall be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.7414. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.384 or 144.335 and destroyed, except for those medical records maintained by the department of corrections.

Sec. 27. Laws 1996, chapter 463, section 16, subdivision 3, as amended by Laws 1997, chapter 238, section 3, is amended to read:

Subd. 3. New Facility 89,000,000

To complete design and to construct, furnish, and equip a new close-custody correctional facility at custody level four to provide at least 800 beds.

The commissioner of administration may use construction delivery methods as may be appropriate to minimize the cost of the facility and maximize the construction time savings.

Before final contract documents for this project are advertised for construction bids, the commissioners of administration and corrections shall certify to the chairs of the senate finance committee, the senate crime prevention finance division, the house ways and means committee, the house judiciary finance committee, and the house capital investment committee that the program scope of the project has not increased since the project budget was reviewed in accordance with Minnesota Statutes, section 16B.335.

Upon receipt and evaluation of construction bids and before awarding contracts for the construction phase of the project, the commissioners of administration and finance shall inform the chairs of the house ways and means committee and the senate human resources finance committee and the chairs of the house and senate policy and finance committees and divisions having jurisdiction over criminal justice issues of the project budget necessary to complete that portion of the project. Any portion of this appropriation that exceeds the project budget shall be unallotted by the commissioner of finance.

~~By February 1 of each year, the commissioner shall report to the chairs of the house judiciary committee and senate crime prevention committee on efforts to recruit a workforce for the correctional facility that is proportional to the protected groups in the inmate population, the results of the efforts, and recommendations for achieving the goal of proportional representation of protected class employees in relation to the inmate population.~~

The commissioner of corrections shall construct an access road from state trunk highway 361 to the parking lot of the correctional facility. The commissioner of transportation shall construct any necessary improvements at the intersection of trunk highway 361 and the access road in order to facilitate ingress to and egress from the correctional facility.

Sec. 28. [REPEALER.]

Minnesota Statutes 2000, sections 241.016, subdivision 2; 241.018; 241.19; 241.272, subdivision 7; and 242.51, are repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 20 to 22 are effective August 1, 2001, and apply to crimes committed on or after that date. Sections 23 to 25 are effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to the operation of state government; requiring an annual report from the department of corrections; providing certification standards for juvenile facilities; requiring standards for chemical dependency treatment programs; requiring the commissioner of corrections to establish a health care peer review committee; requiring commissioner of corrections to contract with commissioner of human services for background studies of individuals providing services in certain facilities; removing certain obsolete provisions in correction law; clarifying responsibilities and updating language in law governing correctional psychiatric unit; authorizing a corrections agent to request a review of an offender's risk level based on offender behavior in the community; providing for investigation of deaths occurring in correctional facilities; requiring judges to determine if offenders are eligible for challenge incarceration programs based upon correctional department criteria; defining criminal sexual conduct to include certain employees working in correctional facilities; requiring mandatory sex offender assessments for repeat offenders; providing that human immunodeficiency virus testing data of sex offenders to be maintained in correctional medical records; amending Minnesota Statutes 2000, sections 241.016, subdivision 1; 241.021, subdivisions 1, 4, 4a, 6, by adding a subdivision; 241.67, subdivision 8; 241.69; 242.32, subdivision 1a; 243.05, subdivision 6; 243.51, subdivision 2; 243.53, subdivision 1; 244.052, subdivision 3; 244.17, subdivision 1; 244.173; 390.11, subdivision 1, by adding a subdivision; 390.32, by adding a subdivision; 609.105, by adding a subdivision; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3452, subdivision 1, by adding subdivisions; 611A.19; Laws 1996, chapter 463, section 16, subdivision 3, as amended; repealing Minnesota Statutes 2000, sections 241.016, subdivision 2; 241.018; 241.19; 241.272, subdivision 7; 242.51."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1272, A bill for an act relating to state government; directing the department of administration to decentralize state agencies and departments.

Reported the same back with the following amendments:

Page 1, line 12, delete "decentralize the remaining" and insert "consider the decentralization of appropriate"

Page 1, line 14, after the period, insert "The commissioner shall report to the legislature by January 15, 2002, on this issue."

Amend the title as follows:

Page 1, line 3, delete "decentralize" and insert "consider decentralizing"

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

The report was adopted.

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

H. F. No. 1277, A bill for an act relating to transportation; modifying financing procedures for interregional transportation corridor; modifying provisions relating to statewide communications system and clarifying appropriation of related fees; modifying provisions relating to transportation revolving loan fund; making technical and clarifying changes; amending Minnesota Statutes 2000, sections 161.23, subdivision 3; 174.70, subdivisions 2 and 3; and 446A.085; Laws 1999, chapter 238, article 1, section 2, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 161.

Reported the same back with the following amendments:

Page 2, line 33, after "construction" insert "and maintenance" and delete "a statewide" and insert "the state's"

Page 2, line 34, strike "system" and before "and" insert "systems"

Page 3, line 3, after "the" insert "state's" and strike "system" and insert "systems"

Page 3, line 20, strike "state-owned" and insert "the state's"

Page 3, line 21, strike "public" and delete "system" and insert "systems"

Page 3, line 33, strike "system" and before the period, insert "systems that serve state agencies"

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

The report was adopted.

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

H. F. No. 1280, A bill for an act relating to education; providing for an elementary reading specialist licensure; amending requirements for elementary school teacher licenses; providing for rulemaking; amending Minnesota Statutes 2000, sections 122A.06, by adding a subdivision; 122A.09, subdivision 4; and 122A.18, subdivision 2a, and by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 18, delete the comma and insert "and"

Page 1, line 20, delete ", and" and insert ", It should also include" and after "applying" insert "varied and ongoing"

Page 1, line 21, after "comprehension" insert "throughout elementary and secondary education"

Page 3, line 30, delete "elementary"

Page 3, line 31, after "further" insert "reading" and delete "in the"

Page 3, delete line 32

Page 3, line 33, delete everything before the period and insert ", consistent with section 122A.06, subdivision 4"

Page 3, line 35, delete "2002" and insert "2004"

Page 4, line 9, delete "for teachers of elementary"

Page 4, line 10, delete "education"

Page 4, line 12, delete ", for the"

Page 4, line 13, delete "early grades"

Page 4, line 15, delete "2002" and insert "2004"

Page 4, line 18, delete "ELEMENTARY"

Page 4, line 20, before "teachers" insert "reading" and delete "of elementary education with a specialty in reading"

Amend the title as follows:

Page 1, line 2, delete "an elementary" and insert "a"

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

The report was adopted.

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

H. F. No. 1291, A bill for an act relating to human services; changing recovery provisions; amending Minnesota Statutes 2000, sections 62A.095, subdivision 2; and 256B.0913, subdivisions 12 and 14.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 2000, section 62A.095, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] (a) No health plan shall be offered, sold, or issued to a resident of this state, or to cover a resident of this state, unless the health plan complies with subdivision 2.

(b) Health plans providing benefits under health care programs administered by the department of human services are not subject to the limits described in subdivision 2. These health plans are instead subject to the right of subrogation provisions under section 256B.37 and the lien provisions under sections 256.015, 256B.042, 256D.03, subdivision 8, and 256L.03, subdivision 6.

Amend the title as follows:

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

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

The report was adopted.

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

H. F. No. 1303, A bill for an act relating to human services; modifying provisions for children's health insurance; amending Minnesota Statutes 2000, sections 256.01, subdivision 2; 256.9657, subdivision 2; 256B.055, subdivision 3a; 256B.056, subdivision 4; 256B.057, subdivisions 2, 9, and by adding a subdivision; 256B.0625, subdivisions 13, 13a, 18a, and 30; 256B.0635, subdivisions 1 and 2; 256B.69, subdivision 3a; 256B.75; 256J.31, subdivision 12; 256K.03, subdivision 1; 256K.07; 256L.02, subdivision 4; 256L.06, subdivision 3; 256L.07, subdivisions 1 and 3; and 256L.15, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 2000, sections 256.01, subdivision 18; 256B.0635, subdivision 3; 256J.32, subdivision 7a; and 256L.15, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

(a) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(b) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(c) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(d) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(e) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.017;

(f) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds; and

(g) enter into contractual agreements with federally recognized Indian tribes with a reservation in Minnesota to the extent necessary for the tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

(2) Inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs.

(3) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(4) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(5) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(6) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(7) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(8) Act as designated guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded. For children under the guardianship of the commissioner whose interests would be best served by adoptive placement, the commissioner may contract with a licensed child-placing agency to provide adoption services. A contract with a licensed child-placing agency must be designed to supplement existing county efforts and may not replace existing county programs, unless the replacement is agreed to by the county board and the appropriate exclusive bargaining representative or the commissioner has evidence that child placements of the county continue to be substantially below that of other counties. Funds encumbered and obligated under an agreement for a specific child shall remain available until the terms of the agreement are fulfilled or the agreement is terminated.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by county agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in

conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The secretary of health and human services of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(b) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) According to federal requirements, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and the AFDC program formerly codified in sections 256.72 to 256.87, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC program formerly codified in sections 256.72 to 256.87, and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) Have the authority to make direct payments to facilities providing shelter to women and their children according to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256D.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

(17) Have the authority to establish and enforce the following county reporting requirements:

(a) The commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for human services programs. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced.

(b) The county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner.

(c) If the required reports are not received by the deadlines established in clause (b), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received.

(d) A county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance.

(e) The final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period.

(f) The commissioner may not delay payments, withhold funds, or require repayment under paragraph (c) or (e) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under paragraph (c) or (e), the county board may appeal the action according to sections 14.57 to 14.69.

(g) Counties subject to withholding of funds under paragraph (c) or forfeiture or repayment of funds under paragraph (e) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under paragraph (c) or (e).

(18) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample for the foster care program under title IV-E of the Social Security Act, United States Code, title 42, in direct proportion to each county's title IV-E foster care maintenance claim for that period.

(19) Be responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the human services programs administered by the department.

(20) Require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the human services programs administered by the department.

(21) Have the authority to administer a drug rebate program for drugs purchased pursuant to the prescription drug program established under section 256.955 after the beneficiary's satisfaction of any deductible established in the program. The commissioner shall require a rebate agreement from all manufacturers of covered drugs as defined in section 256B.0625, subdivision 13. Rebate agreements for prescription drugs delivered on or after July 1, 2002, must include rebates for individuals covered under the prescription drug program who are under 65 years of age. For each drug, the amount of the rebate shall be equal to the basic rebate as defined for purposes of the federal rebate program in United States Code, title 42, section 1396r-8(c)(1). This basic rebate shall be applied to single-source

and multiple-source drugs. The manufacturers must provide full payment within 30 days of receipt of the state invoice for the rebate within the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act. The manufacturers must provide the commissioner with any information necessary to verify the rebate determined per drug. The rebate program shall utilize the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act.

(21a) Have the authority to administer the federal drug rebate program for drugs purchased under the medical assistance program as allowed by section 1927 of title XIX of the Social Security Act and according to the terms and conditions of section 1927. Rebates shall be collected for all drugs that have been dispensed or administered in an outpatient setting and that are from manufacturers who have signed a rebate agreement with the United States Department of Health and Human Services.

(22) Operate the department's communication systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the programs the commissioner supervises. A communications account may also be established for each regional treatment center which operates communications systems. Each account must be used to manage shared communication costs necessary for the operations of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and other costs as determined by the commissioner. Nonprofit organizations and state, county, and local government agencies involved in the operation of programs the commissioner supervises may participate in the use of the department's communications technology and share in the cost of operation. The commissioner may accept on behalf of the state any gift, bequest, devise or personal property of any kind, or money tendered to the state for any lawful purpose pertaining to the communication activities of the department. Any money received for this purpose must be deposited in the department's communication systems accounts. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

(23) Receive any federal matching money that is made available through the medical assistance program for the consumer satisfaction survey. Any federal money received for the survey is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received for the consumer satisfaction survey in either year of the biennium.

(24) Incorporate cost reimbursement claims from First Call Minnesota into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Any reimbursement received is appropriated to the commissioner and shall be disbursed to First Call Minnesota according to normal department payment schedules.

(25) Develop recommended standards for foster care homes that address the components of specialized therapeutic services to be provided by foster care homes with those services.

Sec. 2. Minnesota Statutes 2000, section 256.9657, subdivision 2, is amended to read:

Subd. 2. [HOSPITAL SURCHARGE.] (a) Effective October 1, 1992, each Minnesota hospital except facilities of the federal Indian Health Service and regional treatment centers shall pay to the medical assistance account a surcharge equal to 1.4 percent of net patient revenues excluding net Medicare revenues reported by that provider to the health care cost information system according to the schedule in subdivision 4.

(b) Effective July 1, 1994, the surcharge under paragraph (a) is increased to 1.56 percent.

(c) Notwithstanding the Medicare cost finding and allowable cost principles, the hospital surcharge is not an allowable cost for purposes of rate setting under sections 256.9685 to 256.9695.

Sec. 3. Minnesota Statutes 2000, section 256B.04, is amended by adding a subdivision to read:

Subd. 1a. [CONTRACT FOR SERVICES FOR AMERICAN INDIAN CHILDREN.] Notwithstanding subdivision 1, the commissioner may contract with federally recognized Indian tribes with a reservation in Minnesota for the provision of early and periodic screening, diagnosis, and treatment administrative services for American Indian children, according to Code of Federal Regulations, title 42, section 441, subpart B, and Minnesota Rules, part 9505.1693 et seq., when the tribe chooses to provide such services. For purposes of this subdivision, "American Indian" has the meaning given to persons to whom services will be provided for in Code of Federal Regulations, title 42, section 36.12. Notwithstanding Minnesota Rules, part 9505.1748, subpart 1, the commissioner, the local agency, and the tribe may contract with any entity for the provision of early and periodic screening, diagnosis, and treatment administrative services.

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

Sec. 4. Minnesota Statutes 2000, section 256B.055, subdivision 3a, is amended to read:

Subd. 3a. [~~MFIP-S FAMILIES; FAMILIES ELIGIBLE UNDER PRIOR AFDC RULES.~~] (a) Beginning January 1, 1998, or on the date that MFIP-S is implemented in counties, medical assistance may be paid for a person receiving public assistance under the MFIP-S program. Beginning July 1, 2002, medical assistance may be paid for a person who would have been eligible, but for excess income or assets, under the state's AFDC plan in effect as of July 16, 1996, with the base AFDC standard increased according to section 256B.056, subdivision 4.

(b) Beginning ~~January 1, 1998; July 1, 2002,~~ medical assistance may be paid for a person who would have been eligible for public assistance under the income and resource assets standards, ~~or who would have been eligible but for excess income or assets, 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 with the base AFDC rate increased according to section 256B.056, subdivision 4.~~

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

Sec. 5. Minnesota Statutes 2000, section 256B.057, subdivision 9, is amended to read:

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

- (1) meets the definition of disabled under the supplemental security income program;
- (2) is at least 16 but less than 65 years of age;
- (3) meets the asset limits in paragraph (b); and
- (4) pays a premium, if required, under paragraph (c).

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

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

- (1) all assets excluded under section 256B.056;
- (2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans, Keogh plans, and pension plans; and
- (3) medical expense accounts set up through the person's employer.

(c) A person whose earned and unearned income is ~~greater than 200~~ between 100 and 150 percent of federal poverty guidelines for the applicable family size must pay a premium of \$10 per month to be eligible for medical assistance. ~~The premium shall be equal to ten percent of the person's gross earned and unearned income above 200 percent of federal poverty guidelines for the applicable family size up to the cost of coverage. A person whose earned and unearned income is greater than 150 percent of the federal poverty guidelines for the applicable family size must pay a monthly premium on a sliding scale basis beginning with 1.5 percent of income up to 7.5 percent of income at 300 percent of the federal poverty guidelines.~~

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

(e) Any required premium shall be determined at application and redetermined annually at recertification or when a change in income or family size occurs.

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

(g) Nonpayment of the premium shall result in denial or termination of medical assistance unless the person demonstrates good cause for nonpayment. Good cause exists if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to D, are met. Nonpayment shall include payment with a returned, refused, or dishonored instrument. The commissioner may require a guaranteed form of payment as the only means to replace a returned, refused, or dishonored instrument.

Sec. 6. Minnesota Statutes 2000, 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).

Sec. 7. Minnesota Statutes 2000, section 256B.0625, subdivision 13a, is amended to read:

Subd. 13a. [DRUG UTILIZATION REVIEW BOARD.] A nine-member drug utilization review board is established. The board is comprised of at least three but no more than four licensed physicians actively engaged in the practice of medicine in Minnesota; at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota; and one consumer representative; the remainder to be made up of health care professionals who are licensed in their field and have recognized knowledge in the clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs. The board shall be staffed by an employee of the department who shall serve as an ex officio nonvoting member of the board. The members of the board shall be appointed by the commissioner and shall serve three-year terms. The members shall be selected from lists submitted by professional associations. The commissioner shall appoint the initial members of the board for terms expiring as follows: three members for terms expiring June 30, 1996; three members for terms expiring June 30, 1997; and three members for terms expiring June 30, 1998. Members may be reappointed once. The board shall annually elect a chair from among the members.

The commissioner shall, with the advice of the board:

(1) implement a medical assistance retrospective and prospective drug utilization review program as required by United States Code, title 42, section 1396r-8(g)(3);

(2) develop and implement the predetermined criteria and practice parameters for appropriate prescribing to be used in retrospective and prospective drug utilization review;

(3) develop, select, implement, and assess interventions for physicians, pharmacists, and patients that are educational and not punitive in nature;

(4) establish a grievance and appeals process for physicians and pharmacists under this section;

(5) publish and disseminate educational information to physicians and pharmacists regarding the board and the review program;

(6) adopt and implement procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the review program that identifies individual physicians, pharmacists, or recipients;

(7) establish and implement an ongoing process to (i) receive public comment regarding drug utilization review criteria and standards, and (ii) consider the comments along with other scientific and clinical information in order to revise criteria and standards on a timely basis; and

(8) adopt any rules necessary to carry out this section.

The board may establish advisory committees. The commissioner may contract with appropriate organizations to assist the board in carrying out the board's duties. The commissioner may enter into contracts for services to develop and implement a retrospective and prospective review program.

The board shall report to the commissioner annually on the date the Drug Utilization Review Annual Report is due to the Health Care Financing Administration. This report is to cover the preceding federal fiscal year. The commissioner shall make the report available to the public upon request. The report must include information on the activities of the board and the program; the effectiveness of implemented interventions; administrative costs; and any fiscal impact resulting from the program. An honorarium of ~~\$50~~ \$100 per meeting and reimbursement for mileage shall be paid to each board member in attendance.

Sec. 8. Minnesota Statutes 2000, section 256B.0625, subdivision 18a, is amended to read:

Subd. 18a. [~~PAYMENT FOR MEALS AND LODGING~~ ACCESS TO MEDICAL SERVICES.] (a) Medical assistance reimbursement for meals for persons traveling to receive medical care may not exceed \$5.50 for breakfast, \$6.50 for lunch, or \$8 for dinner.

(b) Medical assistance reimbursement for lodging for persons traveling to receive medical care may not exceed \$50 per day unless prior authorized by the local agency.

(c) Medical assistance direct mileage reimbursement to the eligible person or the eligible person's driver may not exceed 20 cents per mile.

(d) Medical assistance covers oral language interpreter services when provided by an enrolled health care provider during the course of providing a direct, person-to-person covered health care service to an enrolled recipient with limited English proficiency.

Sec. 9. Minnesota Statutes 2000, section 256B.0625, subdivision 30, is amended to read:

Subd. 30. [~~OTHER CLINIC SERVICES.~~] (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, public health clinic services, and the services of a clinic meeting the criteria established in rule by the commissioner. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

(b) A federally qualified health center that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. A federally qualified health center that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, a federally qualified health center shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. Federally qualified health centers that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

(c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), a federally qualified health center or rural health clinic must apply for designation as an essential community provider within six months of final adoption of rules by the department of health according to section 62Q.19, subdivision 7. For those federally qualified health centers and rural health clinics that have applied for essential community provider status within the six-month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years after application. For federally qualified health centers and rural health clinics that either do not apply within the time specified above or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not federally qualified health centers or rural health clinics.

(d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally qualified health center or a rural health clinic to make application for an essential community provider designation in order to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

(e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

(f) Effective January 1, 2001, each federally qualified health center and rural health clinic may elect to be paid either under the prospective payment system established in United States Code, title 42, section 1396a, paragraph (a) or under an alternative payment methodology consistent with the requirements of United States Code, title 42, section 1392a, paragraph (a) and approved by the health care financing administration. The alternative payment methodology shall be 100 percent of cost as determined according to Medicare cost principles.

Sec. 10. Minnesota Statutes 2000, section 256B.0625, subdivision 34, is amended to read:

Subd. 34. [INDIAN HEALTH SERVICES FACILITIES.] Medical assistance payments and MinnesotaCare payments to facilities of the Indian health service and facilities operated by a tribe or tribal organization under funding authorized by United States Code, title 25, sections 450f to 450n, or title III of the Indian Self-Determination and Education Assistance Act, Public Law Number 93-638, for enrollees who are eligible for federal financial participation, shall be at the option of the facility in accordance with the rate published by the United States Assistant Secretary for Health under the authority of United States Code, title 42, sections 248(a) and 249(b). General assistance medical care payments to facilities of the Indian health services and facilities operated by a tribe or tribal organization for the provision of outpatient medical care services billed after June 30, 1990, must be in accordance with the general assistance medical care rates paid for the same services when provided in a facility other than a facility of the Indian health service or a facility operated by a tribe or tribal organization. MinnesotaCare payments for enrollees who are not eligible for federal financial participation at facilities of the Indian Health Service and facilities operated by a tribe or tribal organization for the provision of outpatient medical services must be in accordance with the medical assistance rates paid for the same services when provided in a facility other than a facility of the Indian Health Service or a facility operated by a tribe or tribal organization.

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

Sec. 11. Minnesota Statutes 2000, section 256B.0635, subdivision 1, is amended to read:

Subdivision 1. [INCREASED EMPLOYMENT.] ~~Beginning January 1, 1998~~ (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, ~~as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law Number 104-193;~~ increased according to section 256B.056, subdivision 4, at the time medical assistance eligibility began.

A person who is eligible for extended medical assistance is entitled to ~~six~~ 12 months of assistance without reapplication, unless the assistance unit ceases to include a dependent child. ~~For a person under 21 years of age, except~~ medical assistance may not be discontinued ~~for that dependent child under 21 years of age~~ within the ~~six-month~~ 12-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, paragraph (b), 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 12 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 12-month period of extended eligibility until it has been determined that the person is not otherwise eligible for medical assistance.

[EFFECTIVE DATE.] This section is effective July 1, 2001.

Sec. 12. Minnesota Statutes 2000, section 256B.0635, subdivision 2, is amended to read:

Subd. 2. **[INCREASED CHILD OR SPOUSAL SUPPORT.]** ~~Beginning January 1, 1998 (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, ~~as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law Number 104-193 increased according to section 256B.056, subdivision 4,~~ 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. ~~For a person under 21 years of age, 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, paragraph (b), 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.

[EFFECTIVE DATE.] This section is effective July 1, 2001.

Sec. 13. Minnesota Statutes 2000, section 256B.75, is amended to read:

256B.75 **[HOSPITAL OUTPATIENT REIMBURSEMENT.]**

(a) For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Effective for

services rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and emergency room facility fees shall be increased by eight percent over the rates in effect on December 31, 1999, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.

(b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory surgery hospital facility fee services for critical access hospitals designated under section 144.1483, clause (11), shall be paid on a cost-based payment system that is based on the cost-finding methods and allowable costs of the Medicare program.

(c) Effective for services provided on or after July 1, 2002, rates that are based on the Medicare outpatient prospective payment system shall be replaced by a budget neutral prospective payment system that is derived using medical assistance data. The department shall provide a proposal to the 2002 legislature to define and implement this provision.

Sec. 14. [256B.78] [MEDICAL ASSISTANCE DEMONSTRATION PROJECT FOR FAMILY PLANNING SERVICES.]

(a) The commissioner of human services shall establish a medical assistance demonstration project to determine whether improved access to coverage of pre-pregnancy family planning services reduces medical assistance and MFIP costs.

(b) This section is effective upon federal approval of the demonstration project.

Sec. 15. Minnesota Statutes 2000, section 256J.31, subdivision 12, is amended to read:

Subd. 12. [RIGHT TO DISCONTINUE CASH ASSISTANCE.] A participant who is not in vendor payment status may discontinue receipt of the cash assistance portion of the MFIP assistance grant and retain eligibility for child care assistance under section 119B.05 ~~and for medical assistance under sections 256B.055, subdivision 3a, and 256B.0635.~~ For the months a participant chooses to discontinue the receipt of the cash portion of the MFIP grant, the assistance unit accrues months of eligibility to be applied toward eligibility for child care under section 119B.05 ~~and for medical assistance under sections 256B.055, subdivision 3a, and 256B.0635.~~

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

Sec. 16. Minnesota Statutes 2000, section 256K.03, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION OF PROGRAM.] Except for the provisions in this section, the provisions for the MFIP application process shall be followed. Within two days after receipt of a completed combined application form, the county agency must refer to the provider the applicant who meets the conditions under section 256K.02, and notify the applicant in writing of the program including the following provisions:

(1) notification that, as part of the application process, applicants are required to attend orientation, to be followed immediately by a job search;

(2) the program provider, the date, time, and location of the scheduled program orientation;

(3) the procedures for qualifying for and receiving benefits under the program;

(4) the immediate availability of supportive services, including, but not limited to, child care, transportation, ~~medical assistance~~, and other work-related aid; and

(5) the rights, responsibilities, and obligations of participants in the program, including, but not limited to, the grounds for exemptions and deferrals, the consequences for refusing or failing to participate fully, and the appeal process.

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

Sec. 17. Minnesota Statutes 2000, section 256K.07, is amended to read:

256K.07 [ELIGIBILITY FOR FOOD STAMPS, ~~MEDICAL ASSISTANCE~~, AND CHILD CARE.]

The participant shall be treated as an MFIP recipient for food stamps, ~~medical assistance~~, and child care eligibility purposes. The participant who leaves the program as a result of increased earnings from employment shall be eligible for ~~transitional medical assistance~~ and child care without regard to MFIP receipt in three of the six months preceding ineligibility.

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

Sec. 18. Minnesota Statutes 2000, section 256L.06, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATION AND COMMISSIONER'S DUTIES.] (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon changes in enrollee income; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or annual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare.

(d) Nonpayment of the premium will result in disenrollment from the plan ~~within one calendar month after the due date effective for the calendar month for which the premium was due~~. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll until four calendar months have elapsed. Persons disenrolled for nonpayment who pay all past due premiums as well as current premiums due, including premiums due for the period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively to the first day of disenrollment. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll for four calendar months unless the person demonstrates good cause for nonpayment. Good cause does not exist if a person chooses to pay other family expenses instead of the premium. The commissioner shall define good cause in rule.

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

Sec. 19. Minnesota Statutes 2000, section 256L.12, is amended by adding a subdivision to read:

Subd. 11. [COVERAGE AT INDIAN HEALTH SERVICE FACILITIES.] For American Indian enrollees of MinnesotaCare, MinnesotaCare shall cover health care services provided at Indian Health Service facilities and facilities operated by a tribe or tribal organization under funding authorized by United States Code, title 25, sections

450f to 450n, or title III of the Indian Self-Determination and Education Act, Public Law Number 93-638, if those services would otherwise be covered under section 256L.03. Payments for services provided under this subdivision shall be made on a fee-for-service basis, and may, at the option of the tribe or organization, be made at the rates authorized under sections 256.969, subdivision 16, and 256B.0625, subdivision 34, for those MinnesotaCare enrollees eligible for coverage at medical assistance rates. For purposes of this subdivision, "American Indian" has the meaning given to persons to whom services will be provided for in the Code of Federal Regulations, title 42, section 36.12.

Sec. 20. Minnesota Statutes 2000, section 256L.16, is amended to read:

256L.16 [PAYMENT RATES; SERVICES FOR FAMILIES AND CHILDREN UNDER THE MINNESOTACARE HEALTH CARE REFORM WAIVER.]

Section 256L.11, subdivision 2, shall not apply to services provided to children families with children who are eligible to receive expanded services according to section ~~256L.03, subdivision 1a~~ 256L.04, subdivision 1, paragraph (a).

Sec. 21. Laws 1999, chapter 245, article 4, section 110, is amended to read:

Sec. 110. [PROGRAMS FOR SENIOR CITIZENS.]

The commissioner of human services shall study the eligibility criteria of and benefits provided to persons age 65 and over through the array of cash assistance and health care programs administered by the department, and the extent to which these programs can be combined, simplified, or coordinated to reduce administrative costs and improve access. The commissioner shall also study potential barriers to enrollment for low-income seniors who would otherwise deplete resources necessary to maintain independent community living. At a minimum, the study must include an evaluation of asset requirements and enrollment sites. The commissioner shall report study findings and recommendations to the legislature by ~~June~~ September 30, 2001.

Sec. 22. [REPEALER.]

Minnesota Statutes 2000, section 256B.0635, subdivision 3, is repealed effective July 1, 2002."

Delete the title and insert:

"A bill for an act relating to human services; allowing the commissioner to collect drug rebates under the federal program; changing medical assistance provisions; establishing a demonstration project for family planning services; adding coverage at Indian health service facilities to MinnesotaCare; amending Minnesota Statutes 2000, sections 256.01, subdivision 2; 256.9657, subdivision 2; 256B.04, by adding a subdivision; 256B.055, subdivision 3a; 256B.057, subdivision 9; 256B.0625, subdivisions 13, 13a, 18a, 30, 34; 256B.0635, subdivisions 1, 2; 256B.75; 256J.31, subdivision 12; 256K.03, subdivision 1; 256K.07; 256L.06, subdivision 3; 256L.12, by adding a subdivision; 256L.16; Laws 1999, chapter 245, article 4, section 110; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 2000, section 256B.0635, subdivision 3."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 1356, A bill for an act relating to agriculture; expanding nuisance liability protection for agricultural operations; amending Minnesota Statutes 2000, section 561.19, subdivisions 1 and 2.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Civil Law.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 1365, A bill for an act relating to agriculture; providing grants and incentives to motor fuel retailers who install pumps and equipment to dispense cleaner fuel; requiring the state to buy and operate clean-fuel vehicles when available; requiring labeling for vehicles using clean fuel; imposing misdemeanor penalty; appropriating money; amending Minnesota Statutes 2000, sections 273.11, by adding a subdivision; 296A.07, subdivision 3; 296A.08, subdivision 2; and 297A.68, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16C; 41A; and 239.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [41A.10] [CLEAN FUEL DEVELOPMENT GRANT PROGRAM.]

The commissioner of agriculture shall establish a program to encourage motor fuel outlets to install tanks, pumps, and other necessary equipment to dispense clean fuel. For purposes of this section, "clean fuel" includes only CNG, E85, LNG, and propane, as those terms are defined in section 296A.01; B20, consisting of 20 percent biodiesel; and, E-Diesel/Oxy-Diesel. The program must provide for use of funds appropriated for the purpose as 50-percent-matching grants for motor fuel service station outlets, not to exceed (1) \$25,000 per site for an outlet that installs new equipment for dispensing clean fuel, including costs of any new sign materials relating to the clean fuel, and (2) \$2,500 per site for an outlet that converts existing petroleum-dispensing equipment to equipment for dispensing clean fuel. The state's share may be no more than half the cost of installing the equipment and must be matched by funds from private industry or other organizations or persons interested in promoting clean fuel.

Sec. 2. Minnesota Statutes 2000, section 296A.07, subdivision 3, is amended to read:

Subd. 3. [RATE OF TAX.] The gasoline excise tax is imposed at the following rates:

- (1) before July 1, 2001, and after June 30, 2006, E85 is taxed at the rate of 14.2 cents per gallon;
- (2) M85 is taxed at the rate of 11.4 cents per gallon; and
- (3) all other gasoline is taxed at the rate of 20 cents per gallon.

Sec. 3. Minnesota Statutes 2000, section 297A.68, is amended by adding a subdivision to read:

Subd. 35. [EQUIPMENT AND MATERIALS FOR DISPENSING CLEAN FUEL.] Clean fuel dispensing equipment and materials purchased for dispensing clean fuel into motor vehicles at a motor fuel outlet, are exempt. "Clean fuel" has the meaning given it in section 41A.10. "Equipment and materials" includes tanks, pumps, related sign materials, and other necessary equipment or materials.

Sec. 4. [APPROPRIATIONS AND TRANSFERS.]

(a) \$500,000 for the fiscal year ending June 30, 2002, and \$500,000 for the fiscal year ending June 30, 2003, are appropriated from the general fund to the commissioner of agriculture for purposes of section 1, to be available through June 30, 2003. In addition to the purposes stated in section 1, the commissioner may spend a portion of this appropriation to buy mass media broadcasts, solicit public service announcements, and use consumer direct marketing to promote the use of clean fuel and to inform the public of the advantages, benefits, and requirements of this act.

(b) \$220,000 for the fiscal year ending June 30, 2002, and \$500,000 for the fiscal year ending June 30, 2003, are appropriated from the general fund and transferred to the highway user tax distribution fund. These appropriations and transfers are intended to reimburse the highway user tax distribution fund for the loss of tax proceeds under section 2 for fiscal years 2002 and 2003."

Delete the title and insert:

"A bill for an act relating to agriculture; providing grants and incentives to motor fuel outlets that install pumps and equipment to dispense cleaner fuel; providing five-year tax exemption for E85 fuel; appropriating money; amending Minnesota Statutes 2000, sections 296A.07, subdivision 3; 297A.68, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 41A."

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

The report was adopted.

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

H. F. No. 1397, A bill for an act relating to human services; changing child placement provisions; amending Minnesota Statutes 2000, sections 256.01, subdivision 2; 260C.007, subdivisions 4, 14, and by adding subdivisions; 260C.141, subdivision 2; 260C.151, subdivision 6; 260C.178, subdivisions 1 and 7; 260C.193, subdivision 3; 260C.201, subdivisions 1, 2, 5, 6, 7, 10, 11, and by adding a subdivision; 260C.205; 260C.212, subdivisions 1, 2, 4, 5, 7, 8, and 9; 260C.215, subdivision 6; 260C.301, subdivisions 1, 4, and 8; 260C.312; 260C.317, subdivision 3; and 260C.325, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 256F; repealing Minnesota Statutes 2000, sections 256E.06, subdivision 2b; 260C.325, subdivision 2; and 626.5565.

Reported the same back with the following amendments:

Page 11, delete line 29 and insert:

"Subd. 2. [FAMILY GROUP DECISION-MAKING MEETING.] A

Page 11, line 32, after "family" insert "group"

Page 12, line 6, after "including" insert "an"

Page 12, line 9, after "TRAINING" insert "; IMMUNITY"

Page 12, delete lines 20 to 23 and insert "delivery of services to a child and parent or guardian, or, when reunification is not required, the child alone, that is developed according to the requirements of section 245.4871, subdivision 19 or 21; 245.492, subdivision 16; 256B.092; 256E.08; 260C.212, subdivision 1; or 626.556, subdivision 10."

Page 13, line 7, strike "according to"

Page 13, line 8, strike "release of the parent" and after "due" insert "solely"

Page 14, delete line 36

Page 15, delete lines 1 to 3 and insert "services agency, which is approved by the court, not to initiate proceedings to terminate parental rights or transfer permanent legal and physical custody of a child to the child's relative or former noncustodial parent."

Page 15, delete lines 6 to 8 and insert:

"Subd. 7a. [DEVELOPMENTAL DISABILITY.] "Developmental disability" means developmental disability as defined in United States Code, title 42, section 6001(8)."

Page 16, line 15, delete "for 90 days,"

Page 16, line 17, delete the comma and insert "or"

Page 17, line 22, after "determines" insert "that" and delete "section 260C.141" and insert "subdivision 1"

Page 17, line 33, after "agency" insert ", where appropriate,"

Page 17, line 34, delete "where appropriate"

Page 18, line 10, after the period, insert "The responsible social services agency must also provide notice that an in-court hearing will not be held unless requested by a parent or guardian, foster parent, or the child."

Page 18, line 16, after the period, insert "Unless requested by a parent or guardian, foster parent, or child, no in-court hearing need be held in order for the court to make findings and issue an order under this paragraph."

Page 18, line 24, after "child" insert a comma

Page 18, line 26, after "finds" insert "continuing"

Page 18, line 32, delete everything after the period

Page 18, delete lines 33 to 36

Page 19, line 16, delete "severe"

Page 19, line 22, delete the new language and reinstate the stricken language

Page 20, line 7, after the first "care" insert a comma

Page 23, line 12, delete "detention"

Page 23, line 24, after the comma, insert "subdivision 1."

Page 24, line 18, after "children" insert "in foster or residential care" and after "determinations" insert "under section 260C.212, subdivision 2, paragraph (b)."

Page 25, line 12, after "interests" insert a period and strike "and in the following order"

Page 25, lines 13 to 16, delete the new language and strike the old language

Page 36, line 15, delete the second "and" and insert a comma

Page 36, line 16, after "rights" insert ", or guardianship and legal custody to the commissioner through a consent to adopt"

Page 37, line 26, after the second "child" insert a comma

Page 38, line 15, strike "12" and insert "14"

Page 38, delete line 34 and insert:

"(ii) the order does not specify that the"

Page 39, line 25, after the second "to" insert "either an action or"

Page 40, delete lines 2 to 4

Page 40, line 5, delete "(3)" and insert "(2)"

Page 40, line 6, delete "(4)" and insert "(3)"

Page 41, line 25, after "removed" insert a comma

Page 41, line 33, delete "either"

Page 42, line 2, delete "are" and insert "is"

Page 42, line 20, after "AGENCY'S" insert "OR COUNTY ATTORNEY'S" and delete "(1)"

Page 42, line 21, delete the comma and insert "": (1)"

Page 42, delete line 27

Page 42, line 28, delete "(i)" and insert "(2)"

Page 42, line 34, delete "(ii)" and insert "(3)"

Page 43, line 24, delete "In the case of" and insert "When" and delete "who"

Page 43, line 26, delete the comma

Page 45, line 16, after the period, insert "As appropriate."

Page 45, line 22, delete "where appropriate."

Page 46, line 30, after "and" insert a comma

Page 50, strike line 12 and insert "in the following order: (1) with an individual who is related to the child by blood, marriage, or adoption; or (2) with an individual who is an important friend with whom the child has resided or had significant contact."

Page 52, line 1, after "facility" insert a comma

Page 52, line 3, after "disturbance" insert a comma

Page 52, line 18, delete "relative" and after "placement" insert "with relatives"

Page 54, line 7, delete "1" and insert "2"

Page 55, line 3, delete "implementing the preference" and insert "possible placement with relatives"

Page 55, delete lines 22 to 27 and insert "court to modify the requirements of the agency under this paragraph, or may ask the court to completely relieve the agency of the requirements of this paragraph. The relative notification requirements of this paragraph do not apply when the child is placed"

Page 55, line 35, strike everything after "court"

Page 55, strike line 36

Page 56, strike lines 1 to 3

Page 56, line 4, strike everything before "when" and insert "under paragraph (c),"

Page 57, line 6, delete the new language

Page 57, line 7, delete "petition filed under" and insert "or" and after the comma, insert "subdivision 2,"

Page 59, line 5, before the period, insert "as required in section 260C.141, subdivision 2, paragraph (b)"

Page 63, line 30, after "agency" insert a comma and after "and" insert "where"

Page 65, line 27, delete everything after "(c)"

Page 65, line 28, delete "disposition, and"

Page 65, lines 31 and 34, delete "foster care" and insert "out-of-home placement"

Page 65, line 36, delete "foster care" and insert "out-of-home placement according to the following conditions:

(1) the court may order a child into long-term foster care only if it finds compelling reasons that neither a transfer of guardianship and legal custody to a relative, nor adoption is in the child's best interests; and

(2) further, the court may only order long-term foster care for the child under this section if it finds the following: (i) the child has reached age 14 and reasonable efforts by the responsible social services agency have failed to locate an adoptive family for the child; or (ii) the child is a sibling of a child described in item (i) and the siblings have a significant positive relationship and are ordered into the same long-term foster care home"

Page 66, line 8, delete the new language

Page 66, delete line 9

Page 66, line 10, delete "court jurisdiction."

Page 67, line 11, delete "256E.06, subdivision 2b;"

Amend the title as follows:

Page 1, lines 14 and 15, delete "256E.06, subdivision 2b;"

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

The report was adopted.

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

H. F. No. 1439, A bill for an act relating to the military; clarifying certain national guard eligibility and rank designation requirements; authorizing disposal of certain unused armory sites; authorizing certain armory payments; clarifying language on armory transfers; amending Minnesota Statutes 2000, sections 190.06, subdivision 1; 190.07; 193.144, subdivision 6; 193.145, subdivision 4; and 193.148.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

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

H. F. No. 1455, A bill for an act relating to state government; modifying provisions relating to the designer selection board; amending Minnesota Statutes 2000, section 16B.33, subdivision 4.

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

The report was adopted.

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

H. F. No. 1470, A bill for an act relating to education; requiring that school district contracts with teachers be structurally balanced; amending Minnesota Statutes 2000, section 179A.20, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 9, delete "TEACHERS" and insert "EMPLOYEES"

Page 1, line 12, delete "teachers" and insert "employees"

Page 2, line 14, delete "a teacher" and insert "an employee"

Page 3, lines 14, 26, and 35, delete "teachers" and insert "employees"

Page 3, line 32, delete "non-teacher-contract-related" and insert "contract-related"

Page 4, line 4, delete the comma and insert a period

Page 4, delete lines 5 and 6

Page 4, line 9, delete "teachers" and insert "employees"

Amend the title as follows:

Page 1, line 3, delete "teachers" and insert "employees"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on K-12 Education Finance.

The report was adopted.

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

H. F. No. 1486, A bill for an act relating to public safety; mental illness; authorizing model policing program pilot projects; creating a community mental health peace officer advisory board; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

Dauids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 1489, A bill for an act relating to economic development; creating Northern Technology Initiative, Inc.; proposing coding for new law as Minnesota Statutes, chapter 116T.

Reported the same back with the following amendments:

Page 2, line 4, after the period, insert "A home rule charter city, statutory city, county, or other public entity participating in the initiative may budget public funds for the initiative."

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

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1505, A bill for an act relating to tax increment financing; applying the five-year rule to pre-1990 districts; providing time limitations; amending Minnesota Statutes 2000, sections 469.1763, by adding a subdivision; 469.1771, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 10, delete everything after "(a)"

Page 1, delete lines 11 to 14, and insert "For a district for which the request for certification was made before May 1, 1990, expenditures are made for permitted project costs under section 469.176, subdivision 4, only if the amounts are spent within the time limits provided by subdivision 3, paragraph (a), clauses (1) through (4). For purposes of applying the provisions of subdivision 3, the date of certification of a district for which the request for certification was made before May 1, 1990, is deemed to be July 1, 2001. After July 1, 2006, the district is subject to the provisions of subdivision 4."

Page 1, delete lines 20 to 22 and insert:

"(3) a soils condition district or a redevelopment district, authorized by a special law that requires increments from the district to be spent only on:

(i) activities within the district; or

(ii) bonds issued before or binding contracts entered into before passage of the special legislation (and bonds issued to refund them); or

(iii) administrative expenses."

Page 2, line 3, delete everything after "to" and insert "begin an audit or examination under this section"

Page 2, line 4, delete everything before "ends"

Page 2, line 5, delete the colon and insert "the time for filing of the final annual disclosure and report for the district as prescribed by section 469.175, subdivision 6b, or the filing of the final annual disclosure and report, whichever is later. An audit or examination is begun by providing an initial notice of noncompliance."

Page 2, delete lines 6 to 13

Page 2, line 15, delete "end of the audit period" and insert "time to begin an audit or examination"

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1507, A bill for an act relating to municipal planning; zoning; clarifying the treatment of legal nonconforming uses; amending Minnesota Statutes 2000, section 462.357, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 12, after the second comma, insert "including through repair or maintenance."

Page 1, line 14, delete "building or structure" and insert "use"

Page 1, line 15, after "extent of" insert "greater than"

With the recommendation that when so amended the bill pass.

The report was adopted.

Davids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 1513, A bill for an act relating to employment; providing for the designation of telecommuting days; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Page 2, line 23, delete "Telecommuter resources" and insert "The department of public safety"

Page 3, after line 2, insert:

"Sec. 3. [PILOT PROJECT; APPROPRIATION.]

\$...... is appropriated from the general fund to the commissioner of trade and economic development for a limited pilot project to provide grants to employers for equipment and other expenses relating to allowing employees who do not currently telecommute to do so. The commissioner may make grants to up to ten employers, and may grant each employer up to \$1,000 for each employee who telecommutes. Funds granted to an employer may be used for purposes related to setting up a new teleworksite, including, but not limited to:

- (1) telephone line or cable installation or improvement;
- (2) electronic mail or Internet service provider fees; or
- (3) fees for telephone, cellular, or other wireless services necessary for telecommuting.

Funds shall not be used by employers for new or used equipment that the employee uses for personal purposes on other than an incidental basis.

Grants shall be made by the commissioner based on applications submitted by employers, and priority shall be given to employers who intend to use telecommuting as a way to bring into the workforce those who otherwise would have difficulty entering the conventional workforce, including, but not limited to, senior citizens and people with disabilities. The commissioner of trade and economic development shall report to the legislature on the progress of the pilot project on or before December 31, 2002. This appropriation is available until July 1, 2003, and this section expires on that date."

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

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 1524, A bill for an act relating to agriculture; regulating the use on turf of certain fertilizers containing phosphorus; limiting a penalty; limiting amounts of certain plant nutrients; amending Minnesota Statutes 2000, section 18C.211, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 18C.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1526, A bill for an act relating to certain cities in metropolitan counties; authorizing restrictions on the operation of recreational motor vehicles; proposing coding for new law in Minnesota Statutes, chapter 465.

Reported the same back with the following amendments:

Page 1, line 12, after "vehicle" insert "used"

Page 1, line 18, delete "five" and insert "three"

With the recommendation that when so amended the bill be re-referred to the Committee on Environment and Natural Resources Policy without further recommendation.

The report was adopted.

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

H. F. No. 1537, A bill for an act relating to state government; regulating rulemaking by state agencies; making various technical and housekeeping changes; amending Minnesota Statutes 2000, sections 14.05, subdivision 3; 14.07, subdivision 2; 14.08; 14.101, subdivisions 1, 2, and by adding a subdivision; 14.131; 14.14, subdivision 1a; 14.15, subdivision 1; 14.16, subdivision 1; 14.19; 14.22, subdivision 1; 14.23; 14.25; 14.26, subdivisions 1 and 3; 14.365; 14.38, subdivision 2; 14.386; and 14.388.

Reported the same back with the following amendments:

Page 1, line 24, before the period, insert ", with the exception of section 14.101, if the noncompliance is approved by the chief administrative law judge"

Page 3, lines 12 to 14, reinstate the stricken language

Page 4, line 11, reinstate the stricken "must" and delete "shall"

Page 5, line 25, strike "a" and insert "an easily readable and understandable"

Page 5, line 27, strike "Each agency"

Page 5, line 28, delete the new language and strike "notify"

Page 5, line 29, delete the new language and strike the old language

Page 5, line 30, strike everything before "In"

Page 6, line 1, after "with" insert "an easily readable and understandable summary of the overall nature and effect of the proposed rule,"

Page 6, line 9, strike "giving the" and insert "along with an easily readable and understandable summary of the overall nature of the rules proposed for repeal, and a" and strike "in the"

Page 6, line 10, strike "notice"

Page 6, line 25, after "allowing" insert "a comment period during which"

Page 6, line 26, strike "to" and insert "may"

Page 6, line 33, delete "comment" and delete "first"

Page 6, line 34, strike "submission" and insert "comment"

Page 6, line 35, delete "first submission" and insert "comment"

Page 8, line 23, strike "a" and insert "an easily readable and understandable"

Page 8, line 25, strike "Each agency"

Page 8, line 26, delete the new language and strike "notify"

Page 8, line 27, delete the new language and strike the old language

Page 8, line 28, strike everything before "In"

Page 8, line 35, after the comma, insert "an easily readable and understandable summary of the overall nature and effect of the proposed rule."

Page 9, line 5, strike "giving the" and insert "along with an easily readable and understandable summary of the overall nature of the rules proposed for repeal, and a"

Page 9, line 6, strike "in the notice"

Page 14, line 19, after "notice" insert "of intent to adopt or the notice of hearing"

Page 15, line 14, reinstate the stricken "attorney general" and insert "or"

Page 15, line 28, delete the new language and insert "the person authorized to adopt the rule on behalf of the agency signs an order adopting the rule;"

Page 17, after line 27, insert:

"Sec. 21. Minnesota Statutes 2000, section 14.389, subdivision 2, is amended to read:

Subd. 2. [NOTICE AND COMMENT.] The agency must publish notice of the proposed rule in the State Register and must mail the notice to persons who have registered with the agency to receive mailed notices. The mailed notice must include either a copy of the proposed rule or a description of the nature and effect of the proposed rule and a statement that a free copy is available from the agency upon request. The notice in the State Register must include the proposed rule or the amended rule in the form required by the revisor under section 14.07, an easily readable and understandable summary of the overall nature and effect of the proposed rule, and a citation to the most specific statutory authority for the rule, including authority for the rule to be adopted under the process in this section. The agency must allow 30 days after publication in the State Register for comment on the rule."

Page 17, line 28, delete "21" and insert "22"

Amend the title as follows:

Page 1, line 11, delete "and" and before the period, insert "; and 14.389, subdivision 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1557, A bill for an act relating to the city of Inver Grove Heights; authorizing local contribution for designated parcels in a tax increment financing district.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

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

H. F. No. 1568, A bill for an act relating to education; establishing the mighty books grant program; appropriating money.

Reported the same back with the following amendments:

Page 1, line 9, after "renovating" insert "public" and after the period, insert "Grants awarded under this section must conform with Minnesota Statutes, section 16A.695."

Page 1, line 10, before "Grant" insert "(a)"

Page 1, line 12, after "new" insert "public"

Page 1, line 14, after "new" insert "public" and delete the comma and insert a period

Page 1, line 15, delete "including" and insert "The partnership may include"

Page 1, line 16, after "new" insert "public"

Page 1, line 18, after "new" insert "public"

Page 1, line 20, after "new" insert "public"

Page 2, after line 1, insert:

"(b) Eligible applicants include regional consortiums, counties, cities, and school districts."

Page 2, line 4, after "existing" insert "public"

Page 2, line 14, after "new" insert "public"

Page 2, line 16, after "existing" insert "public"

Page 2, delete lines 21 to 25 and insert:

"\$..... is appropriated from the bond proceeds fund to the commissioner of children, families, and learning for the mighty books grant program.

Sec. 3. [BOND SALE.]

To provide the money appropriated in section 2 from the bond proceeds fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$..... 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."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing the sale of bonds;"

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

The report was adopted.

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

H. F. No. 1569, A bill for an act relating to state government; reclassifying certain Minnesota state colleges and universities positions as classified; amending Minnesota Statutes 2000, section 43A.08, subdivision 1.

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

The report was adopted.

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

H. F. No. 1580, A bill for an act relating to health; providing for greater flexibility, and simplifying regulation, of health care coverage products; establishing a process for further regulatory reform; amending Minnesota Statutes 2000, sections 62A.146; 62A.148; 62A.17, subdivisions 2, 5; 62A.20, subdivision 2; 62A.21, subdivision 2a; 62A.65, subdivision 5; 62C.11, subdivisions 2, 3; 62C.142, subdivision 2a; 62D.02, subdivision 8; 62D.08, subdivision 5; 62D.101, subdivision 2a; 62D.12, subdivision 2; 62D.14, subdivisions 1, 4a; 62E.16; 62M.02, subdivision 21; 62N.25, subdivision 7; 62Q.07; 62Q.185; proposing coding for new law in Minnesota Statutes, chapters 62D; 62Q.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PRODUCT FLEXIBILITY

Section 1. Minnesota Statutes 2000, section 62D.02, subdivision 8, is amended to read:

Subd. 8. [HEALTH MAINTENANCE CONTRACT.] "Health maintenance contract" means any contract whereby a health maintenance organization agrees to provide comprehensive health maintenance services to enrollees, provided that the contract may contain reasonable enrollee copayment cost-sharing provisions that comply with section 62D.099. ~~An individual or group health maintenance contract may contain the copayment and deductible provisions specified in this subdivision.~~ Copayment and deductible provisions in group contracts shall not discriminate on the basis of age, sex, race, length of enrollment in the plan, or economic status; and during every open enrollment period in which all offered health benefit plans, including those subject to the jurisdiction of the commissioners of commerce or health, fully participate without any underwriting restrictions, copayment and deductible provisions shall not discriminate on the basis of preexisting health status. ~~In no event shall the sum of the annual copayments and deductible exceed the maximum out-of-pocket expenses allowable for a number three qualified plan under section 62E.06, nor shall that sum exceed \$5,000 per family. The annual deductible must not exceed \$1,000 per person. The annual deductible must not apply to preventive health services as described in Minnesota Rules, part 4685.0801, subpart 8.~~ Where sections 62D.01 to 62D.30 permit a health maintenance organization to contain reasonable copayment provisions for preexisting health status, these provisions may vary with respect to length of enrollment in the plan. Any contract may provide for health care services in addition to those set forth in subdivision 7.

Sec. 2. [62D.099] [ENROLLEE COST-SHARING.]

Subdivision 1. [COPAYMENTS.] (a) A health maintenance organization may impose coinsurance expressed as percentages, or flat fee copayments as provided in paragraph (b). Under the terms of the health plan, coinsurance may be imposed up to a maximum of 50 percent on the provider amount paid at the time the claim is processed irrespective of any subsequent adjustments that might be made based upon a withhold or year-end settlement. The 50 percent limitation does not apply to services that may be excluded, covered services that the enrollee elects to receive out-of-network or from a broader network, or to nonformulary prescription drugs.

(b) The health maintenance organization may establish predetermined flat fee copayments for categories of similar services or goods. Flat fee copayments based on categories of similar services or goods must be calculated independently for Medicare-related products, individual plans, and group plans. A health maintenance organization may impose a flat fee copayment of up to 50 percent of the median provider's charges for similar services or goods received by enrollees. A health maintenance organization may request the commissioner to approve a copayment which exceeds the 50 percent limitation for prescription drug benefits for Medicare-related products. The request must be made in writing to the commissioner and must include sufficient documentation to demonstrate that the requested copayment is reasonable under this section.

(c) For purposes of this section, "a category of similar services or goods" is any group of related services for which a single copayment is sought. Examples of categories include the following or any subset of the following:

(i) inpatient hospital care;

(ii) inpatient physician care;

(iii) outpatient health services which may include, but are not limited to, office visits or outpatient laboratory and radiology;

(iv) outpatient surgery which may include provider and facility charges;

(v) emergency services which may include provider and facility charges;

(vi) outpatient prescription drugs;

(vii) skilled nursing care; and

(viii) any other nonphysician service categorized singly according to provider type.

(d) To determine the median aggregate charge for a category of similar services, the health maintenance organization must follow the following steps and submit the results to the commissioner for approval of the copayment:

(i) identify all charges for the services or goods for the relevant type of product: Medicare-related, individual, or group. The health maintenance organization may use all charges or may choose a sample of charges from the total population. Any sample used must be randomly selected and large enough to be statistically reliable. "Statistically reliable" means that any other sample drawn in the same manner would produce essentially the same results;

(ii) if the health maintenance organization does not use charges that span 12 months, the health maintenance organization must explain how the time period used is sufficient to include seasonal fluctuations in the utilization of services;

(iii) a statement that the sample is statistically reliable, with an explanation of how the sample is drawn so that it is representative of the larger health maintenance organization population; and

(iv) a narrative description of the services included in the category.

Subd. 2. [DEDUCTIBLES.] Under the terms of the health plan, deductible amounts may be imposed as follows:

(a) for group health plans, \$5,000 per person per year and \$10,000 per family per year increased annually in accordance with the medical component of the consumer price index; or

(b) for individual health plans, \$10,000 per person per year, and \$20,000 per family per year increased annually in accordance with the medical component of the consumer price index.

Subd. 3. [ANNUAL OUT-OF-POCKET MAXIMUM AMOUNTS.] A health maintenance organization shall provide for an out-of-pocket maximum on enrollee cost-sharing up to \$8,000 per person per year on group health plans and up to \$15,000 per person per year on individual health plans. The out-of-pocket maximum for a family may be imposed up to three times the per person amount. The out-of-pocket maximum amounts shall be adjusted for inflation on an annual basis in accordance with the medical component of the consumer price index.

Subd. 4. [LIFETIME MAXIMUM BENEFITS.] A health maintenance organization shall not provide for a lifetime maximum benefit limit of less than \$2,500,000. This subdivision applies only to new policies issued on or after January 1, 2002, and does not apply to policies in effect before January 1, 2002, that are renewed on or after that date.

Subd. 5. [EXCEPTION; CERTAIN SMALL EMPLOYER PLANS.] This section does not apply to the two small employer plans described in section 62L.05 or to plans described in section 62L.055.

Subd. 6. [CERTAIN PREVENTIVE CARE EXCEPTED.] No copayment, deductible, or annual out-of-pocket maximum amounts shall apply to section 62A.047 or preventive health care coverage as defined in Minnesota Rules, part 4685.0100, subpart 5, item E, including child health supervision, provider health screening, and prenatal care.

Subd. 7. [NONCOVERED SERVICES.] For purposes of subdivisions 2, 3, and 4, out-of-pocket costs relating to noncovered services do not count toward deductibles, annual out-of-pocket maximum amounts, and lifetime maximum benefits.

Subd. 8. [PUBLIC PROGRAMS.] This section does not apply to the prepaid medical assistance program, the MinnesotaCare program, the prepaid general assistance medical care program, the federal Medicare program, or to health plans provided through any of those programs.

Subd. 9. [SUPERSEDING EFFECT.] This section supersedes all other existing law and regulation pertaining to copayments, deductibles, and annual out-of-pocket maximum amounts.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 2002, for health plans issued or renewed on or after that date.

ARTICLE 2

IMPROVED CONSUMER CHOICE AND REDUCED REGULATORY BURDENS

Section 1. Minnesota Statutes 2000, section 62A.146, is amended to read:

62A.146 [CONTINUATION OF BENEFITS TO SURVIVORS.]

No policy, contract, or plan of accident and health protection issued by an insurer, nonprofit health service plan corporation, or health maintenance organization, providing coverage of hospital or medical expense on either an expense incurred basis or other than an expense incurred basis which in addition to coverage of the insured, subscriber, or enrollee, also provides coverage to dependents, shall, except upon the written consent of the survivor or survivors of the deceased insured, subscriber, or enrollee, terminate, suspend, or otherwise restrict the participation in or the receipt of benefits otherwise payable under the policy, contract, or plan to the survivor or survivors until the earlier of the following dates:

(a) the date the surviving spouse becomes covered under another group health plan or Medicare, provided that the new plan does not contain a preexisting condition exclusion that applies to the survivor or survivors and the new coverage commenced after the continuation election date; or

(b) the date coverage would have terminated under the policy, contract, or plan had the insured, subscriber, or enrollee lived; or

(c) 36 months after the continuation was elected.

The survivor or survivors, in order to have the coverage and benefits extended, may be required to pay the entire cost of the protection on a monthly basis. The policy, contract, or plan must require the group policyholder or contract holder to, upon request, provide the insured, subscriber, or enrollee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. In no event shall the amount of premium or fee contributions charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children who are not the survivors of a deceased insured, without regard to whether such cost is paid by the employer or employee. Failure of the survivor to make premium or fee payments within ~~90~~ 45 days after ~~notice of the requirement to pay the premiums or fees~~ the date continuation coverage was elected shall be a basis for the termination of the coverage without written consent. ~~In event of termination by reason of the survivor's failure to make required premium or fee contributions, written notice of cancellation must be mailed to the survivor's last known address at least 30 days before the cancellation. Failure of the survivor to make subsequent premium or fee payments within 30 days of the due date shall be a basis for the termination of the coverage without written consent.~~ If the coverage is provided under a group policy, contract, or plan, any required premium or fee contributions for the coverage shall be paid by the survivor to the group policyholder or contract holder for remittance to the insurer, nonprofit health service plan corporation, or health maintenance organization.

Sec. 2. Minnesota Statutes 2000, section 62A.148, is amended to read:

62A.148 [GROUP INSURANCE; PROVISION OF BENEFITS FOR DISABLED EMPLOYEES.]

~~No employer or insurer of that employer shall terminate, suspend or otherwise restrict the participation in or the receipt of benefits otherwise payable under any program or policy of group insurance to any covered employee who becomes totally disabled while employed by the employer solely on account of absence caused by such total disability. This includes coverage of dependents of the employee. If the employee is required to pay all or any part of the premium for the extension of coverage, payment shall be made to the employer, by the employee.~~

Subdivision 1. [REQUIREMENT.] Every policy of group accident and health insurance providing coverage of hospital or medical expense on either an expense-incurred basis or other than an expense-incurred basis shall contain a provision which permits a disabled employee, as defined in section 62A.147, to elect to continue coverage when the insured becomes totally disabled while employed by the employer.

Subd. 2. [CONTINUATION PRIVILEGE.] The coverage described in subdivision 1 may be continued until the earlier of the following dates:

(1) the date coverage would otherwise terminate under the policy;

(2) 29 months after continuation by the disabled employee was elected; or

(3) the disabled employee becomes covered under another group health plan or Medicare, provided that the new plan does not contain a preexisting condition exclusion that applies to the disabled employee and the new coverage commenced after the continuation election date.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the insured on a monthly basis to the group policyholder for remittance to the insurer. In no event shall the amount of premium charged during the first 18 months of coverage under this section exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated employees to whom subdivision 1 is not applicable, without regard to whether such cost is paid by the employer or employee. After the 18 months of coverage under this section, the amount of premium charged shall not exceed 150 percent of the cost to the plan for such period of

coverage for other similarly situated employees to whom subdivision 1 is not applicable, without regard to whether such cost is paid by the employer or employee. Failure of the disabled employee to make premium or fee payments within 45 days after the date continuation coverage was elected shall be a basis for the termination of the coverage without written consent. Failure of the disabled employee to make subsequent premium or fee payments within 30 days of the due date shall be a basis for the termination of the coverage without written consent.

Sec. 3. Minnesota Statutes 2000, section 62A.17, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY OF EMPLOYEE.] Every covered employee electing to continue coverage shall pay the former employer, on a monthly basis, the cost of the continued coverage. The policy, contract, or plan must require the group policyholder or contract holder to, upon request, provide the employee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. If the policy, contract, or health care plan is administered by a trust, every covered employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for similarly situated employees with respect to whom neither termination nor layoff has occurred, without regard to whether such cost is paid by the employer or employee. Failure of the employee to make premium or fee payments within 45 days after the date continuation coverage was elected shall be a basis for the termination of the coverage without written consent. Failure of the employee to make subsequent premium or fee payments within 30 days of the due date shall be a basis for the termination of the coverage without written consent. The employee shall be eligible to continue the coverage until the employee becomes covered under another group health plan or Medicare after the continuation election date, or for a period of 18 months after the termination of or lay off from employment, whichever is shorter. If the employee becomes covered under another group policy, contract, or health plan and the new group policy, contract, or health plan contains any preexisting condition limitations, the employee may, subject to the 18-month maximum continuation limit, continue coverage with the former employer until the preexisting condition limitations have been satisfied. The new policy, contract, or health plan is primary except as to the preexisting condition. In the case of a newborn child who is a dependent of the employee, the new policy, contract, or health plan is primary upon the date of birth of the child, regardless of which policy, contract, or health plan coverage is deemed primary for the mother of the child.

Sec. 4. Minnesota Statutes 2000, section 62A.17, subdivision 5, is amended to read:

Subd. 5. [NOTICE OF OPTIONS.] Upon the termination of or lay off from employment of an eligible employee, the employer shall inform the employee within ~~ten~~ 14 days after termination or lay off of:

- (a) the right to elect to continue the coverage;
- (b) the amount the employee must pay monthly to the employer to retain the coverage;
- (c) the manner in which and the office of the employer to which the payment to the employer must be made; and
- (d) the time by which the payments to the employer must be made to retain coverage.

If the policy, contract, or health care plan is administered by a trust, the employer is relieved of the obligation imposed by clauses (a) to (d). The trust shall inform the employee of the information required by clauses (a) to (d).

The employee shall have 60 days within which to elect coverage. The 60-day period shall begin to run on the date plan coverage would otherwise terminate or on the date upon which notice of the right to coverage is received, whichever is later.

Notice must be in writing and sent by first class mail to the employee's last known address which the employee has provided the employer or trust.

A notice in substantially the following form shall be sufficient: "As a terminated or laid off employee, the law authorizes you to maintain your group medical insurance for a period of up to 18 months. To do so you must notify your former employer within 60 days of your receipt of this notice that you intend to retain this coverage and must make a monthly payment of \$..... to at by the of each month."

Sec. 5. Minnesota Statutes 2000, section 62A.20, subdivision 2, is amended to read:

Subd. 2. [CONTINUATION PRIVILEGE.] The coverage described in subdivision 1 may be continued until the earlier of the following dates:

- (1) the date coverage would otherwise terminate under the policy;
- (2) 36 months after continuation by the spouse or dependent was elected; or
- (3) the spouse or dependent children become covered under another group health plan or Medicare, provided that the new plan does not contain a preexisting condition exclusion that applies to the spouse or dependent children and the new coverage commenced after the continuation election date.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the insured on a monthly basis to the group policyholder for remittance to the insurer. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouse and dependent children to whom subdivision 1 is not applicable, without regard to whether such cost is paid by the employer or employee. Failure of the spouse or dependent children to make premium or fee payments within 45 days after the date continuation coverage was elected shall be a basis for the termination of the coverage without written consent. Failure of the spouse or dependent children to make subsequent premium or fee payments within 30 days of the due date shall be a basis for the termination coverage without written consent.

Sec. 6. Minnesota Statutes 2000, section 62A.21, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision which permits continuation of coverage under the policy for the insured's former spouse and dependent children upon entry of a valid decree of dissolution of marriage. The coverage shall be continued until the earlier of the following dates:

- (a) the date the insured's former spouse becomes covered under any other group health plan or Medicare, provided that the new plan does not contain a preexisting condition exclusion that applies to the former spouse and the new coverage commenced after the continuation election date; or
- (b) the date coverage would otherwise terminate under the policy; or
- (c) 36 months after the continuation coverage was elected.

If the coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the insured on a monthly basis to the group policyholder for remittance to the insurer. The policy must require the group policyholder to, upon request, provide the insured with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children with respect to whom the marital relationship has not dissolved, without regard to whether such cost is paid by the employer or employee. Failure of the former spouse to make premium or fee payments within 45 days after the date continuation coverage was elected shall be a basis for the termination of the coverage without written consent. Failure of the former spouse to make subsequent premium or fee payments within 30 days of the due date shall be a basis for the termination of the coverage without written consent.

Sec. 7. Minnesota Statutes 2000, section 62A.65, subdivision 5, is amended to read:

Subd. 5. [PORTABILITY AND CONVERSION OF COVERAGE.] (a) No individual health plan may be offered, sold, issued, or with respect to children age 18 or under renewed, to a Minnesota resident that contains a preexisting condition limitation, preexisting condition exclusion, or exclusionary rider, unless the limitation or exclusion is permitted under this subdivision and under chapter 62L, provided that, except for children age 18 or under, underwriting restrictions may be retained on individual contracts that are issued without evidence of insurability as a replacement for prior individual coverage that was sold before May 17, 1993. The individual may be subjected to an 18-month preexisting condition limitation, unless the individual has maintained continuous coverage as defined in section 62L.02. The individual must not be subjected to an exclusionary rider. An individual who has maintained continuous coverage may be subjected to a one-time preexisting condition limitation of up to 12 months, with credit for time covered under qualifying coverage as defined in section 62L.02, at the time that the individual first is covered under an individual health plan by any health carrier. Credit must be given for all qualifying coverage with respect to all preexisting conditions, regardless of whether the conditions were preexisting with respect to any previous qualifying coverage. The individual must not be subjected to an exclusionary rider. Thereafter, the individual must not be subject to any preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under an individual health plan by any health carrier, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage as defined in section 62L.02.

(b) A health carrier must offer an individual health plan to any individual previously covered under a group health plan issued by that health carrier, regardless of the size of the group, so long as the individual maintained continuous coverage as defined in section 62L.02. If the individual has available any continuation coverage provided under sections 62A.146; 62A.148; 62A.17, subdivisions 1 and 2; 62A.20; 62A.21; 62C.142; 62D.101; or 62D.105, or continuation coverage provided under federal law, the health carrier need not offer coverage under this paragraph until the individual has exhausted the continuation coverage. The offer must not be subject to underwriting, except as permitted under this paragraph. A health plan issued under this paragraph must be a qualified plan as defined in section 62E.02 and must not contain any preexisting condition limitation, preexisting condition exclusion, or exclusionary rider, except for any unexpired limitation or exclusion under the previous coverage. The individual health plan must cover pregnancy on the same basis as any other covered illness under the individual health plan. The initial premium rate for the individual health plan must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2. In no event shall the premium rate exceed ~~90 percent of~~ the premium charged for comparable individual coverage by the Minnesota comprehensive health association, and the premium rate must be less than that amount if necessary to otherwise comply with this section. An individual health plan offered under this paragraph to a person satisfies the health carrier's obligation to offer conversion coverage under section 62E.16, with respect to that person. Coverage issued under this paragraph must provide that it cannot be canceled or nonrenewed as a result of the health carrier's subsequent decision to leave the individual, small employer, or other group market. Section 72A.20, subdivision 28, applies to this paragraph.

Sec. 8. Minnesota Statutes 2000, section 62C.11, subdivision 2, is amended to read:

Subd. 2. The commissioner shall examine a service plan corporation to ascertain its financial condition, its ability to fulfill its obligations, and its compliance with Laws 1971, chapter 568, as often as the commissioner deems expedient for protection of the public, but not less than once each ~~three~~ five years. The commissioner shall have access at all reasonable times to all books and records of the corporation, and may summon the officers and employees and examine them under oath as to any matter pertinent to Laws 1971, chapter 568.

Sec. 9. Minnesota Statutes 2000, section 62C.11, subdivision 3, is amended to read:

Subd. 3. The commissioner shall visit and examine any service plan corporation formed after August 1, 1971 within the first six months after it begins doing business, and thereafter once during each of the next three years. Thereafter the commissioner shall visit and examine the corporation at least once every ~~three~~ five years.

Sec. 10. Minnesota Statutes 2000, section 62C.142, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every subscriber contract, other than a contract whose continuance is contingent upon continued employment or membership, shall contain a provision which permits continuation of coverage under the contract for the subscriber's former spouse and children upon entry of a valid decree of dissolution of marriage. The coverage may be continued until the earlier of the following dates:

(a) the subscriber's former spouse becomes covered under any other group health plan or Medicare, provided that the new plan does not contain a preexisting condition exclusion that applies to the former spouse and the new coverage commenced after the continuation election date; ~~or~~

(b) the date coverage would otherwise terminate under the subscriber contract; or

(c) 36 months after the continuation coverage was elected.

The contract must require the group contract holder to, upon request, provide the insured with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children with respect to whom the marital relationship has not dissolved, without regard to whether such cost is paid by the employer or employee. Failure of the former spouse to make premium or fee payments within 45 days after the date continuation coverage was elected shall be a basis for the termination of the coverage without written consent. Failure of the former spouse to make subsequent premium or fee payments within 30 days of the due date shall be a basis for the termination of the coverage without written consent.

Sec. 11. Minnesota Statutes 2000, section 62D.08, subdivision 5, is amended to read:

Subd. 5. [CHANGES IN PARTICIPATING ENTITIES; PENALTY.] ~~Every health maintenance organization shall inform the commissioner of any change in the information described in section 62D.03, subdivision 4, clause (e), including any change in address, any modification of the duration of any contract or agreement, and any addition to the list of participating entities, within ten working days of the notification of the change. Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner 120 days before the effective date. When the health maintenance organization terminates a provider for cause, death, disability, or loss of license, the health maintenance organization must notify the commissioner within ~~three~~ ten working days of the date the health maintenance organization sends out or receives the notice of cancellation, discontinuance, or termination. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to \$200 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17.~~

Sec. 12. [62D.092] [MEDICARE+CHOICE PRODUCTS.]

As required by United States Code, title 42, section 1395(w)-26, all laws or rules of this state imposing requirements on any health maintenance organization do not apply to Medicare+Choice products offered by them to the extent the laws or rules are superseded as provided in United States Code, title 42, section 1395(w)-26, as amended from time to time.

Sec. 13. Minnesota Statutes 2000, section 62D.101, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every health maintenance contract as described in subdivision 1 shall contain a provision which permits continuation of coverage under the contract for the enrollee's former spouse and children upon entry of a valid decree of dissolution of marriage. The coverage shall be continued until the earlier of the following dates:

(a) the date the enrollee's former spouse becomes covered under another group plan or Medicare, provided that the new plan does not contain a preexisting condition exclusion that applies to the former spouse and the new coverage commenced after the continuation election date; or

(b) the date coverage would otherwise terminate under the health maintenance contract; or

(c) 36 months after the continuation coverage was elected.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder to be paid to the health maintenance organization. The contract must require the group contract holder to, upon request, provide the enrollee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. In no event shall the fee charged exceed 102 percent of the cost to the plan for the period of coverage for other similarly situated spouses and dependent children when the marital relationship has not dissolved, regardless of whether the cost is paid by the employer or employee. Failure of the former spouse to make premium or fee payments within 45 days after the date continuation coverage was elected shall be a basis for the termination of the coverage without written consent. Failure of the former spouse to make subsequent premium or fee payments within 30 days of the due date shall be a basis for the termination of the coverage without written consent.

Sec. 14. Minnesota Statutes 2000, section 62D.12, subdivision 2, is amended to read:

Subd. 2. [COVERAGE CANCELLATION; NONRENEWAL.] No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (e) enrollee moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (f) failure to make copayments required by the health care plan; (g) fraud or misrepresentation by the enrollee with respect to eligibility for coverage or any other material fact; or (h) other reasons established in rules promulgated by the commissioner of health. A health maintenance organization may cancel or fail to renew the coverage of an enrollee if the enrollee knowingly gives false, material information at the time of enrollment relative to the enrollee's health status, provided the cancellation or nonrenewal is made within two years of the date of enrollment.

Sec. 15. Minnesota Statutes 2000, section 62D.14, subdivision 1, is amended to read:

Subdivision 1. [EXAMINATION AUTHORITY.] The commissioner of health may make an examination of the affairs of any health maintenance organization and its contracts, agreements, or other arrangements with any participating entity as often as the commissioner of health deems necessary for the protection of the interests of the people of this state, but not less frequently than once every ~~three~~ five years. Examinations of participating entities pursuant to this subdivision shall be limited to their dealings with the health maintenance organization and its enrollees, except that examinations of major participating entities may include inspection of the entity's financial statements kept in the ordinary course of business. The commissioner may require major participating entities to submit the financial statements directly to the commissioner. Financial statements of major participating entities are subject to the provisions of section 13.37, subdivision 1, clause (b), upon request of the major participating entity or the health maintenance organization with which it contracts.

Sec. 16. Minnesota Statutes 2000, section 62D.14, subdivision 4a, is amended to read:

Subd. 4a. [CLASSIFICATION OF DATA.] Any data or information obtained by the commissioner under this section or section 62D.145 shall be classified as private data on individuals and nonpublic data as defined in chapter 13. Such data shall be protected and may be released consistent with the provisions of section 60A.03, subdivision 9.

Sec. 17. Minnesota Statutes 2000, section 62E.16, is amended to read:

62E.16 [POLICY CONVERSION RIGHTS.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions after the individual insured has exhausted any continuation coverage provided under section 62A.146; 62A.148; 62A.17, subdivisions 1 and 2; 62A.20; 62A.21; 62C.142; 62D.101; or 62D.105, or continuation coverage provided under federal law, if any continuation coverage is available to the individual, and then leaves the employer group regardless of the reason for leaving the employer group or if an employer ~~member of a group~~ ceases to remit payment so as to terminate coverage for its employees, or upon cancellation or termination of the coverage for the employer group except where uninterrupted and continuous group coverage is otherwise provided to the employer group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be offered to enrollees without the addition of underwriting restrictions. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of exhausting any continuation coverage provided under section 62A.146; 62A.148; 62A.17, subdivisions 1 and 2; 62A.20; or 62A.21, or continuation coverage provided under federal law, and then leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group or of the employer member of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group or of the employer member of the group shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10. An individual health plan offered under section 62A.65, subdivision 5, paragraph (b), to a person satisfies the health carrier's obligation to offer conversion coverage under this section with respect to that person.

Sec. 18. Minnesota Statutes 2000, section 62M.02, subdivision 21, is amended to read:

Subd. 21. [UTILIZATION REVIEW ORGANIZATION.] "Utilization review organization" means an entity including but not limited to an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a community integrated service network licensed under chapter 62N; an accountable provider network operating under chapter 62T; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended; a third party administrator licensed under section 60A.23, subdivision 8, which conducts utilization review and determines certification of an admission, extension of stay, or other health care services for a Minnesota resident; or any entity performing utilization review that is affiliated with, under contract with, or conducting utilization review on behalf of, a business entity in this state. Utilization review organization does not include a clinic or health care system acting pursuant to a written delegation agreement with an otherwise regulated utilization review organization which contracts with the clinic or health care system, if the regulated utilization review organization is accountable for the delegated utilization review activities of the clinic or health care system and the delegation arrangement satisfies national accreditation standards.

Sec. 19. Minnesota Statutes 2000, section 62N.25, subdivision 7, is amended to read:

Subd. 7. [EXEMPTIONS FROM EXISTING REQUIREMENTS.] Community integrated service networks are exempt from the following requirements applicable to health maintenance organizations:

- (1) conducting focused studies under Minnesota Rules, part 4685.1125;
- (2) preparing and filing, as a condition of licensure, a written quality assurance plan, and annually filing such a plan and a work plan, under Minnesota Rules, parts 4685.1110 and 4685.1130;
- (3) maintaining statistics under Minnesota Rules, part 4685.1200;
- (4) filing provider contract forms under sections 62D.03, subdivision 4, and 62D.08, subdivision 1; and
- (5) ~~reporting any changes in the address of a network provider or length of a provider contract or additions to the provider network to the commissioner within ten days under section 62D.08, subdivision 5. Community networks must report such information to the commissioner on a quarterly basis. Community networks that fail to make the required quarterly filing are subject to the penalties set forth in section 62D.08, subdivision 5; and~~
- (6) preparing and filing, as a condition of licensure, a marketing plan, and annually filing a marketing plan, under sections 62D.03, subdivision 4, paragraph (1), and 62D.08, subdivision 1.

Sec. 20. [62Q.023] [ACCREDITATION.]

A health plan company accredited or certified by a private accreditation organization with substantially similar standards to those established by the commissioner shall be deemed in compliance with the requirements set forth in Minnesota law or rule, including, but not limited to, standards related to utilization review, appeals and grievances, and quality assurance. Documentation of audit procedures and work papers of these accreditation organizations must be available to the commissioner. The commissioner may use those results in the exercise of regulatory authority.

Sec. 21. Minnesota Statutes 2000, section 62Q.07, is amended to read:

62Q.07 [ACTION PLANS.]

Subdivision 1. [ACTION PLANS REQUIRED.] (a) To increase public awareness and accountability of health plan companies, all health plan companies that issue or renew a health plan, as defined in section 62Q.01, must annually file with the applicable commissioner an action plan that satisfies the requirements of this section beginning July 1, 1994, as a condition of doing business in Minnesota. For purposes of this subdivision, "health plan" includes the coverages described in section 62A.011, subdivision 3, clause (10). Each health plan company must also file its action plan with the information clearinghouse. Action plans are required solely to provide information to consumers, purchasers, and the larger community as a first step toward greater accountability of health plan companies. The sole function of the commissioner in relation to the action plans is to ensure that each health plan company files a complete action plan, that the action plan is truthful and not misleading, and that the action plan is reviewed by appropriate community agencies.

(b) ~~If a the commissioner responsible for regulating a health plan company required to file an action plan under this section~~ has reason to believe an action plan is false or misleading, the commissioner may conduct an investigation to determine whether the action plan is truthful and not misleading, and may require the health plan company to submit any information that the commissioner reasonably deems necessary to complete the investigation. If the commissioner determines that an action plan is false or misleading, the commissioner may require the health plan company to file an amended plan or may take any action authorized under chapter 72A.

Subd. 2. [CONTENTS OF ACTION PLANS.] (a) An action plan must include a detailed description of all of the health plan company's methods and procedures, standards, qualifications, criteria, and credentialing requirements for designating the providers who are eligible to participate in the health plan company's provider network, including any limitations on the numbers of providers to be included in the network. This description must be updated by the health plan company and filed with the applicable agency on a quarterly basis.

(b) An action plan must include the number of full-time equivalent physicians, by specialty, nonphysician providers, and allied health providers used to provide services. The action plan must also describe how the health plan company intends to encourage the use of nonphysician providers, midlevel practitioners, and allied health professionals, through at least consumer education, physician education, and referral and advisement systems. The annual action plan must also include data that is broken down by type of provider, reflecting actual utilization of midlevel practitioners and allied professionals by enrollees of the health plan company during the previous year. Until July 1, 1995, a health plan company may use estimates if actual data is not available. For purposes of this paragraph, "provider" has the meaning given in section 62J.03, subdivision 8.

(c) An action plan must include a description of the health plan company's policy on determining the number and the type of providers that are necessary to deliver cost-effective health care to its enrollees. The action plan must also include the health plan company's strategy, including provider recruitment and retention activities, for ensuring that sufficient providers are available to its enrollees.

(d) An action plan must include a description of actions taken or planned by the health plan company to ensure that information from report cards, outcome studies, and complaints is used internally to improve quality of the services provided by the health plan company.

(e) An action plan must include a detailed description of the health plan company's policies and procedures for enrolling and serving high risk and special needs populations. This description must also include the barriers that are present for the high risk and special needs population and how the health plan company is addressing these barriers in order to provide greater access to these populations. "High risk and special needs populations" includes, but is not limited to, recipients of medical assistance, general assistance medical care, and MinnesotaCare; persons with chronic conditions or disabilities; individuals within certain racial, cultural, and ethnic communities; individuals and families with low income; adolescents; the elderly; individuals with limited or no English language proficiency; persons with high-cost preexisting conditions; homeless persons; chemically dependent persons; persons with serious and persistent mental illness; children with severe emotional disturbance; and persons who are at high risk of requiring treatment. For purposes of this paragraph, "provider" has the meaning given in section 62J.03, subdivision 8.

(f) An action plan must include a general description of any action the health plan company has taken and those it intends to take to offer health coverage options to rural communities and other communities not currently served by the health plan company.

(g) A health plan company other than a large managed care plan company may satisfy any of the requirements of the action plan in paragraphs (a) to (f) by stating that it has no policies, procedures, practices, or requirements, either written or unwritten, or formal or informal, and has undertaken no activities or plans on the issues required to be addressed in the action plan, provided that the statement is truthful and not misleading. For purposes of this paragraph, "large managed care plan company" means a health maintenance organization or other health plan company that employs or contracts with health care providers, that has more than 50,000 enrollees in this state. If a health plan company employs or contracts with providers for some of its health plans and does not do so for other health plans that it offers, the health plan company is a large managed care plan company if it has more than 50,000 enrollees in this state in health plans for which it does employ or contract with providers.

Sec. 22. Minnesota Statutes 2000, section 62Q.075, is amended to read:

62Q.075 [LOCAL PUBLIC ACCOUNTABILITY AND COLLABORATION PLAN.]

~~Subdivision 1. [DEFINITION.] For purposes of this section, "managed care organization" means a health maintenance organization or community integrated service network.~~

Subd. 2. [REQUIREMENT.] Beginning October 31, ~~1997~~ 2004, all ~~managed care~~ health maintenance organizations shall file ~~biennially with the action plans required under section 62Q.07~~ a plan every four years with the commissioner of health describing the actions the ~~managed care health maintenance organization has taken and those it intends to take~~ to contribute to achieving one or more high priority public health goals for each service area in which an enrollee of the ~~managed care organization resides~~. This plan must be jointly developed in collaboration with the local public health units, and other community organizations providing health services within the same service area as the ~~managed care health maintenance~~ organization. Local government units with responsibilities and authority defined under chapters 145A and 256E may designate individuals to participate in the collaborative planning with the ~~managed care health maintenance~~ organization to provide expertise and represent community needs and goals as identified under chapters 145A and 256E. Every other year, beginning October 31, 2002, all health maintenance organizations shall file reports updating progress on the four-year collaboration plan.

Subd. 3. [CONTENTS.] The plan must address the following:

~~(a)~~ (1) specific measurement strategies and a description of any activities which contribute to one or more high priority public health goals ~~and needs of high risk and special needs populations as defined and developed under chapters 145A and 256E;~~

~~(b)~~ (2) description of the process by which the ~~managed care health maintenance~~ organization will coordinate its activities with the community health boards, and other relevant community organizations servicing the same area;

~~(c)~~ (3) documentation indicating that local public health units and local government unit designees were involved in the development of the plan; and

~~(d)~~ (4) documentation of compliance with the plan filed ~~the previous year previously~~, including data on the previously identified progress measures.

Subd. 4. [REVIEW.] Upon receipt of the plan, the ~~appropriate~~ commissioner of health shall provide a copy to the local community health boards, and other relevant community organizations within the ~~managed care health maintenance~~ organization's service area. After reviewing the plan, these community groups may submit written comments on the plan to ~~either the commissioner of health or commerce, as applicable;~~ and may advise the commissioner of the ~~managed care health maintenance~~ organization's effectiveness in assisting to achieve ~~regional~~ high priority public health goals. The plan may be reviewed by the county boards, or city councils acting as a local board of health in accordance with chapter 145A, within the ~~managed care health maintenance~~ organization's service area to determine whether the plan is consistent with the goals and objectives of the plans required under chapters 145A and 256E and whether the plan meets the needs of the community. The county board, or applicable city council, may also review and make recommendations on the availability and accessibility of services provided by the ~~managed care health maintenance~~ organization. The county board, or applicable city council, may submit written comments to the ~~appropriate~~ commissioner of health, and may advise the commissioner of the ~~managed care health maintenance~~ organization's effectiveness in assisting to meet the needs and goals as defined under the responsibilities of chapters 145A and 256E. ~~The commissioner of health shall develop recommendations to utilize the written comments submitted as part of the licensure process to ensure local public accountability. These recommendations shall be reported to the legislative commission on health care access by January 15, 1996.~~ Copies of these written comments must be provided to the ~~managed care health maintenance~~ organization. The plan and any comments submitted must be filed with the information clearinghouse to be distributed to the public.

Sec. 23. Minnesota Statutes 2000, section 62Q.185, is amended to read:

62Q.185 [GUARANTEED RENEWABILITY; LARGE EMPLOYER GROUP HEALTH COVERAGE.]

(a) No health plan company, as defined in section 62Q.01, subdivision 4, shall refuse to renew a health benefit plan, as defined in section 62L.02, subdivision 15, but issued to a large employer, as defined in section 62Q.18, subdivision 1.

(b) This section does not require renewal if:

(1) the large employer has failed to pay premiums or contributions as required under the terms of the health benefit plan, or the health plan company has not received timely premium payments unless the late payments were received within a grace period provided under state law;

(2) the large employer has performed an act or practice that constitutes fraud or misrepresentation of material fact under the terms of the health benefit plan;

(3) the large employer has failed to comply with a material plan provision relating to employer contribution or group participation rules not prohibited by state law;

(4) the health plan company is ceasing to offer coverage in the large employer market in this state in compliance with United States Code, title 42, section 300gg-12(c), and applicable state law;

(5) in the case of a health maintenance organization, there is no longer any enrollee in the large employer's health benefit plan who lives, resides, or works in the approved service area; or

(6) in the case of a health benefit plan made available to large employers only through one or more bona fide associations, the membership of the large employer in the association ceases, but only if such coverage is terminated uniformly without regard to any health-related factor relating to any covered individual.

(c) This section does not prohibit a health plan company from modifying the premium rate or from modifying the coverage for purposes of renewal.

(d) This section does not require renewal of the coverage of individual enrollees under the health benefit plan if the individual enrollee has performed an act or practice that constitutes fraud or misrepresentation of material fact under the terms of the health benefit plan.

(e) This section does not prohibit a health plan company from canceling a health plan in accordance with other law.

Sec. 24. [RULE REVISION INSTRUCTION.]

(a) The commissioner of health shall amend Minnesota Rules, as follows:

(1) part 4685.0700, subpart 3, by eliminating item A, subitem (3), unit (b);

(2) part 4685.0801, by repealing it; and

(3) part 4685.2200, subpart 1a, by repealing it.

(b) In making the changes required by paragraph (a), the commissioner must comply with Minnesota Statutes, section 14.386, and is otherwise exempt from rulemaking requirements."

Delete the title and insert:

"A bill for an act relating to health; providing for greater flexibility, and simplifying regulation, of health care coverage products; amending Minnesota Statutes 2000, sections 62A.146; 62A.148; 62A.17, subdivisions 2, 5; 62A.20, subdivision 2; 62A.21, subdivision 2a; 62A.65, subdivision 5; 62C.11, subdivisions 2, 3; 62C.142, subdivision 2a; 62D.02, subdivision 8; 62D.08, subdivision 5; 62D.101, subdivision 2a; 62D.12, subdivision 2; 62D.14, subdivisions 1, 4a; 62E.16; 62M.02, subdivision 21; 62N.25, subdivision 7; 62Q.07; 62Q.075; 62Q.185; proposing coding for new law in Minnesota Statutes, chapters 62D; 62Q."

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

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 1595, A bill for an act relating to natural resources; creating reporting requirements for members of the forest resources partnership; requiring rulemaking procedures for developing and changing forest management guidelines; adding duties for regional forest resource committees; adding duties for operators of forest resources continuing education programs; requiring the commissioner of natural resources to identify and implement management objectives for certain riparian forested areas; modifying monitoring and reporting requirements; modifying development and review requirements for forest management guidelines; modifying research requirements; extending the authorization for the Minnesota forest resources council; appropriating money; amending Minnesota Statutes 2000, sections 89.001, by adding a subdivision; 89.012; 89A.01, subdivision 3; 89A.04; 89A.05, subdivisions 1, 2a, 4; 89A.06, subdivisions 2, 2a; 89A.08, subdivision 4; 89A.10; Laws 1995, chapter 220, section 142, as amended; proposing coding for new law in Minnesota Statutes, chapter 89; repealing Minnesota Statutes 2000, section 89A.07, subdivisions 1, 2, 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 89.001, is amended by adding a subdivision to read:

Subd. 15. [BIOLOGICAL DIVERSITY.] "Biological diversity" means the variety and abundance of species, their genetic composition, and the communities and landscapes in which they occur, including the ecological structures, functions, and processes occurring at all of these levels.

Sec. 2. Minnesota Statutes 2000, section 89.012, is amended to read:

89.012 [UNIT FOREST RESOURCE PLANS.]

Subdivision 1. [GENERAL REQUIREMENTS.] (a) Each geographic administrative unit of the division of forestry identified by the commissioner as an appropriate unit for forest resource planning shall have a unit forest resource plan which is consistent with the forest resource management policy and plan, including state reforestation and road policies. The scope and content of the plan shall be determined by the commissioner. A unit plan shall not be implemented until approved by the commissioner.

(b) A unit plan shall set forth the specific goals and objectives for the management, protection, development, and production of forest resources in the administrative unit. A unit plan shall be integrated with other uses not managed under the multiple use, sustained yield principles policy when those uses have been authorized and approved according to law, including compliance with environmental review procedures. Unit plans shall be revised as necessary to remain consistent with the forest resource management plan.

Subd. 2. [RIPARIAN AREAS.] Unit forest resource plans shall provide direction for the management and protection of forest riparian areas on lands administered by the commissioner and shall consider the role of lands administered by the commissioner in managing riparian forest areas consistent with the goals and desired future conditions established by the regional forest resource committee for the relevant areas under section 89A.06, subdivision 2. Permits to cut timber from lands administered by the commissioner shall specify requirements for the protection of riparian areas based on the direction for management contained in the unit forest resource plans and shall be consistent with the site-level guidelines developed under section 89A.05 and unit forest resource plans.

Sec. 3. [89.0125] [MONITORING.]

Subdivision 1. [FOREST RESOURCE MONITORING.] The commissioner shall establish a program for monitoring broad trends and conditions in the state's forest resources at statewide, landscape, and site levels. The forest resources council shall provide oversight and program direction for the development and implementation of the monitoring program. To the extent possible, the information generated under the monitoring program must be reported in formats consistent with the landscape regions used to accomplish the planning and coordination activities specified in section 89A.06. To the extent possible, the program must incorporate data generated by existing resource monitoring programs. The commissioner shall report to the forest resources council information on current conditions and recent trends in the state's forest resources.

Subd. 2. [PRACTICES AND COMPLIANCE MONITORING.] The commissioner shall establish a program for monitoring silvicultural practices and application of the timber harvesting and forest management guidelines at statewide, landscape, and site levels. The forest resources council shall provide oversight and program direction for the development and implementation of the monitoring program. To the extent possible, the information generated by the monitoring program must be reported in formats consistent with the landscape regions used to accomplish the planning and coordination activities specified in section 89A.06. The commissioner shall report to the forest resources council on the nature and extent of silvicultural practices used and compliance with the timber harvesting and forest management guidelines. This report must include a detailed description of the concerns received from citizens under section 89A.07, subdivision 5.

Subd. 3. [EFFECTIVENESS MONITORING.] The commissioner, in cooperation with other research and land management organizations, shall evaluate the effectiveness of practices to mitigate impacts of timber harvesting and forest management activities on the state's forest resources. The forest resources council shall provide oversight and program direction for the development and implementation of this monitoring program. The commissioner shall report to the forest resources council on the effectiveness of these practices.

Sec. 4. Minnesota Statutes 2000, section 89A.01, subdivision 3, is amended to read:

Subd. 3. [BIOLOGICAL DIVERSITY.] "Biological diversity" means the variety and abundance of species, their genetic composition, and the communities and landscapes in which they occur, including the ecological structures, functions, and processes occurring at all of these levels has the meaning given in section 89.001, subdivision 15.

Sec. 5. Minnesota Statutes 2000, section 89A.05, subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT.] The council shall coordinate the development of comprehensive timber harvesting and forest management guidelines. The guidelines must address the water, air, soil, biotic, recreational, and aesthetic resources found in forest ecosystems by focusing on those impacts commonly associated with applying site-level forestry practices. The guidelines must reflect a range of practical and sound practices based on the best available scientific information, and be integrated to minimize conflicting recommendations while being easy to understand and implement. By June 30, 2003, the council shall review and, if deemed necessary, update the guidelines. Changes to the guidelines shall be peer reviewed prior to final adoption by the council. By December 1999, the council must undertake a peer review of the recommendations in the forest management guidelines adopted in December 1998 for protecting forest riparian areas and seasonal ponds. Notification of the availability of proposed changes to the guidelines must be placed in the environmental quality board monitor.

Sec. 6. Minnesota Statutes 2000, section 89A.05, subdivision 2a, is amended to read:

Subd. 2a. [REVIEW.] In reviewing the guidelines, the council must consider information from forest resources, practices, compliance, and effectiveness monitoring programs of the department. The council must also consider the concerns received from citizens under section 89A.07, subdivision 5. The council's recommendations relating to revisions to the forest management guidelines must be subject to peer reviewers appointed by the council. The council must consider recommendations of peer reviewers prior to final adoption of revisions to the guidelines.

Sec. 7. Minnesota Statutes 2000, section 89A.05, subdivision 4, is amended to read:

Subd. 4. [MONITORING RIPARIAN FORESTS.] The commissioner, with program advice from the council, shall accelerate monitoring the extent and condition of riparian forests, the extent to which harvesting occurs within riparian management zones and seasonal ponds, and the use and effectiveness of timber harvesting and forest management guidelines applied in riparian management zones and seasonal ponds. This information shall, to the extent possible, be consistent with the monitoring programs identified in ~~section~~ sections 89.0125 and 89A.07. Information gathered on riparian forests and timber harvesting in riparian management zones and seasonal ponds as specified in this subdivision shall be presented to the legislature by February 2001 and in subsequent reports required in section 89A.03, subdivision 6.

Sec. 8. Minnesota Statutes 2000, section 89A.06, subdivision 2, is amended to read:

Subd. 2. [REGIONAL FOREST RESOURCE COMMITTEES.] To foster landscape-based forest resource planning, the council must establish regional forest resource committees. Each regional committee shall:

(1) include representative interests in a particular region that are committed to and involved in landscape planning and coordination activities;

(2) serve as a forum for landowners, managers, and representative interests to discuss landscape forest resource issues;

(3) identify and implement an open and public process ~~whereby for~~ landscape-based strategic planning of forest resources can occur that includes:

(i) assessment of economic, social, and environmental conditions;

(ii) identification of desired future conditions;

(iii) identification of strategies to achieve the desired future conditions;

(iv) monitoring forest resources to ascertain if progress is being made to achieve the desired future conditions;
and

(v) adaptation of desired future conditions and the strategies to achieve them as warranted by the monitoring results;

(4) integrate its report with existing public and private landscape planning efforts in the region;

(5) facilitate landscape coordination between existing regional landscape planning efforts of land managers, both public and private;

(6) identify and facilitate opportunities for public participation in existing landscape planning efforts in this region; and

- (7) identify sustainable forest resource goals for the landscape and strategies to achieve those goals; and
 (8) provide a regional perspective to the council with respect to council activities.

Sec. 9. Minnesota Statutes 2000, section 89A.06, subdivision 2a, is amended to read:

Subd. 2a. [REGIONAL FOREST COMMITTEE REPORTING.] (a) The council must report annually on the activities and progress made by the regional forest committees established under subdivision 2, including the following:

(1) by December 1, 1999, the regional committee for the council's northeast landscape will complete the identification of draft desired future outcomes, key issues, and strategies for the landscape;

(2) by July 1, 2000, the council will complete assessments for the council's north central and southeast landscape regions;

(3) by July 1, 2001, the regional committees for the north central and southeast landscapes will complete draft desired future outcomes, key issues, and strategies for their respective landscapes; and

(4) the council will establish time lines for additional regional landscape committees and activities as staffing and funding allow by June 30, 2002, all remaining landscape regions must complete assessments and by June 30, 2003, desired future outcomes and strategies for all remaining regions except the metropolitan and prairie regions.

(b) The council must prepare annual reports on monitoring and activities required by subdivisions 2 to 4 for landscape regions beginning on June 30, 2002.

Sec. 10. Minnesota Statutes 2000, section 89A.08, subdivision 4, is amended to read:

Subd. 4. [RESEARCH DELIVERY.] Subject to the availability of appropriations, the council shall fund forest research based on the priority forest resources research activities identified ~~in~~ by the advisory committee under subdivision 3. The advisory committee shall promote these findings on priority research needs and ~~the dissemination of disseminate the research~~ findings to the research community, forest managers and users, and the public.

Sec. 11. Laws 1995, chapter 220, section 142, as amended by Laws 1995, chapter 263, section 12; Laws 1996, chapter 351, section 1; and Laws 1999, chapter 231, section 191, is amended to read:

Sec. 142. [EFFECTIVE DATES.]

Sections 2, 5, 7, 20, 42, 44 to 49, 56, 57, 101, 102, 117, and 141, paragraph (d), are effective the day following final enactment.

Sections 114, 115, 118, and 121 are effective January 1, 1996.

Sections 120, subdivisions 2, 3, 4, and 5, and 141, paragraph (c), are effective July 1, 1996.

Section 141, paragraph (b), is effective June 30, ~~2001~~ 2005.

Sections 58 and 66 are effective retroactively to August 1, 1991.

Section 119 is effective September 1, 1996.

Section 120, subdivision 1, is effective July 1, 1999.

Sec. 12. [APPROPRIATION; FOREST RESOURCES COUNCIL.]

\$1,175,000 in fiscal year 2002 and \$900,000 in fiscal year 2003 are appropriated from the general fund to the commissioner of natural resources for implementing sections 1 to 11. Of this amount, \$250,000 in each fiscal year is for monitoring under Minnesota Statutes, section 89.0125.

Sec. 13. [REPEALER.]

Minnesota Statutes 2000, section 89A.07, subdivisions 1, 2, and 3, are repealed.

Sec. 14. [EFFECTIVE DATE.]

Section 6 is effective the day following final enactment, and applies to all guidelines developed, modified, or adopted after that date."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying forest resource planning requirements; providing for notification of proposed changes to forest management guidelines; adding duties for regional forest resource committees; modifying monitoring and reporting requirements; modifying review requirements for forest management guidelines; modifying research requirements; extending the authorization for the Minnesota forest resources council; appropriating money; amending Minnesota Statutes 2000, sections 89.001, by adding a subdivision; 89.012; 89A.01, subdivision 3; 89A.05, subdivisions 1, 2a, 4; 89A.06, subdivisions 2, 2a; 89A.08, subdivision 4; Laws 1995, chapter 220, section 142, as amended; proposing coding for new law in Minnesota Statutes, chapter 89; repealing Minnesota Statutes 2000, section 89A.07, subdivisions 1, 2, 3."

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

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 1612, A bill for an act relating to waters; providing for administrative penalty orders; modifying water appropriation permit provisions; establishing fees; providing civil penalties; amending Minnesota Statutes 2000, sections 103G.271, subdivisions 1, 5, and 5a; and 103G.301, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 103G.

Reported the same back with the following amendments:

Pages 1 to 6, delete sections 1 to 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete "penalty orders;"

Page 1, lines 4 and 5, delete "providing civil penalties;"

Page 1, line 7, delete everything after "2"

Page 1, line 8, delete everything before the period

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

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

H. F. No. 1629, A bill for an act relating to family law; providing for a study of the proposed Uniform Parentage Act.

Reported the same back with the following amendments:

Page 2, line 8, before "and" insert:

"(17) persons who have been adopted;

(18) birth parents;"

Page 2, line 9, delete "(17)" and insert "(19)"

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

The report was adopted.

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

H. F. No. 1638, A bill for an act relating to the courts; authorizing courts to accept affidavits in lieu of a hearing on a name change application; amending Minnesota Statutes 2000, section 259.10, subdivision 1.

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

The report was adopted.

Davids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 1658, A bill for an act relating to human services; amending and initiating provisions for long-term care; requiring certain studies; establishing a pilot project for senior services; establishing a long-term care revolving fund; establishing a loan forgiveness program; requiring nursing services agency registration; initiating provisions relating to long-term care insurance; appropriating money; amending Minnesota Statutes 2000, sections 62A.48, subdivision 4, by adding subdivisions; 62S.01, by adding subdivisions; 62S.26; 116L.11, subdivision 4; 116L.12, subdivisions 4, 5; 116L.13, subdivision 1; 144.057; 144.1464; 144.1496, subdivision 3; 144A.071, subdivisions 1, 1a, 2, 4a; 144A.073, subdivisions 2, 4, by adding a subdivision; 144A.16; 144A.62, subdivisions 1, 2, 3, 4; 245A.04, subdivisions 3, 3a, 3b, 3d; 256.975, by adding subdivisions; 256B.056, subdivision 4; 256B.0911, subdivisions 1, 3, 5, 6, 7, by adding subdivisions; 256B.0913, subdivisions 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14; 256B.0915, subdivisions 1d, 3, 5; 256B.431, subdivisions 2e, 17, by adding subdivisions; 256B.434, subdivisions 4, 10; 256B.48,

subdivision 1; 256B.501, by adding a subdivision; 256D.35, by adding subdivisions; 256D.44, subdivision 5; Laws 1999, chapter 245, article 3, section 45, as amended; proposing coding for new law in Minnesota Statutes, chapters 16A; 62S; 116L; 144; 144A; 256; 256B; repealing Minnesota Statutes 2000, sections 116L.10; 116L.12, subdivisions 2, 7; 256B.0911, subdivisions 2, 2a, 4, 8, 9; 256B.0913, subdivisions 3, 15a, 15b, 15c, 16; 256B.0915, subdivisions 3a, 3b, 3c; Minnesota Rules, parts 9505.2390, 9505.2395, 9505.2396, 9505.2400, 9505.2405, 9505.2410, 9505.2413, 9505.2415, 9505.2420, 9505.2425, 9505.2426, 9505.2430, 9505.2435, 9505.2440, 9505.2445, 9505.2450, 9505.2455, 9505.2458, 9505.2460, 9505.2465, 9505.2470, 9505.2473, 9505.2475, 9505.2480, 9505.2485, 9505.2486, 9505.2490, 9505.2495, 9505.2496; 9505.2500.

Reported the same back with the following amendments:

Page 152, line 26, delete "...." and insert "62S.01, subdivision 15, clause (1),"

Page 158, line 16, delete "or as described in"

Page 158, line 17, delete everything before "that"

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

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1666, A bill for an act relating to taxation; providing for permitted public uses and discretion by Ramsey county board in determining value of tax-forfeited lands; changing a census date; amending Minnesota Statutes 2000, section 469.202, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 383A.

Reported the same back with the following amendments:

Page 1, line 10, delete "Notwithstanding any"

Page 1, line 11, delete "other law to the contrary,"

Page 3, line 6, strike "1980" and insert "most recent"

Page 3, line 17, strike "1980" and insert "most recent"

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

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1676, A bill for an act relating to the city of North St. Paul; authorizing the commissioner of revenue a tax increment financing grant to the city.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

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

H. F. No. 1681, A bill for an act relating to state employment; making technical and housekeeping changes; classifying employee identification numbers as public data; extending a pilot project; placing department of human services chief executive officers in the unclassified service; repealing provisions governing appointment of human services chief executive officers and law enforcement vacation donation; amending Minnesota Statutes 2000, sections 13.43, subdivision 2; and 43A.08, subdivision 1; repealing Minnesota Statutes 2000, sections 43A.04, subdivision 8; and 246.02.

Reported the same back with the following amendments:

Page 1, line 21, after "number" insert ", which may not be the employee's social security number"

With the recommendation that when so amended the bill pass.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1715, A bill for an act authorizing the use of tax increment financing for mitigation related to large railroad projects; providing exemptions from certain provisions; proposing coding for new law in Minnesota Statutes, chapter 469.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1732, A bill for an act relating to taxation; authorizing creation of housing replacement tax increment financing projects in the cities of Mounds View and New Brighton; amending Laws 1995, chapter 264, article 5, section 44, subdivision 4, as amended; Laws 1995, chapter 264, article 5, section 45, subdivision 1, as amended.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Dauids from the Committee on Commerce, Jobs and Economic Development to which was referred:

H. F. No. 1733, A bill for an act relating to commerce; revised Article 9 of the Uniform Commercial Code; making corrective and conforming amendments; appropriating money; amending Minnesota Statutes 2000, sections 27.138, subdivisions 2 and 3; 86B.820, subdivisions 10 and 11; 86B.880, subdivision 2; 168A.01, subdivisions 18 and 19; 168A.05, subdivision 8; 168A.17, subdivision 2; 169A.63, subdivisions 7 and 11; 268.058, subdivision 1; 270.69, subdivisions 2, 9, and 13; 270.7001, subdivision 4; 272.483; 272.484; 272.488, subdivision 3; 277.20, subdivision 8; 300.112, subdivision 1; 325L.16; 336.2-210; 336.9-102; 336.9-201; 336.9-203; 336.9-311; 336.9-317; 336.9-334; 336.9-407; 336.9-509; 336.9-521; 336.9-601; 336.9-607; 336.9-617; 336.9-619; 336A.01, subdivision 4; 514.18, subdivision 2; 514.221, subdivisions 2 and 3; 514.24; 514.63; 514.66; 514.661, subdivisions 3, 4, 5, and 6; 514.92, subdivisions 1a, 3, and 5; 514.945, subdivisions 2, 4, and 6; 514.950, subdivision 11; 514.956,

subdivisions 1, 2, and 3; 514.958; 514.960, subdivisions 2, 3, 4, and 5; 515B.3-116; 515B.3-117; 550.13; 557.12, subdivision 5; 583.26, subdivisions 1 and 2; and 583.284; Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapters 336; 507; 508; and 508A; repealing Minnesota Statutes 2000, sections 168A.17, subdivision 3; 336.11-101; 336.11-102; 336.11-103; 336.11-104; 336.11-105; 336.11-106; 336.11-107; and 336.11-108; Minnesota Rules, parts 8260.0600; 8260.0700; 8260.0800; 8260.0900; 8260.1000; 8260.1100; 8270.0010; 8270.0050; 8270.0100; 8270.0105; 8270.0110; 8270.0115; 8270.0200; 8270.0205; 8270.0210; 8270.0215; 8270.0220; 827.0225; 8270.0230; 8270.0235; 8270.0240; 8270.0245; 8270.0255; 8270.0260; 8270.0265; and 8270.0270.

Reported the same back with the following amendments:

Page 37, line 8, after "be" insert "recorded"

Page 40, after line 32, insert:

"Sec. 19. Minnesota Statutes 2000, section 507.24, subdivision 2, is amended to read:

Subd. 2. [ORIGINAL SIGNATURES REQUIRED.] Unless otherwise provided by law, an instrument affecting real estate that is to be recorded as provided in this section or other applicable law must contain the original signatures of the parties who execute it and of the notary public or other officer taking an acknowledgment. However, a financing statement that is recorded as a fixture filing pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment."

Page 41, after line 21, insert:

"Subd. 4. [FIXTURE FINANCING STATEMENTS.] A financing statement that is filed as a fixture filing pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment, and must be filed with the registrar, and shown as a memorial on the certificate of title."

Page 42, after line 10, insert:

"Subd. 4. [FIXTURE FINANCING STATEMENTS.] A financing statement that is filed as a fixture filing pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment, and must be filed with the registrar, and shown as a memorial on the certificate of title."

Pages 58 and 59, delete sections 25 to 27

Pages 61 and 62, delete sections 32 to 34

Pages 63 to 66, delete sections 38 to 46

Renumber the remaining sections

Amend the title as follows:

Page 1, line 16, after the first semicolon, insert "507.24, subdivision 2;"

Page 1, line 17, delete "514.24; 514.63; 514.66;"

Page 1, line 18, delete everything after the semicolon

Page 1, line 19, delete "3, and 5;" and delete "514.950,"

Page 1, delete lines 20 and 21

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

The report was adopted.

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

H. F. No. 1739, A bill for an act relating to public employment; ratifying certain labor agreements and proposals; modifying public employee compensation provisions; amending Minnesota Statutes 2000, sections 3.855, subdivision 3; 15A.0815, subdivision 1, and by adding a subdivision; 43A.04, subdivision 8; 136F.07; 136F.40, subdivision 2; and 179A.15; repealing Minnesota Statutes 2000, section 43A.18, subdivisions 4a and 5.

Reported the same back with the following amendments:

Page 2, line 7, strike "subdivision" and insert "subdivisions" and after "7b" insert "and 7c"

Page 3, delete section 4

Page 4, lines 25 to 35, delete the new language and insert "(a) The board may enter into a contract with the chancellor, a vice-chancellor, or a president, containing terms and conditions of employment. The terms of the contract must be authorized under a plan approved under section 43A.18, subdivision 3a.

(b) Notwithstanding section 43A.17, subdivision 11, or other law to the contrary, a contract under this section may provide a liquidated salary amount or other compensation if a contract is terminated by the board prior to its expiration."

Page 6, line 15, delete "section" and insert "sections 43A.04, subdivision 8; and"

Page 6, line 18, delete "9" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "43A.04,"

Page 1, line 7, delete "subdivision 8;"

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

The report was adopted.

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

H. F. No. 1781, A bill for an act relating to corrections; continuing the task force for agency purchasing from correctional agencies; removing obsolete language referencing the secure treatment unit operated by Regions Hospital; requiring the commissioners of corrections and human services to develop alternative equivalent

standards for chemical dependency treatment programs for correctional facilities under certain circumstances; creating a peer review committee in the health correctional system; requiring the commissioner of corrections to contract with the commissioner of human services for background studies of individuals providing services in secure and nonsecure juvenile residential and detention facilities; providing that investigation of inmate deaths be initiated by the commissioner of corrections; making it a crime for employees, contract personnel, or volunteers of a correctional system to engage in certain sexual activities with offenders in correctional facilities; authorizing HIV test results to be maintained in inmate medical records; amending Minnesota Statutes 2000, sections 16B.181, subdivision 2; 241.021, subdivisions 4, 4a, 6, by adding a subdivision; 390.11, subdivision 1, by adding subdivisions; 390.32, by adding a subdivision; 609.344, subdivision 1; 609.345, subdivision 1; 611A.19.

Reported the same back with the following amendments:

Pages 3 to 12, delete sections 2 to 13

Delete the title and insert:

"A bill for an act relating to corrections; continuing a task force on agency purchases from correctional industries; amending Minnesota Statutes 2000, section 16B.181, subdivision 2."

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

The report was adopted.

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

H. F. No. 1861, A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 5; allowing general obligation bonds to be issued for highways.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Capital Investment.

The report was adopted.

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

H. F. No. 1874, A bill for an act relating to taxation; classifying data; providing procedures for issuance of warrant for certain tax return information; changing procedures for disposition of seized contraband; defining certain property as contraband; changing and providing civil penalties; providing for a criminal penalty; appropriating money; amending Minnesota Statutes 2000, sections 16D.08, subdivision 2; 270A.11; 270B.02, subdivisions 2 and 3; 270B.03, subdivision 6; 270B.16; 289A.55, subdivision 9; 289A.60, subdivisions 1, 2, 7, and by adding a subdivision; 296A.24, subdivisions 1 and 2; 297A.91; 297E.16, subdivisions 1 and 2; 297F.20, subdivision 3; 297F.21, subdivisions 1, 2, and 3; 297G.20, subdivisions 3 and 4; and 626.11; repealing Minnesota Statutes 2000, sections 289A.60, subdivision 3; 296A.24, subdivision 3; 297E.16, subdivision 3; 297F.21, subdivision 4; and 297G.20, subdivision 5.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Crime Prevention.

The report was adopted.

Dempsey from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1944, A bill for an act relating to taxation; providing for the creation of special taxing districts to capture incremental property to finance operating costs of light rail transit; proposing coding for new law in Minnesota Statutes, chapter 473.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Transportation Policy without further recommendation.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 2028, A bill for an act relating to the environment; modifying provisions relating to environmental audits; changing the reporting date for the pollution control agency's annual performance report; amending Minnesota Statutes 2000, sections 114C.21, subdivision 8; 114C.24, subdivision 3; and 116.011.

Reported the same back with the following amendments:

Page 3, line 12, delete "for which data are available"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 520, A bill for an act relating to state observances; designating Combat Wounded Veterans Day; proposing coding for new law in Minnesota Statutes, chapter 10.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 214, 514, 525, 857, 901, 923, 926, 949, 966, 1023, 1214, 1245, 1247, 1248, 1261, 1455, 1507, 1537, 1569, 1638, 1681 and 2028 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 741 and 520 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Swenson introduced:

H. F. No. 2175, A bill for an act relating to natural resources; modifying citizen oversight committees under the commissioner of natural resources; amending Minnesota Statutes 2000, sections 15.059, subdivision 5a; 97A.055, subdivision 4a.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Milbert introduced:

H. F. No. 2176, A bill for an act relating to taxation; clarifying the taxation of certain nonmixed municipal solid waste disposed of in a landfill; amending Minnesota Statutes 2000, section 297H.04, by adding a subdivision.

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

Mahoney and Entenza introduced:

H. F. No. 2177, A bill for an act relating to employment; establishing a pilot program for long-term vocational rehabilitation services for persons with brain injuries; appropriating money.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Kielkucki, Hilty, Rhodes, Eastlund and Thompson introduced:

H. F. No. 2178, A bill for an act relating to appropriations; appropriating money to the director of the office of strategic and long-range planning for a grant to Government Training Service.

The bill was read for the first time and referred to the Committee on State Government Finance.

Mullery introduced:

H. F. No. 2179, A bill for an act relating to human services; appropriating money for welfare-to-work transportation.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Kielkucki introduced:

H. F. No. 2180, A bill for an act relating to education finance; authorizing a grant to independent school district No. 2687, Howard Lake-Waverly-Winsted, for development of an agricultural high school; appropriating money.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Workman and Swenson introduced:

H. F. No. 2181, A bill for an act relating to drivers' licenses; establishing pilot project to allow certain type A school bus to be operated by holder of Class D driver's license under limited conditions; making clarifying changes; providing misdemeanor penalty; amending Minnesota Statutes 2000, section 171.02, subdivisions 2 and 2a.

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

Lieder, Kalis, Juhnke, Marko and Hausman introduced:

H. F. No. 2182, A bill for an act relating to transportation; creating a local road improvement fund; specifying criteria for expenditures from the fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 174.

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

Entenza and Walker introduced:

H. F. No. 2183, A bill for an act relating to juvenile justice; requiring the court to destroy investigatory files when child protection petitions are dismissed; requiring background studies of relatives before placement of certain juveniles; amending Minnesota Statutes 2000, sections 260C.181, subdivision 2; 260C.193, by adding a subdivision.

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

Entenza and Walker introduced:

H. F. No. 2184, A bill for an act relating to child development; authorizing the Martin Luther King Jr. nonviolent institutional child development program; appropriating money.

The bill was read for the first time and referred to the Committee on Family and Early Childhood Education Finance.

Jacobson, Krinkie and Evans introduced:

H. F. No. 2185, A bill for an act relating to education; appropriating money for a parallel block schedule pilot project in independent school district No. 621, Mounds View.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Erickson; Johnson, J., and Osthoff introduced:

H. F. No. 2186, A bill for an act relating to education; providing for the care of students with diabetes; proposing coding for new law in Minnesota Statutes, chapter 121A.

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

Kelliher, Wagenius, Skoglund and Clark, K., introduced:

H. F. No. 2187, A bill for an act relating to real property; property surrounding the Coldwater Springs area in the city of Minneapolis; authorizing acquisition and requiring transfer by the metropolitan airports commission of the property; amending Minnesota Statutes 2000, section 473.608, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Leppik, Mares and McGuire introduced:

H. F. No. 2188, A bill for an act relating to family and early childhood education; appropriating money for adult basic education.

The bill was read for the first time and referred to the Committee on Family and Early Childhood Education Finance.

Molnau and Lieder introduced:

H. F. No. 2189, A bill for an act relating to transportation; creating local road improvement program; proposing an amendment to the Minnesota Constitution by adding a section to article XIV to dedicate all proceeds from the sales tax on motor vehicles to the highway user tax distribution fund; appropriating money for greater Minnesota transit; proposing coding for new law in Minnesota Statutes, chapter 174.

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

Wilkin, Jacobson, Erhardt, Gerlach and Buesgens introduced:

H. F. No. 2190, A bill for an act relating to taxation; individual income; modifying the definition of taxable income and the tax rates; amending Minnesota Statutes 2000, sections 290.01, subdivisions 19a, 19b; 290.06, subdivision 2c; 290.091, subdivision 6; repealing Minnesota Statutes 2000, sections 290.0675; 290.091.

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

Ozment introduced:

H. F. No. 2191, A bill for an act relating to appropriations; appropriating money for local road wetland replacement.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

Gunther and Ness introduced:

H. F. No. 2192, A bill for an act relating to agriculture; providing funding for continued pseudorabies testing and vaccination; appropriating money.

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development Finance.

Vandever; Sviggum; Otremba; Winter; Wilkin; Goodno; Pawlenty; Holberg; Buesgens; Howes; Knoblach; Westerberg; Gerlach; Kubly; Marquart; Eastlund; Cassell; Hackbarth; Workman; Erickson; Anderson, B.; Jacobson; Tuma; Walz; Kielkucki; Kalis; Pelowski; Seifert; Mulder; Clark, J.; Dehler; Milbert and Smith introduced:

H. F. No. 2193, A bill for an act relating to motor vehicles; authorizing issuance of "choose life" license plates; establishing an adoption support account and appropriating money in the account to the commissioner of human services for grants to counties to support adoption; amending Minnesota Statutes 2000, section 168.1291, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Fuller, Olson, Kielkucki, Buesgens and Holberg introduced:

H. F. No. 2194, A bill for an act relating to education; permitting school districts to implement the profile of learning or offer other learning experiences; providing for state and local testing; appropriating money; amending Minnesota Statutes 2000, sections 120A.22, subdivision 9; 120B.02; 120B.031, by adding a subdivision; 120B.30, subdivision 1, by adding a subdivision; 120B.31, subdivision 4; 126C.10, subdivision 2; 136A.233, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 120B.

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

Abeler, Westerberg, Bernardy and Hackbarth introduced:

H. F. No. 2195, A bill for an act relating to education; providing for school finance simplification, clarification, and equity; amending Minnesota Statutes 2000, sections 126C.05, subdivisions 1, 15, 16; 126C.10, subdivisions 1, 2; 126C.13; 126C.14; Laws 1992, chapter 499, article 7, section 32, as amended; repealing Minnesota Statutes 2000, sections 122A.61; 124D.081; 124D.65; 124D.86; 126C.01, subdivision 9; 126C.05, subdivisions 3, 17; 126C.10, subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28; 126C.11; 126C.12; 126C.125; 126C.15; 126C.22; 126C.31; 126C.34; Laws 1992, chapter 499, article 7, sections 4, 5, 6, 7, 8.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Abeler, Westerberg and Bernardy introduced:

H. F. No. 2196, A bill for an act relating to education; creating a legislative task force on reducing the complexity of kindergarten through grade 12 education funding statutes and rules.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Winter and Peterson introduced:

H. F. No. 2197, A bill for an act relating to agriculture; making it unfair for processors to retaliate or discriminate against producers who exercise rights, including the joining of producer associations; providing for enforcement; imposing civil and criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Mullery, Skoglund, Wagenius, Dibble, Kahn and Clark, K., introduced:

H. F. No. 2198, A bill for an act relating to education; requiring certain school districts to receive community approval before naming or renaming a school facility; amending Minnesota Statutes 2000, section 123B.51, by adding a subdivision.

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

Stanek introduced:

H. F. No. 2199, A bill for an act relating to public safety; providing workers' compensation coverage for bomb disposal unit employees when acting outside the state; providing limits on liability for certain persons who provide personnel and equipment for certain bomb disposals; amending Minnesota Statutes 2000, sections 176.192; and 299C.063.

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

Wagenius introduced:

H. F. No. 2200, A bill for an act relating to environment; requiring disclosure of treated wood in real estate transactions; proposing coding for new law in Minnesota Statutes, chapter 82.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Kahn, Kelliher and McGuire introduced:

H. F. No. 2201, A bill for an act relating to state government; requiring state agencies to take certain actions to promote bicycle commuting by state employees; proposing coding for new law in Minnesota Statutes, chapter 16B.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Dibble introduced:

H. F. No. 2202, A bill for an act relating to government data practices; providing for classification of certain data; eliminating reporting redundancy; abolishing administrative remedies; amending Minnesota Statutes 2000, sections 13.719, by adding a subdivision; and 138.17, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 2000, section 13.081.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Clark, J., introduced:

H. F. No. 2203, A bill for an act relating to highways; allowing judicial review of public purpose and necessity for taking property for county highway or town road; amending Minnesota Statutes 2000, sections 163.12, subdivisions 7, 10; 164.07, subdivisions 7, 10.

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

Wagenius introduced:

H. F. No. 2204, A bill for an act relating to environment; requiring notice regarding the use of wood treated with arsenic; proposing coding for new law in Minnesota Statutes, chapter 116.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Pawlenty; Pugh; McElroy; Clark, J., and Milbert introduced:

H. F. No. 2205, A bill for an act relating to the legislature; providing for even-year sessions convened by the legislature; limiting the agenda; amending Minnesota Statutes 2000, section 3.011.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Juhnke introduced:

H. F. No. 2206, A bill for an act relating to human services; providing for changes to the rate setting for deep rural facilities with low operating rates; appropriating money; amending Minnesota Statutes 2000, section 256B.431, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Mulder introduced:

H. F. No. 2207, A bill for an act relating to family law; clarifying which month certain support payments are for; amending Minnesota Statutes 2000, section 518.551, subdivision 1.

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

Ness, Dorn, Solberg and Gunther introduced:

H. F. No. 2208, A bill for an act relating to education; amending the profile of learning; focusing on core academic content areas; allowing school districts to use an "A to F" grading system to record students' work and grades; directing the commissioner to a statewide software package for reporting student performance; requiring tests administered annually to third-grade, fifth-grade, eighth-grade, and secondary students to be nationally norm-referenced tests; amending Minnesota Statutes 2000, sections 120B.02; 120B.031, subdivisions 9, 11; 120B.30, subdivision 1; 120B.31, subdivisions 1, 2, 3.

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

Tingelstad, Entenza, Huntley, Abeler, Rhodes, Nornes, Otremba and Walker introduced:

H. F. No. 2209, A bill for an act relating to human services; establishing an outreach campaign for health coverage; creating a preventive services funding pool; reducing income verification requirements for medical assistance; providing 12-month continuous coverage under medical assistance; limiting premiums under MinnesotaCare; creating a demonstration project for presumptive eligibility; appropriating money; amending

Minnesota Statutes 2000, sections 256B.04, by adding a subdivision; 256B.056, subdivisions 4b, 7; 256B.061; 256L.05, subdivisions 2, 4; 256L.07, subdivision 3; 256L.15, subdivisions 1, 2, 3; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 2000, section 256B.056, subdivisions 5a, 5b.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Ness, Finseth, Swenson, Juhnke, Gunther, Leighton, Oskopp, Rifenberg, Kuisle, Dorman, Wenzel, Peterson, Kubly, Harder and Johnson, R., introduced:

H. F. No. 2210, A bill for an act relating to agriculture; providing grant assistance for the creation of agricultural product shipper organizations; appropriating money.

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development Finance.

Oskopp introduced:

H. F. No. 2211, A bill for an act relating to education; authorizing a fund transfer for independent school district No. 806, Elgin-Millville.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Wagenius introduced:

H. F. No. 2212, A bill for an act relating to environment; prohibiting state purchase of wood treated with arsenic; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16C.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Gray; Mariani; Dawkins; Folliard; Walker; Rhodes; Slawik; Dibble; Gleason; Clark, K., and Entenza introduced:

H. F. No. 2213, A bill for an act relating to financial institutions; enacting an act against predatory lending in the home mortgage market; making conforming changes; appropriating money; amending Minnesota Statutes 2000, sections 47.20, subdivision 5; 58.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 58A.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Mares, Jennings, Oskopp, Milbert, Wenzel, Solberg, Hausman and Gray introduced:

H. F. No. 2214, A bill for an act relating to a stadium; financing a major league professional baseball stadium; requiring private funding; providing for an interest-free loan; providing for a temporary tax-free zone on certain retail sales; creating a site selection commission; providing for the issuance of bonds; providing for disposition of the metro dome and the land it occupies under certain conditions; transferring funds from the assigned risk plan; requiring enhanced revenue sharing by major league baseball for act to take effect; appropriating money; amending Minnesota Statutes 2000, sections 272.02, by adding a subdivision; 297A.67, by adding a subdivision; 297A.71, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 4A.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Mares introduced:

H. F. No. 2215, A bill for an act relating to retirement; providing for payment of certain retirement contributions at certain charter schools; appropriating money.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Bradley, Goodno, Huntley, Greiling, Schumacher, Goodwin and Dibble introduced:

H. F. No. 2216, A bill for an act relating to mental health; providing services to individuals experiencing mental health crises; permitting the establishment of mobile mental health crisis teams; requiring triage protocols to be used by mental health emergency service providers; requiring development of mental health crisis plans; establishing a statewide mental health crisis line; appropriating money; amending Minnesota Statutes 2000, sections 245.462, by adding a subdivision; 245.469, subdivision 2, by adding subdivisions; 245.4871, subdivision 3, by adding a subdivision; 245.4879, subdivision 2, by adding subdivisions; 245.4881, subdivision 3, by adding a subdivision; 245.4886, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Marquart introduced:

H. F. No. 2217, A bill for an act relating to education; encouraging school districts to devote a staff development day for teacher workshops on assessment packages; amending Minnesota Statutes 2000, section 120A.41.

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

Kuisle, Bradley and Bishop introduced:

H. F. No. 2218, A bill for an act relating to education; adding a provision to integration revenue; providing for special education cross-subsidy aid; authorizing referendum revenue restoration; appropriating money; amending Minnesota Statutes 2000, sections 124D.86, subdivision 3; 126C.17, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 125A.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Kuisle and Bishop introduced:

H. F. No. 2219, A bill for an act relating to appropriations; funding expansion of the metropolitan public safety radio system into Olmsted county.

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

Opatz introduced:

H. F. No. 2220, A bill for an act relating to Benton county; authorizing a conveyance for no or nominal consideration to the Benton county historical society.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Otremba introduced:

H. F. No. 2221, A bill for an act relating to health; establishing the Minnesota universal health board; creating the Minnesota universal health program; establishing the Minnesota health care trust fund; establishing statewide and regional health care budgets; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 62K; repealing Minnesota Statutes 2000, section 62J.212.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Dehler and Carlson introduced:

H. F. No. 2222, A bill for an act relating to higher education; Minnesota state colleges and universities; modifying the state share for certain estimated expenditures; modifying collection procedures for certain fees; providing for certain purchases made and contracts entered into by the board of trustees; clarifying tuition refund policy for certain students; abolishing certain reporting requirements; deleting obsolete references; making various clarifying and technical changes; amending Minnesota Statutes 2000, sections 135A.031, subdivision 2; 135A.52, subdivision 1; 136F.13; 136F.581, subdivision 4, by adding subdivisions; 137.10; 169.966; 354.094, subdivision 2; 354.69; 356.24, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 136F; repealing Minnesota Statutes 2000, section 135A.06, subdivision 1; Laws 1994, chapter 643, section 66.

The bill was read for the first time and referred to the Committee on Higher Education Finance.

Tuma, Davnie and Greiling introduced:

H. F. No. 2223, A bill for an act relating to education; appropriating money for a residential academy.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Bakk, Sertich, Rukavina, Juhnke and Howes introduced:

H. F. No. 2224, A bill for an act relating to waste; providing for individual sewage treatment system funding; amending Minnesota Statutes 2000, sections 17.117, subdivision 5; 103F.725, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 446A.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Nornes and Leighton introduced:

H. F. No. 2225, A bill for an act relating to workers' compensation; making technical changes; requiring interest earned on revenue collected by the special compensation fund to be deposited into the fund; extending a pilot program; providing for payment of various penalties to the commissioner of labor and industry; amending Minnesota Statutes 2000, sections 176.042, subdivision 2; 176.102, subdivisions 3a, 11, 14; 176.103, subdivision 3; 176.129, subdivisions 10, 13, by adding a subdivision; 176.1351, subdivision 5; 176.138; 176.1812, subdivision 6; 176.191, subdivision 1a; 176.194, subdivision 4; 176.221, subdivisions 1, 3, 3a, 6; 176.231, subdivisions 2, 6, 10; 176.238, subdivision 10; repealing Minnesota Statutes 2000, section 176.445.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Seagren, Leppik, Erickson, Dorn and Pelowski introduced:

H. F. No. 2226, A bill for an act relating to higher education; establishing a merit grant for advance placement and international baccalaureate students; amending Minnesota Statutes 2000, sections 136A.121, by adding a subdivision; 136A.1211.

The bill was read for the first time and referred to the Committee on Higher Education Finance.

Stanek, Mariani, Tuma, Gray and Walker introduced:

H. F. No. 2227, A bill for an act relating to crime prevention; authorizing a grant; appropriating money.

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

Stanek, Smith, Mares, Murphy and Wenzel introduced:

H. F. No. 2228, A bill for an act relating to retirement; extending pension coverage to part-time metropolitan transit police officers; amending Minnesota Statutes 2000, section 353.64, subdivision 7a.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Bernardy, by request, introduced:

H. F. No. 2229, A bill for an act relating to education; early childhood; modifying the definition of child; establishing a pool of up to two percent of the annual appropriation to provide assistance to children age 14; amending Minnesota Statutes 2000, sections 119B.011, subdivision 4; 119B.02, subdivision 1.

The bill was read for the first time and referred to the Committee on Family and Early Childhood Education Finance.

Carlson and Kalis introduced:

H. F. No. 2230, A bill for an act relating to higher education; capital improvements; appropriating money for higher education asset preservation and replacement; authorizing the issuance of state bonds.

The bill was read for the first time and referred to the Committee on Higher Education Finance.

Slawik, Goodno, Huntley, Koskinen and Walker introduced:

H. F. No. 2231, A bill for an act relating to human services; providing a five percent rate increase for nursing facilities, intermediate care facilities for persons with mental retardation, and other programs; appropriating money; amending Minnesota Statutes 2000, sections 256B.431, by adding subdivisions; 256B.434, subdivision 4, by adding a subdivision; 256B.501, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Larson, Workman and Marko introduced:

H. F. No. 2232, A bill for an act relating to school buses; authorizing the commissioner of public safety to cancel the school bus driver's endorsement of a person who has been convicted of a gross misdemeanor or of multiple violations that show evidence of a risk to public safety; proposing coding for new law in Minnesota Statutes, chapter 171.

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

Kelliher introduced:

H. F. No. 2233, A bill for an act relating to natural resources; restricting the speed of watercraft within 150 feet of a shoreline; amending Minnesota Statutes 2000, section 86B.311, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Erhardt introduced:

H. F. No. 2234, A bill for an act relating to taxation; individual income; increasing the maximum long-term care insurance credit, reducing the lifetime benefit requirement, and extending the credit to employers; providing a sunset for the credit; amending Minnesota Statutes 2000, section 290.0672.

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

Bakk and Sertich introduced:

H. F. No. 2235, A bill for an act relating to education; appropriating money for independent school district No. 696, Ely, for a transitional transportation grant.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Mulder introduced:

H. F. No. 2236, A bill for an act relating to taxation; providing a production tax on wind energy in lieu of property tax; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 2000, sections 272.02, subdivision 22; 273.37, subdivision 3.

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

Bernardy, Leighton, Lenczewski, Entenza and Walker introduced:

H. F. No. 2237, A bill for an act relating to taxation; income taxes; expanding the dependent care credit; amending Minnesota Statutes 2000, section 290.067, subdivision 1.

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

Bradley, Bishop and Kuisle introduced:

H. F. No. 2238, A bill for an act relating to human services; moving Olmsted county to geographic group III for purposes of nursing facility reimbursement; providing a rate increase for nursing facilities in Olmsted county; appropriating money; amending Minnesota Statutes 2000, section 256B.431, subdivision 2b, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Greiling introduced:

H. F. No. 2239, A bill for an act relating to education; prohibiting release time from schools; amending Minnesota Statutes 2000, section 120A.22, subdivision 12.

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

Hausman and Dawkins introduced:

H. F. No. 2240, A bill for an act relating to commercial redevelopment; allowing nonprofit organizations to receive funding under the contamination cleanup, livable communities tax base revitalization, and livable communities demonstration account programs; amending Minnesota Statutes 2000, sections 116J.552, by adding a subdivision; 116J.553, subdivision 1; 116J.554, subdivisions 1, 1a; 116J.556; 116J.557, subdivisions 1, 2, 3; 473.252, subdivision 3, by adding a subdivision; 473.253, subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Stang, Solberg, Holsten, Osskopp, Finseth, Milbert, Sykora and Goodno introduced:

H. F. No. 2241, A bill for an act relating to new sports facilities; creating a proposal review and recommendation process; proposing coding for new law in Minnesota Statutes, chapter 4A.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Hilty, Hausman and Wagenius introduced:

H. F. No. 2242, A bill for an act relating to the environment; prohibiting the introduction of radioactive material into recycled materials; proposing coding for new law in Minnesota Statutes, chapter 116C.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Pelowski, Osskopp, Rifenberg, Dempsey, Hausman and Marko introduced:

H. F. No. 2243, A bill for an act relating to transportation; appropriating money for the midwest regional rail initiative; requiring preliminary engineering and environmental analysis activities.

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

Abrams, Bishop, Stanek, McElroy and Dawkins introduced:

H. F. No. 2244, A bill for an act relating to courts; providing for state funding of trial courts in unfunded judicial districts; amending Minnesota Statutes 2000, sections 97A.065, subdivision 2; 179A.101, subdivision 1; 179A.102, subdivision 6; 179A.103, subdivision 1; 273.1398, subdivision 4a; 299D.03, subdivision 5; 357.021, subdivision 1a; 480.181, subdivision 1; 487.33, subdivision 5; 574.34, subdivision 1.

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

Bradley and Bishop introduced:

H. F. No. 2245, A bill for an act relating to human services; providing a rate increase for two nursing facilities in Olmsted county; appropriating money; amending Minnesota Statutes 2000, section 256B.434, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Bradley and Bishop introduced:

H. F. No. 2246, A bill for an act relating to human services; increasing the compensation-related portion of nursing facility operating rates; appropriating money; amending Minnesota Statutes 2000, section 256B.431, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Bernardy, Greiling, McGuire and Goodwin introduced:

H. F. No. 2247, A bill for an act relating to taxation; income; allowing a subtraction for the purchase of classroom materials for teachers; amending Minnesota Statutes 2000, section 290.01, subdivision 19b.

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

McGuire introduced:

H. F. No. 2248, A bill for an act relating to family and early childhood education; consolidating the MFIP and basic sliding fee child care assistance programs; amending Minnesota Statutes 2000, sections 119B.011, subdivisions 7, 19; 119B.02, subdivisions 1, 2; 119B.03, subdivisions 3, 9, 10; 119B.05, subdivision 5; 119B.061; 119B.08, subdivisions 2, 3, 4, by adding subdivisions; 119B.09, subdivisions 1, 2, 7; 119B.10; 119B.11, subdivision 1; 119B.12, subdivision 2; 119B.13, subdivisions 1, 6; 119B.15; 119B.24; repealing Minnesota Statutes 2000, sections 119B.011, subdivision 20; 119B.03, subdivisions 1, 2, 4, 5, 6, 6a, 8; 119B.05, subdivision 1; 119B.07; 119B.09, subdivision 3; 119B.11, subdivision 4.

The bill was read for the first time and referred to the Committee on Family and Early Childhood Education Finance.

Leighton, Rukavina and Solberg introduced:

H. F. No. 2249, A bill for an act relating to integrity and fairness in medical examinations; regulating certain medical examinations; amending Minnesota Statutes 2000, sections 65B.56, subdivision 1; 176.136, subdivision 1c; and 176.155, subdivision 1, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Abeler, Otremba, Skoe, Davids and Ness introduced:

H. F. No. 2250, A bill for an act relating to education finance; modifying the alternative facilities program; amending Minnesota Statutes 2000, section 123B.59, subdivision 1; repealing Minnesota Statutes 2000, section 123B.59, subdivision 6.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Kubly; Osskopp; Seifert; Gunther; Johnson, R.; Winter; Otremba and Juhnke introduced:

H. F. No. 2251, A bill for an act relating to agriculture; providing continued funding for the Passing on the Farm Center; appropriating money.

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development Finance.

Hilstrom, Seagren and Lenczewski introduced:

H. F. No. 2252, A bill for an act relating to local government; providing for the appointment of supervisors for the Hennepin county soil and water conservation district; providing for the transition from an elected to an appointed board; amending Minnesota Statutes 2000, sections 103C.311, by adding a subdivision; 103C.315, subdivision 1.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Davids, Haas and Sertich introduced:

H. F. No. 2253, A bill for an act relating to insurance; modifying minimum education requirements for insurance agents; amending Minnesota Statutes 2000, section 60K.19, subdivision 8.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Tingelstad introduced:

H. F. No. 2254, A bill for an act relating to taxes; sales and use tax; exempting construction materials and equipment for a water treatment facility in the city of Andover; amending Minnesota Statutes 2000, sections 297A.71, by adding a subdivision; 297A.75.

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

Tingelstad introduced:

H. F. No. 2255, A bill for an act relating to health; modifying tobacco settlement and medical education endowment funds; creating healthy kids learn endowment fund; appropriating money; amending Minnesota Statutes 2000, sections 16A.87; and 62J.694, subdivisions 2 and 4; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Bernardy, Evans, Dorman, Sertich, Greiling, Entenza and Goodwin introduced:

H. F. No. 2256, A bill for an act relating to taxation; income; allowing the education subtraction and credit for extracurricular activities and musical instruments; amending Minnesota Statutes 2000, sections 290.01, subdivision 19b; 290.0674, subdivision 1.

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

Johnson, R., introduced:

H. F. No. 2257, A bill for an act relating to unemployment insurance; providing extra benefits for certain employees.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 57, A bill for an act relating to drivers' licenses; including certain crimes against children as disqualifying offenses for purposes of school bus endorsements on drivers' licenses; amending Minnesota Statutes 2000, section 171.3215, subdivision 1.

The Senate has appointed as such committee:

Senators Robling, Schwab and Johnson, Dean.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 320, A bill for an act relating to insurance; authorizing licensed property-casualty insurance agents to assist in the procurement of surplus lines insurance without a surplus lines insurance license; amending Minnesota Statutes 2000, section 60A.198, subdivision 1.

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. 930, 971 and 972.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 930, A bill for an act relating to transportation; repealing obsolete rules; repealing Minnesota Rules, parts 7800.1800; 7805.0200; 7805.0600; 7805.1000; 7805.1100; 7805.1200.

The bill was read for the first time.

Seifert moved that S. F. No. 930 and H. F. No. 254, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 971, A bill for an act relating to crimes; repealing law which prohibits holding itinerant carnivals; repealing Minnesota Statutes 2000, section 624.65.

The bill was read for the first time.

McElroy moved that S. F. No. 971 and H. F. No. 64, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 972, A bill for an act relating to crimes; repealing the law prohibiting endurance contests and striking a reference to it in law; amending Minnesota Statutes 2000, section 375.40; repealing Minnesota Statutes 2000, section 624.66.

The bill was read for the first time.

McElroy moved that S. F. No. 972 and H. F. No. 466, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

Seifert moved that the Consent Calendar be continued. The motion prevailed.

CALENDAR FOR THE DAY

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

MOTIONS AND RESOLUTIONS

Entenza moved that the name of Bernardy be added as an author on H. F. No. 93. The motion prevailed.

Lindner moved that the name of Johnson, R., be added as an author on H. F. No. 679. The motion prevailed.

Mares moved that the name of Finseth be added as an author on H. F. No. 1058. The motion prevailed.

Anderson, B., moved that his name be stricken as an author on H. F. No. 1238. The motion prevailed.

Bradley moved that the name of Harder be added as an author on H. F. No. 1658. The motion prevailed.

Gleason moved that the name of Entenza be added as an author on H. F. No. 1764. The motion prevailed.

Larson moved that the name of Abeler be added as an author on H. F. No. 1829. The motion prevailed.

Rhodes moved that the name of Dempsey be added as an author on H. F. No. 1952. The motion prevailed.

Kubly moved that the name of Harder be added as an author on H. F. No. 2088. The motion prevailed.

Howes moved that the name of Harder be added as an author on H. F. No. 2090. The motion prevailed.

Olson moved that the name of Harder be added as an author on H. F. No. 2092. The motion prevailed.

Finseth moved that the name of Harder be added as an author on H. F. No. 2104. The motion prevailed.

Johnson, J., moved that the name of Olson be added as an author on H. F. No. 2134. The motion prevailed.

Thompson moved that the name of Luther be added as an author on H. F. No. 2150. The motion prevailed.

Seifert moved that the names of Cassell, Eastlund and Erickson be added as authors on H. F. No. 2153. The motion prevailed.

Stanek moved that the name of Rifenberg be added as an author on H. F. No. 2161. The motion prevailed.

Erickson moved that H. F. No. 966, now on the General Register, be re-referred to the Committee on Crime Prevention. The motion prevailed.

Clark, J., moved that H. F. No. 1073 be recalled from the Committee on Environment and Natural Resources Finance and be re-referred to the Committee on Environment and Natural Resources Policy. The motion prevailed.

Kubly moved that H. F. No. 1142 be recalled from the Committee on Agriculture Policy and be re-referred to the Committee on Agriculture and Rural Development Finance. The motion prevailed.

Howes moved that H. F. No. 1306 be recalled from the Committee on Transportation Policy and be re-referred to the Committee on Civil Law. The motion prevailed.

Evans moved that H. F. No. 1502 be recalled from the Committee on Agriculture Policy and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy. The motion prevailed.

Leppik moved that H. F. No. 1524 be recalled from the Committee on Governmental Operations and Veterans Affairs Policy and be re-referred to the Committee on Local Government and Metropolitan Affairs. The motion prevailed.

Holsten moved that H. F. No. 1543 be recalled from the Committee on Crime Prevention and be re-referred to the Committee on Commerce, Jobs and Economic Development. The motion prevailed.

Swenson moved that H. F. No. 1827 be recalled from the Committee on Environment and Natural Resources Finance and be re-referred to the Committee on Environment and Natural Resources Policy. The motion prevailed.

Cassell moved that H. F. No. 1858 be recalled from the Committee on Education Policy and be re-referred to the Committee on Higher Education Finance. The motion prevailed.

Abeler moved that H. F. No. 1887 be recalled from the Committee on Education Policy and be re-referred to the Committee on Health and Human Services Policy. The motion prevailed.

Murphy moved that H. F. No. 2098 be recalled from the Committee on Health and Human Services Policy and be re-referred to the Committee on Health and Human Services Finance. The motion prevailed.

Finseth moved that H. F. No. 2104 be recalled from the Committee on Agriculture Policy and be re-referred to the Committee on Agriculture and Rural Development Finance. The motion prevailed.

Rhodes moved that H. F. No. 2117 be recalled from the Committee on Health and Human Services Policy and be re-referred to the Committee on Health and Human Services Finance. The motion prevailed.

The Speaker called Abrams to the Chair.

House Resolution No. 8 was reported to the House.

HOUSE RESOLUTION NO. 8

A house resolution setting the maximum limit on general fund expenditures for the biennium.

Be It Resolved by the House of Representatives that the sum of \$25,872,400,000 is the maximum limit on state appropriations and transfers from the general fund, excluding expenditures for tax reduction and relief, for fiscal years 2002 and 2003.

Be It Further Resolved that the House of Representatives finds that a cash flow account of \$350,000,000 and a budget reserve of \$622,000,000 are necessary.

Be It Further Resolved that the limit on appropriations and transfers from the general fund established in this resolution may be automatically adjusted to reflect forecast adjustments and consolidation of other funds into the general fund. This resolution is adopted under House Rule 4.03.

Bishop moved that House Resolution No. 8 be now adopted.

The Speaker resumed the Chair.

A roll call was requested and properly seconded.

The question was taken on the Bishop motion and the roll was called. There were 75 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holsten	Mares	Rhodes	Tingelstad
Abrams	Eastlund	Howes	Marquart	Rifenberg	Tuma
Anderson, B.	Erhardt	Jacobson	McElroy	Ruth	Vandever
Bishop	Erickson	Johnson, J.	Molnau	Schumacher	Walz
Boudreau	Finseth	Kielkucki	Mulder	Seagren	Westerberg
Bradley	Fuller	Knoblach	Ness	Seifert	Westrom
Buesgens	Gerlach	Krinkie	Nornes	Slawik	Wilkin
Cassell	Goodno	Kuisle	Olson	Smith	Wolf
Clark, J.	Gunther	Larson	Osskopp	Stanek	Workman
Daggett	Haas	Lenczewski	Ozment	Stang	Spk. Sviggum
Dauids	Hackbarth	Leppik	Paulsen	Swenson	
Dehler	Harder	Lindner	Pawlenty	Sykora	
Dempsey	Holberg	Lipman	Penas	Thompson	

Those who voted in the negative were:

Bakk	Evans	Jaros	Luther	Otremba	Swapinski
Bernardy	Folliard	Jennings	Mahoney	Paymar	Wagenius
Biernat	Gleason	Johnson, R.	Mariani	Pelowski	Walker
Carlson	Goodwin	Johnson, S.	Marko	Peterson	Wasiluk
Clark, K.	Gray	Kahn	McGuire	Pugh	Wenzel
Davnie	Greiling	Kalis	Milbert	Rukavina	Winter
Dawkins	Hausman	Kelliher	Mullery	Sertich	
Dibble	Hilstrom	Koskinen	Murphy	Skoe	
Dorn	Hilty	Kubly	Opatz	Skoglund	
Entenza	Huntley	Lieder	Osthoff	Solberg	

The motion prevailed and House Resolution No. 8 was adopted.

ADJOURNMENT

Molnau moved that when the House adjourns today it adjourn until 3:00 p.m., Wednesday, March 28, 2001. The motion prevailed.

Molnau moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Wednesday, March 28, 2001.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

