

STATE OF MINNESOTA

EIGHTY-THIRD SESSION — 2004

 ONE HUNDRED SECOND DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 5, 2004

The House of Representatives convened at 12:00 noon and was called to order by Ron Abrams, Speaker pro tempore.

Prayer was offered by Pastor Don Plantinga, Bethany Reformed Church, Clara City, 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	Demmer	Hilty	Lesch	Ozment	Stang
Abrams	Dill	Holberg	Lieder	Paulsen	Swenson
Adolphson	Dorman	Hoppe	Lindgren	Paymar	Sykora
Anderson, B.	Dorn	Hornstein	Lindner	Pelowski	Thao
Anderson, I.	Eastlund	Howes	Lipman	Penas	Thissen
Anderson, J.	Eken	Jacobson	Magnus	Peterson	Tingelstad
Atkins	Ellison	Jaros	Mahoney	Powell	Urdahl
Bernardy	Entenza	Johnson, J.	Mariani	Pugh	Vandever
Biernat	Erhardt	Johnson, S.	Marquart	Rhodes	Wagenius
Blaine	Erickson	Juhnke	McNamara	Rukavina	Walker
Borrell	Finstad	Kahn	Mullery	Ruth	Walz
Boudreau	Fuller	Kelliher	Murphy	Samuelson	Wardlow
Bradley	Gerlach	Klinzing	Nelson, C.	Seagren	Wasiluk
Brod	Goodwin	Knoblach	Nelson, M.	Seifert	Westerberg
Buesgens	Greiling	Koenen	Nelson, P.	Sertich	Westrom
Carlson	Gunther	Kohls	Newman	Severson	Wilkin
Clark	Haas	Krinkie	Nornes	Sieben	Zellers
Cornish	Hackbarth	Kuisle	Olsen, S.	Simpson	Spk. Sviggum
Cox	Harder	Lanning	Opatz	Slawik	
Davids	Hausman	Larson	Osterman	Smith	
Davnie	Heidgerken	Latz	Otremba	Soderstrom	
DeLaForest	Hilstrom	Lenczewski	Otto	Solberg	

A quorum was present.

Meslow; Olson, M., and Strachan were excused.

Huntley was excused until 1:15 p.m. Beard was excused until 1:45 p.m. Dempsey was excused until 3:10 p.m.

The Chief Clerk proceeded to read the Journals of the preceding days. Davnie moved that further reading of the Journals be suspended and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 2437 and H. F. No. 2442, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Swenson moved that the rules be so far suspended that S. F. No. 2437 be substituted for H. F. No. 2442 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 30, 2004

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

Dear Speaker Sviggum:

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

H. F. No. 2521, relating to lawful gambling; making various changes to lawful gambling provisions.

Sincerely,

TIM PAWLENTY
Governor

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

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2004 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2004</i>	<i>Date Filed 2004</i>
2300		170	3:15 p.m. April 30	April 30
2009		171	3:05 p.m. April 30	April 30
	2521	172	1:10 p.m. April 30	April 30

Sincerely,

MARY KIFFMEYER
Secretary of State

REPORTS OF STANDING COMMITTEES

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 606, A bill for an act relating to health; modifying prior authorization requirements for health care services; establishing requirements for provider contracting; modifying provisions for payment of claims; regulating disclosure of profiling data; amending Minnesota Statutes 2002, sections 62M.07; 62Q.74; 62Q.75, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 2002, section 62Q.745.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 62M.07, is amended to read:

62M.07 [PRIOR AUTHORIZATION OF SERVICES.]

(a) Utilization review organizations conducting prior authorization of services must have written standards that meet at a minimum the following requirements:

(1) written procedures and criteria used to determine whether care is appropriate, reasonable, or medically necessary;

(2) a system for providing prompt notification of its determinations to enrollees and providers and for notifying the provider, enrollee, or enrollee's designee of appeal procedures under clause (4);

(3) compliance with section 62M.05, subdivisions 3a and 3b, regarding time frames for approving and disapproving prior authorization requests;

(4) written procedures for appeals of denials of prior authorization which specify the responsibilities of the enrollee and provider, and which meet the requirements of sections 62M.06 and 72A.285, regarding release of summary review findings; and

(5) procedures to ensure confidentiality of patient-specific information, consistent with applicable law.

(b) No utilization review organization, health plan company, or claims administrator may conduct or require prior authorization of emergency confinement or emergency treatment. The enrollee or the enrollee's authorized representative may be required to notify the health plan company, claims administrator, or utilization review organization as soon after the beginning of the emergency confinement or emergency treatment as reasonably possible.

(c) If prior authorization for a health care service is required, the utilization review organization, health plan company, or claim administrator must allow providers to submit requests for prior authorization of such health care services without unreasonable delay by telephone, facsimile, or voice mail or through an electronic mechanism 24-hours-a-day, seven days a week. This paragraph does not apply to dental service covered under MinnesotaCare, general assistance medical care, or medical assistance.

Sec. 2. [62Q.732] [CITATION.]

Sections 62Q.732 to 62Q.75 may be cited as the "Minnesota Health Plan Contracting Act."

Sec. 3. [62Q.733] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 62Q.732 to 62Q.739, the following definitions apply.

Subd. 2. [CONTRACT.] "Contract" means a written agreement between a health care provider and a health plan company to provide health care services.

Subd. 3. [HEALTH CARE PROVIDER OR PROVIDER.] "Health care provider" or "provider" means a physician, chiropractor, dentist, podiatrist, or other provider as defined under section 62J.03, other than hospitals, ambulatory surgical centers, or freestanding emergency rooms.

Subd. 4. [HEALTH PLAN COMPANY.] (a) "Health plan company" means:

(1) a health maintenance organization operating under chapter 62D;

(2) a community integrated service network operating under chapter 62N;

(3) a preferred provider organization as defined in section 145.61, subdivision 4c; or

(4) an insurance company licensed under chapter 60A, nonprofit health service corporation operating under chapter 62C, fraternal benefit society operating under chapter 64B, or any other entity that establishes, operates, or maintains a health benefit plan or network of health care providers where the providers have entered into a contract with the entity to provide health care services.

(b) This subdivision does not apply to a health plan company with respect to coverage described in section 62A.011, subdivision 3, clauses (1) to (5) and (7) to (12).

Subd. 5. [FEE SCHEDULE.] "Fee schedule" means the total expected financial compensation paid to a health care provider for providing a health care service as determined by the contract between the health plan company and the provider, inclusive of withhold amounts and any amount for which the patient or other third party may be obligated to pay under the contract.

Sec. 4. [62Q.734] [EXEMPTION.]

Sections 62Q.735 to 62Q.739, and 62Q.74 do not apply to health plan companies whose annual Minnesota health premium revenues are less than three percent of the total annual Minnesota health premium revenues, as measured by the assessment base of the Minnesota Comprehensive Health Association. For purposes of this percentage calculation, a health plan company's premiums include the Minnesota health premium revenues of its affiliates.

Sec. 5. [62Q.735] [PROVIDER CONTRACTING PROCEDURES.]

Subdivision 1. [CONTRACT DISCLOSURE.] (a) Before requiring a health care provider to sign a contract, a health plan company shall give to the provider a complete copy of the proposed contract, including:

(1) all attachments and exhibits;

(2) operating manuals;

(3) a general description of the health plan company's health service coding guidelines and requirement for procedures and diagnoses with modifiers and multiple procedures; and

(4) all guidelines and treatment parameters incorporated or referenced in the contract.

(b) The health plan company shall make available to the provider the fee schedule or a method or process that allows the provider to determine the fee schedule for each health care service to be provided under the contract.

(c) Notwithstanding paragraph (b), a health plan company that is a dental plan organization, as defined in section 62Q.76, shall disclose information related to the individual contracted provider's expected reimbursement from the dental plan organization. Nothing in this section requires a dental plan organization to disclose the plan's aggregate maximum allowable fee table used to determine other providers' fees. The contracted provider must not release this information in any way that would violate any state or federal antitrust law.

Subd. 2. [PROPOSED AMENDMENTS.] (a) Any amendment or change in the terms of an existing contract between a health plan company and a provider must be disclosed to the provider at least 45 days prior to the effective date of the proposed change, with the exception of amendments required of the health plan company by law or governmental regulatory authority, when notice shall be given to the provider when the requirement is made known to the health plan company.

(b) Any amendment or change in the contract that alters the fee schedule or materially alters the written contractual policies and procedures governing the relationship between the provider and the health plan company must be disclosed to the provider not less than 45 days before the effective date of the proposed change and the provider must have the opportunity to terminate the contract before the amendment or change is deemed to be in effect.

(c) By mutual consent, evidenced in writing in amendments separate from the base contract and not contingent on participation, the parties may waive the disclosure requirements under paragraphs (a) and (b).

(d) Notwithstanding paragraphs (a) and (b), the effective date of contract termination shall comply with the terms of the contract when a provider terminates a contract.

Subd. 3. [HOSPITAL CONTRACT AMENDMENT DISCLOSURE.] (a) Any amendment or change in the terms of an existing contract between a network organization and a hospital, ambulatory surgical center, or freestanding emergency room must be disclosed to that provider.

(b) Any amendment or change in the contract that alters the financial reimbursement or alters the written contractual policies and procedures governing the relationship between the hospital, ambulatory surgical center, or freestanding emergency room and the network organization must be disclosed to that provider before the amendment or change is deemed to be in effect.

(c) For purposes of this subdivision, "network organization" means a preferred provider organization, as defined in section 145.61, subdivision 4c; a managed care organization, as defined in section 62Q.01, subdivision 5; or other entity that uses or consists of a network of health care providers.

Sec. 6. [62Q.736] [PAYMENT RATES.]

A contract between a health plan company and a provider shall comply with section 62A.64.

Sec. 7. [62Q.737] [SERVICE CODE CHANGES.]

(a) For purposes of this section, "service code" means current procedural terminology (CPT), current dental terminology (CDT), ICD-CM, diagnosis-related groups (DRGs), or other coding system.

(b) The health plan company shall determine the manner in which it adjudicates claims. The provider may request a description of the general coding guidelines applicable to the health care services the provider is reasonably expected to render pursuant to the contract. The health plan company or its designee shall provide the coding guidelines not later than 30 days after the date the health plan receives the request. The health plan company shall provide notice of material changes to the coding guidelines not later than 45 days prior to the date the changes take effect and shall not make retroactive revision to the coding guidelines, but may issue new guidelines. A provider who receives information under this section may use or disclose the information only for the purpose of practice management, billing activities, or other business operations and may not disclose the information to third parties without the consent of the health plan company.

(c) The health plan company may correct an error in a submitted claim that prevents the claim from being processed provided that the health plan company:

(1) notifies the provider of the change and reason for the change according to federal Health Insurance Portability and Accountability Act (HIPAA) transaction standards; and

(2) offers the provider the opportunity to appeal any changes.

(d) Nothing in this section shall be interpreted to require a health plan company to violate copyright or other law by disclosing proprietary licensed software. In addition to the above, the health plan company shall, upon request of a contracted provider, disclose the name, edition, and model version of the software that the health plan company uses to determine bundling and unbundling of claims.

(e) This section does not apply to government programs, including state public programs, Medicare, and Medicare-related coverage.

Sec. 8. [62Q.739] [UNILATERAL TERMS PROHIBITED.]

(a) A contract between a health plan company and a health care provider shall not contain or require unilateral terms regarding indemnification or arbitration. Notwithstanding any prohibitions in this section, a contract between a health plan company and a health care provider may be unilaterally terminated by either party in accordance with the terms of the contract.

(b) A health plan company may not terminate or fail to renew a health care provider's contract without cause unless the company has given the provider a written notice of the termination or nonrenewal 120 days before the effective date.

Sec. 9. Minnesota Statutes 2002, section 62Q.74, is amended to read:

62Q.74 [NETWORK SHADOW CONTRACTING.]

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

~~(b)~~ "category of coverage" means one of the following types of health-related coverage:

- (1) health;
- (2) no-fault automobile medical benefits; or
- (3) workers' compensation medical benefits.

~~(c)~~ "Health care provider" or "provider" means an individual licensed, registered, or regulated by the Board of Medical Practice under chapter 147, a chiropractor licensed under sections 148.01 to 148.106, a dentist licensed under chapter 150A, or a hospital licensed under chapter 144.

~~(d)~~ "Network organization" means a preferred provider organization as defined in section 145.61, subdivision 4e; a managed care organization as defined in section 62Q.01, subdivision 5; or other entity that uses or consists of a network of health care providers.

(b) "Health care provider" or "provider" means a physician, chiropractor, dentist, podiatrist, hospital, ambulatory surgical center, freestanding emergency room, or other provider, as defined in section 62J.03.

Subd. 2. [PROVIDER CONSENT REQUIRED.] (a) No ~~network organization~~ health plan company 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~~ health plan company 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~~ No health plan company shall require, as a condition of participation in any health plan, product, or other arrangement, the provider to participate in a new or different health plan, product, or other arrangement within a category of coverage that is already provided for in an existing contract between the network organization and the provider results in a different underlying financial reimbursement methodology without the affirmative consent of the provider obtained under subdivision 3. This paragraph does not apply to participation in health plan products or other arrangements that provide health care services to government programs, including state public programs, Medicare, and Medicare-related coverage.

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

Subd. 3. [CONSENT PROCEDURE.] (a) The ~~network organization~~ health plan company, if it wishes to apply an existing contract with a provider to a different category of coverage or health plan, product, or other arrangement within a category of coverage that results in a different underlying financial reimbursement methodology, shall first notify the provider in writing. The written notice must include at least the following:

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

(2) a description of the proposed new category of coverage or health plan, product, or other arrangement within a category of coverage;

(3) the names of all payers expected by the ~~network organization~~ health plan company to use the network for the new category of coverage or health plan, product, or other arrangement within a category of coverage;

(4) the approximate number of current enrollees of the ~~network organization~~ health plan company in that category of coverage or health plan, product, or other arrangement within a category of coverage within the provider's geographical area;

(5) a disclosure of all contract terms of the proposed new category of coverage or health plan, product, or other arrangement within a category of coverage, including the discount or reduced fees, care guidelines, utilization review criteria, prior notification process, 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 or health plan, product, or other arrangement within a 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) 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 or health plan, product, or other arrangement within a category of coverage that results in a different underlying financial reimbursement methodology.

Subd. 4. [CONTRACT TERMINATION RESTRICTED.] A ~~network organization~~ health plan company 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 or health plan, product, or other arrangement within a category of coverage that results in a different underlying financial reimbursement methodology. The most recent agreed-upon contractual obligations remain in force until the existing contract's renewal or termination date.

Subd. 5. [REMEDY.] If a ~~network organization~~ health plan company violates this section by reimbursing a provider as if the provider had agreed under this section to participate in the network under a category of coverage or health plan, product, or other arrangement within a category of coverage that results in a different underlying financial reimbursement methodology to which the provider has not agreed, the provider has a cause of action against the ~~network organization~~ health plan company to recover two times the difference between the reasonable charges for claims affected by the violation and the amounts actually paid to the provider. The provider is also entitled to recover costs, disbursements, and reasonable attorney fees.

Subd. 6. [BENEFIT DESIGN CHANGES.] For purposes of this section, "different underlying financial reimbursement methodology" does not include health plan benefit design changes, including, but not limited to, changes in co-payment or deductible amounts or other changes in member cost-sharing requirements.

Sec. 10. Minnesota Statutes 2002, section 62Q.75, subdivision 2, is amended to read:

Subd. 2. [CLAIMS PAYMENTS.] (a) This section applies to clean claims submitted to a health plan company or third-party administrator for services provided by any:

(1) health care provider, ~~except as defined in section 62Q.74, but does not include~~ a provider licensed under chapter 151;

(2) home health care provider, as defined in section 144A.43, subdivision 4; or

(3) health care facility.

All health plan companies and third-party administrators must pay or deny claims that are clean claims within 30 calendar days after the date upon which the health plan company or third-party administrator received the claim.

(b) The health plan company or third-party administrator shall, upon request, make available to the provider information about the status of a claim submitted by the provider consistent with section 62J.581.

~~(c) If a health plan company or third-party administrator does not pay or deny a clean claim within the period provided in paragraph (a), the health plan company or third-party administrator must pay interest on the claim for the period beginning on the day after the required payment date specified in paragraph (a) and ending on the date on which the health plan company or third-party administrator makes the payment or denies the claim. In any payment, the health plan company or third-party administrator must itemize any interest payment being made separately from other payments being made for services provided. The health plan company or third-party administrator may, at its discretion, require the health care provider to bill the health plan company or third party administrator for the interest required under this section before any interest payment is made. Interest payments must be made to the health care provider no less frequently than quarterly.~~

~~(d)~~ (d) The rate of interest paid by a health plan company or third-party administrator under this subdivision shall be 1.5 percent per month or any part of a month.

~~(e)~~ (e) A health plan company or third-party administrator is not required to make an interest payment on a claim for which payment has been delayed for purposes of reviewing potentially fraudulent or abusive billing practices.

~~(f) The commissioner may not assess a financial administrative penalty against a health plan company for violation of this subdivision.~~

(f) The commissioner may assess a financial administrative penalty against a health plan company for violation of this subdivision when there is a pattern of abuse that demonstrates a lack of good faith effort and a systematic failure of the health plan company to comply with this subdivision.

Sec. 11. [REPEALER.]

Minnesota Statutes 2002, section 62Q.745, is repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 1, 2, and 4, are effective for provider contracts issued, renewed, or amended on or after July 1, 2004. Sections 3, 6, 8, and 10, are effective for provider contracts issued, renewed, or amended on or after January 1, 2005. Sections 5, 7, 9, and 11, are effective for provider contracts issued, renewed, or amended on or after July 1, 2006."

Amend the title as follows:

Page 1, lines 5 and 6, delete "regulating disclosure of profiling data;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2027, A bill for an act relating to human services; providing an exemption to the moratorium on nursing home construction; appropriating money; amending Minnesota Statutes 2003 Supplement, section 144A.071, subdivision 4c.

Reported the same back with the following amendments:

Page 2, line 10, after "that" insert ": (i)"

Page 2, line 13, before the period, insert "; (ii) the commissioner of human services is authorized by the 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii) money is available from planned closures of facilities under common ownership to make implementation of this clause budget-neutral to the state"

Page 2, delete lines 21 to 24

Amend the title as follows:

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

With the recommendation that when so amended the bill pass.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 2334, A bill for an act relating to natural resources; modifying provisions for the sale and disposition of surplus state lands; modifying certain state land management provisions; adding to and removing from certain state forests, state wildlife management areas, and land use districts; authorizing public and private sales and exchanges of certain state lands; modifying prior sale authorization; appropriating money; amending Minnesota Statutes 2002, sections 15.054; 84.0272, by adding subdivisions; 85.015, subdivision 1; 86A.05, subdivision 14; 89.01, by adding a subdivision; 92.02; 92.03; 92.04; 92.06, subdivisions 1, 2, 4, 5, by adding a subdivision; 92.08; 92.10, subdivision 2; 92.12, subdivisions 1, 2, 4, 5; 92.121; 92.14, subdivision 1; 92.16, by adding a subdivision; 92.28; 92.29; 92.321, subdivision 1; 94.09, subdivisions 1, 3; 94.10; 94.11; 94.12; 94.13; 94.16, subdivision 2; 282.01, subdivision 3; Minnesota Statutes 2003 Supplement, sections 525.161; 525.841; Laws 1999, chapter 161, section 31, subdivisions 3, 5, 8; Laws 2003, First Special Session chapter 13, section 16; proposing coding for new law in Minnesota Statutes, chapters 16B; 92; repealing Minnesota Statutes 2002, sections 92.09; 92.11; 94.09, subdivisions 2, 4, 5, 6.

Reported the same back with the following amendments:

Page 24, after line 20, insert:

"Sec. 39. Minnesota Statutes 2002, section 164.08, subdivision 2, is amended to read:

Subd. 2. [MANDATORY ESTABLISHMENT; CONDITIONS.] (a) Upon petition presented to the town board by the owner of a tract of land containing at least five acres, who has no access thereto except over a navigable waterway or over the lands of others, or whose access thereto is less than two rods in width, the town board by resolution shall establish a cartway at least two rods wide connecting the petitioner's land with a public road. A town board shall establish a cartway upon a petition of an owner of a tract of land that, as of January 1, 1998, was on record as a separate parcel, contained at least two but less than five acres, and has no access thereto except over a navigable waterway or over the lands of others. The town board may select an alternative route other than that petitioned for if the alternative is deemed by the town board to be less disruptive and damaging to the affected landowners and in the public's best interest.

(b) In an unorganized territory, the board of county commissioners of the county in which the tract is located shall act as the town board. The proceedings of the town board shall be in accordance with section 164.07.

(c) The amount of damages shall be paid by the petitioner to the town before such cartway is opened. For the purposes of this subdivision damages shall mean the compensation, if any, awarded to the owner of the land upon which the cartway is established together with the cost of professional and other services, hearing costs, administrative costs, recording costs, and other costs and expenses which the town may incur in connection with the proceedings for the establishment of the cartway. The town board may by resolution require the petitioner to post a bond or other security acceptable to the board for the total estimated damages before the board takes action on the petition.

(d) Town road and bridge funds shall not be expended on the cartway unless the town board, or the county board acting as the town board in the case of a cartway established in an unorganized territory, by resolution determines that an expenditure is in the public interest. If no resolution is adopted to that effect, the grading or other construction work and the maintenance of the cartway is the responsibility of the petitioner, subject to the provisions of section 164.10.

(e) After the cartway has been constructed the town board, or the county board in the case of unorganized territory, may by resolution designate the cartway as a private driveway with the written consent of the affected landowner in which case from the effective date of the resolution no town road and bridge funds shall be expended for maintenance of the driveway; provided that the cartway shall not be vacated without following the vacation proceedings established under section 164.07."

Page 25, line 31, delete "41" and insert "42"

Page 26, after line 24, insert:

"Sec. 3. Minnesota Statutes 2002, section 84.033, is amended to read:

84.033 [SCIENTIFIC AND NATURAL AREAS.]

Subdivision 1. [ACQUISITION; DESIGNATION.] The commissioner of natural resources may acquire by gift, lease, easement, or purchase, in the manner prescribed under chapter 117, in the name of the state, lands or any interest in lands suitable and desirable for establishing and maintaining scientific and natural areas. The commissioner shall designate any land so acquired as a scientific and natural area and shall administer any land so acquired and designated as provided by section 86A.05.

Subd. 2. [DESIGNATION APPROVAL.] No scientific and natural area may be designated unless the designation is approved by resolution of the board of the county in which the land is located.

[EFFECTIVE DATE.] This section is effective for designations after the date of enactment."

Page 30, line 31, delete "7" and insert "8"

Page 34, line 20, delete "#176374" and insert "#176347"

Page 40, after line 27, insert:

"(c) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, Cook County may sell the land bordering public water that is described in paragraph (b), under the remaining provisions of Minnesota Statutes, chapter 282."

Page 52, after line 19, insert:

"Sec. 29. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general for a consideration of taxes due on the property and any penalties, interest, and costs.

(c) The land to be sold is located in St. Louis County and is described as:

NW 1/4 of NW 1/4 ex 14.98 ac at NW corner and ex 4.66 ac at SW corner, Section 13, Township 61, Range 21, Town of Morcom, 460-10-2050.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the first semicolon, insert "84.033;"

Page 1, line 18, after "2;" insert "164.08, subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 2640, A bill for an act relating to insurance; creating a law enforcement agency to deal with insurance fraud; prescribing its powers and duties; establishing insurance assessments to fund the insurance fraud prevention account; providing for disclosure of certain data to the Department of Commerce; amending Minnesota Statutes 2002, sections 45.0135, subdivision 6, by adding subdivisions; 626.84, subdivision 1; Minnesota Statutes 2003 Supplement, section 268.19, subdivision 1; repealing Minnesota Statutes 2002, section 45.0135, subdivisions 1, 2.

Reported the same back with the following amendments:

Page 1, after line 13, insert:

"ARTICLE 1
INSURANCE FRAUD PREVENTION"

Page 9, after line 2, insert:

"ARTICLE 2
AUTO THEFT PREVENTION

Section 1. Minnesota Statutes 2002, section 299A.75, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM DESCRIBED; COMMISSIONER'S DUTIES.] (a) The commissioner of ~~public safety~~ commerce shall:

(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

(2) coordinate the development, adoption, and implementation of plans, programs, and strategies relating to interagency and intergovernmental cooperation with respect to automobile theft enforcement;

(3) annually audit the plans and programs that have been funded in whole or in part to evaluate the effectiveness of the plans and programs and withdraw funding should the commissioner determine that a plan or program is ineffective or is no longer in need of further financial support from the fund;

(4) develop a plan of operation including:

(i) an assessment of the scope of the problem of automobile theft, including areas of the state where the problem is greatest;

(ii) an analysis of various methods of combating the problem of automobile theft;

(iii) a plan for providing financial support to combat automobile theft;

(iv) a plan for eliminating car hijacking; and

(v) an estimate of the funds required to implement the plan; and

(5) distribute money, in consultation with the commissioner of public safety, pursuant to subdivision 3 from the automobile theft prevention special revenue account for automobile theft prevention activities, including:

(i) paying the administrative costs of the program;

(ii) providing financial support to the State Patrol and local law enforcement agencies for automobile theft enforcement teams;

(iii) providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of automobile theft and for improved equipment and techniques for responding to automobile thefts;

(iv) providing financial support to local prosecutors for programs designed to reduce the incidence of automobile theft;

(v) providing financial support to judicial agencies for programs designed to reduce the incidence of automobile theft;

(vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft and to educate people about the common methods of automobile theft, the models of automobiles most likely to be stolen, and the times and places automobile theft is most likely to occur; and

(vii) providing financial support for automobile theft educational and training programs for state and local law enforcement officials, driver and vehicle services exam and inspections staff, and members of the judiciary.

(b) The commissioner may not spend in any fiscal year more than ten percent of the money in the fund for the program's administrative and operating costs. The commissioner is annually appropriated and must distribute the amount of the proceeds credited to the automobile theft prevention special revenue account each year, less the transfer of \$1,300,000 each year to the general fund described in section 168A.40, subdivision 4.

Sec. 2. Minnesota Statutes 2002, section 299A.75, subdivision 2, is amended to read:

Subd. 2. [ANNUAL REPORT.] By January 15 of each year, the commissioner shall report to the governor and ~~legislature~~ the chairs and ranking minority members of the house and senate committees having jurisdiction over the Departments of Commerce and Public Safety on the activities and expenditures in the preceding year.

Sec. 3. Minnesota Statutes 2002, section 299A.75, subdivision 3, is amended to read:

Subd. 3. [GRANT CRITERIA; APPLICATION.] (a) A county attorney's office, law enforcement agency, neighborhood organization, community organization, or business organization may apply for a grant under this section. Multiple offices or agencies within a county may apply for a grant under this section.

(b) The commissioner, in consultation with the commissioner of public safety, must develop criteria for the fair distribution of grants from the automobile theft prevention account that address the following factors:

(1) the number of reported automobile thefts per capita in a city, county, or region, not merely the total number of automobile thefts;

(2) the population of the jurisdiction of the applicant office or agency;

(3) the total funds distributed within a county or region; and

(4) the statewide interest in automobile theft reduction.

(c) The commissioner may give priority to:

(1) offices and agencies engaged in a collaborative effort to reduce automobile theft; and

(2) counties or regions with the greatest rates of automobile theft.

(d) The minimum amount of a grant award is \$5,000. After considering the automobile theft rate and total population of an applicant's jurisdiction, if a grant award, as determined under the criteria and priorities in this subdivision, would be less than \$5,000, it must not be awarded.

Sec. 4. [TRANSFER OF POWERS.]

The powers and duties of the Department of Public Safety under Minnesota Statutes, section 299A.75, are transferred to the Department of Commerce. Minnesota Statutes, section 15.039, applies to this transfer of powers.

Sec. 5. [REVISOR INSTRUCTION.]

The revisor of statutes shall recodify Minnesota Statutes, section 299A.75, into a chapter of Minnesota Statutes dealing with the Department of Commerce.

Sec. 6. [EFFECTIVE DATE.]

This article is effective July 1, 2004."

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "transferring the automobile theft prevention program to the Department of Commerce;"

Page 1, line 9, after the first semicolon, insert "299A.75, subdivisions 1, 2, 3;"

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

The report was adopted.

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

H. F. No. 2737, A bill for an act relating to municipal airports; requiring notice to commissioner of transportation and public notice and hearing before final closure of municipal airport; proposing coding for new law in Minnesota Statutes, chapter 360.

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

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 2915, A bill for an act relating to workers' compensation; making technical changes; modifying the definition of "personal injury" to include injury or disease resulting from certain vaccines; authorizing qualifying employees to opt to receive alternative workers' compensation benefits; amending Minnesota Statutes 2002, sections 176.011, subdivisions 15, 16; 176.081, subdivision 1; 176.092, subdivision 1a; 176.102, subdivision 3a; 176.129,

subdivisions 1b, 2a, 13; 176.135, subdivisions 1, 7; 176.1351, subdivisions 3, 5, by adding a subdivision; 176.136, subdivision 1a; 176.181, by adding a subdivision; 176.1812, subdivision 6; 176.185, subdivision 1; 176.231, subdivision 5; 176.238, subdivision 10; 176.391, subdivision 2; 176.83, subdivision 5.

Reported the same back with the following amendments:

Pages 26 to 28, delete section 21

Amend the title as follows:

Page 1, line 15, delete "; 176.83,"

Page 1, line 16, delete "subdivision 5"

With the recommendation that when so amended the bill pass.

The report was adopted.

Abrams from the Committee on Taxes to which was referred:

H. F. No. 3089, A bill for an act relating to sports stadiums; providing for a process to build stadiums for the use of the Minnesota Twins and the Minnesota Vikings; establishing the Minnesota Stadium Authority; authorizing revenue bonds; authorizing certain taxes and revenues; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 2002, sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05; 473I.06; 473I.07; 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; 473I.13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PROFESSIONAL STADIUMS

Section 1. Minnesota Statutes 2002, section 3.8841, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHED.] The Legislative Commission on Metropolitan Government is established to: (1) oversee the Metropolitan Council's operating and capital budgets, work program, and capital improvement program; and (2) oversee the activities of the Minnesota Stadium Authority established in section 473.75, subdivision 3, and the activities of any reconstituted authority or authorities charged with ongoing maintenance, operation or improvements of professional sports stadium facilities.

Sec. 2. Minnesota Statutes 2002, section 3.8841, is amended by adding a subdivision to read:

Subd. 10. [POWERS; DUTIES; MINNESOTA STADIUM AUTHORITY OVERSIGHT.] The commission must monitor and review the work of the Minnesota Stadium Authority, including, but not limited to:

(1) stadium site selection process,

- (2) financing plans for professional sports stadium facilities,
- (3) lease and use agreements for professional sports stadiums, and
- (4) stadium authority budgets.

Sec. 3. [473.7531] [SUBMISSIONS TO LEGISLATIVE COMMISSION.]

The authority shall submit progress reports and any other information requested to the Legislative Commission on Metropolitan Government for review by the commission as provided in section 3.8841.

Sec. 4. Minnesota Statutes 2002, section 297A.71, is amended by adding a subdivision to read:

Subd. 33. [STADIUM CONSTRUCTION MATERIALS EXEMPT.] Materials, supplies used or consumed in, and equipment incorporated into the construction or improvement of a stadium constructed under sections 473.75 to 473.758, are exempt. This subdivision expires for each stadium one year after the first major league game is played in the stadium.

Sec. 5. [473.75] [PURPOSE.]

Subdivision 1. [PROCESS FOR NEW STADIUMS.] The purpose of sections 473.75 to 473.758 is to provide a process to result in the location, construction, financing, and long-term use of two new stadiums primarily for the use of the Minnesota Twins and the Minnesota Vikings.

Subd. 2. [LOCATION.] (a) The stadiums must be located in the metropolitan area as defined in section 473.121, subdivision 2.

(b) Both stadiums may, but need not be, located in the same city or county.

(c) A city and its county may cooperate to host one or both stadiums under a joint powers agreement under section 471.59 or as otherwise provided by law.

Subd. 3. [MINNESOTA STADIUM AUTHORITY.] (a) To achieve the purposes of sections 473.75 to 473.758, the Minnesota Stadium Authority is established to independently choose sites for the two stadiums from proposals submitted by the franchise owners and their proposed host communities. The authority may consider or propose other arrangements for sites and terms if the authority is not satisfied with proposals submitted by the franchise owners and their proposed host communities. The authority's determination of sites for the two stadiums is final. The authority must set an ample time frame for site selection, negotiations, and construction of the two stadiums. The authority may enter into contracts for and take all actions necessary or desirable to acquire a site, design, construct, furnish, equip, and provide for the operation, maintenance, and improvement of stadium facilities and anything incident to their enumerated potential actions. On completion of the construction of the second stadium, the authority must recommend to the legislature and the governor, a reconstituted authority or authorities to oversee the ongoing maintenance and operation and improvements of the stadiums to ensure that those public entities that provide substantial financial support receive appropriate representation. The authority must also recommend to the legislature and the governor a proposed disposition of the Metrodome facility and of the Metropolitan Sports Facilities Commission and of its financial reserves, if any.

(b) The authority must consider and make recommendations to the legislature with regard to alternative proposals for the continuation of professional baseball and football in Minnesota. Such proposals may include, but are not limited to, full private financing of stadium facilities and community ownership of professional sports franchises.

Subd. 4. [DEFINITIONS.] For purposes of sections 473.75 to 473.758, the terms defined in this subdivision have the following meanings:

(a) "Host community" means a city or a county or any joint powers entity comprised of one or more cities or counties, or both, which is organized for the purpose of providing financial or other support for one or more stadiums. If two or more entities provide financial or other support for a stadium, the authority must designate the entity that constitutes the host community for the stadium upon selection of the site.

(b) "Public infrastructure" means all property and facilities determined by the host community to facilitate the use of the stadium, including but not limited to, property and facilities for parking, pedestrian needs, transit, skyways, lighting, landscaping, utilities, streets and land acquired and prepared for private redevelopment in a manner related to the use of the stadium.

(c) "Project costs" means all costs necessary or desirable to site, design, construct, furnish, and equip a stadium facility together with related public infrastructure, but does not include unrelated public infrastructure or environmental remedial action, removal or response, as defined in section 115A.02, incidental to site preparation.

Sec. 6. [473.751] [MINNESOTA STADIUM AUTHORITY.]

Subdivision 1. [COMPOSITION.] (a) The Minnesota Stadium Authority consists of:

(1) six members, at least one of whom must reside outside the seven-county metropolitan area, appointed by the governor;

(2) one member appointed by each of the following: the speaker of the house of representatives; the majority leader of the senate; and the minority leaders of the house of representatives and the senate; and

(3) a chair appointed by the governor.

(b) All members appointed, including the chair, serve at the pleasure of the appointing authority.

(c) All appointments made under paragraph (a) must be made within 30 days following enactment of sections 473.75 to 473.758.

(d) No later than 30 days after the selection of a stadium site, the host community may appoint one additional member to the authority. A member appointed under this provision must not vote on the selection of a site for the other stadium.

Subd. 2. [CHAIR.] The chair shall preside at all meetings of the authority, if present, and shall perform all other assigned duties and functions. The authority may appoint from among its members a vice-chair to act for the chair during the temporary absence or disability of the chair.

Sec. 7. [473.752] [POWERS OF AUTHORITY.]

Subdivision 1. [GENERAL.] The authority has all powers necessary or convenient to accomplish the purposes of sections 473.75 to 473.758, including but not limited to those specified in this section. Except to the extent otherwise explicitly provided in sections 473.75 to 473.758, the authority is a metropolitan agency and is governed by the laws applicable to metropolitan agencies. The authority is not a state agency.

Subd. 2. [ACTIONS.] The authority may sue and be sued, and is a public body within the meaning of chapter 562.

Subd. 3. [ACQUISITION OF PROPERTY.] The authority may acquire by lease, purchase, monetary or land contribution, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 473.75 to 473.758.

Subd. 4. [TAX EXEMPTION.] (a) Any real or personal property acquired, owned, leased, controlled, used, or occupied by the authority for any of the purposes of sections 473.75 to 473.758 is declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and is exempt from ad valorem taxation by the state or any political subdivision of the state. But the properties are subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any of the properties in any manner different from their use under sections 473.75 to 473.758 at the time may be considered in determining the special benefit received by the properties. All assessments are subject to final confirmation by the Metropolitan Council, whose determination of the benefits is conclusive upon the political subdivision levying the assessment. Notwithstanding section 272.01, subdivision 2, or 273.19, lease by the authority to another person of the two stadium facilities is exempt from taxation regardless of the length of the lease. This exemption includes concessions, suites, locker rooms, and club house facilities in the stadium and parking facilities on the stadium site. It does not include team offices, residential, business or commercial development or other property not directly related to the operation of a stadium facility.

(b) No tax, other than the state sales tax imposed under chapter 297A and any local taxes imposed under section 473.754, applies to admission to or sales made in a stadium financed under the provisions of sections 473.75 to 473.758 or in a football stadium district. The tax exemption under this paragraph applies only to sales made on days on which a professional football or baseball game is held.

Subd. 5. [LIQUOR LICENSES.] A city in which a stadium is located may issue one or more intoxicating liquor licenses for the stadium. These licenses are in addition to the number authorized by law. All provisions of chapter 340A not inconsistent with this subdivision apply to the licenses authorized under this subdivision.

Subd. 6. [FACILITY OPERATION.] The authority may equip, improve, operate, manage, maintain, and control the sports facilities constructed, remodeled, or acquired under sections 473.75 to 473.758.

Subd. 7. [DISPOSITION OF PROPERTY.] The authority may sell, lease, or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property must be sold in accordance with the procedures provided by section 469.065, except subdivisions 6 and 7, insofar as the authority determines to be practical and consistent with sections 473.75 to 473.758.

Subd. 8. [EMPLOYEES; CONTRACTS FOR SERVICES.] The authority may employ persons and contract for services necessary to carry out its functions. The authority may employ on the terms it deems advisable persons or firms to provide traffic officers to direct traffic on property under the control of the authority and on the city streets in the general area of the property controlled by the authority. The traffic officers are not peace officers and do not have authority to make arrests for violations of traffic rules.

Subd. 9. [GIFTS AND GRANTS.] The authority may accept donations of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of the state, or any person for any of its purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of the donations according to the terms of the gifts, grant, loan, or agreement. In evaluating proposed monetary contributions, grants, loans, and agreements required in connection therewith, the authority shall examine the possible short-range and long-range impact on authority revenues and authority operating expenditures. The authority must notify potential contributors that contributions qualify for the charitable contribution deduction under section 170 of the Internal Revenue Code, provided that the contributor does not receive substantial direct benefit from the contribution.

Subd. 10. [RESEARCH.] The authority may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with its functions.

Subd. 11. [USE AGREEMENTS.] The authority may lease, license, or enter into agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial or other entertainment, instruction, or activity for the citizens of the metropolitan area and visitors. Any use agreement may provide that the other contracting party has exclusive use of the premises at the times agreed upon including exclusive use and control for the term of its agreement by the sports franchise.

Subd. 12. [INSURANCE.] The authority may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it considers necessary against liability of the authority or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 13. [CREATING A CONDOMINIUM.] The authority may, by itself or together with any other entity, as to real or personal property comprising or appurtenant or ancillary to the sports facilities operated under sections 473.75 to 473.758 or other law, act as a declarant and establish a condominium or leasehold condominium under chapter 515A, or a common interest community or leasehold common interest community under chapter 515B, and may grant, establish, create, or join in other or related easements, agreements and similar benefits and burdens that the authority may consider necessary or appropriate, and exercise any and all rights and privileges and assume obligations under them as a declarant, unit owner or otherwise, insofar as practical and consistent with sections 473.75 to 473.758. The authority may be a member of an association and the chair, any commissioners and any officers and employees of the authority may serve on the board of an association under chapter 515A or 515B or other law.

Subd. 14. [EXEMPTION FROM COUNCIL REVIEW.] The acquisition and betterment of sports facilities by the authority must be conducted under sections 473.75 to 473.758 and must not be affected by the provisions of sections 473.165.

Subd. 15. [PROCUREMENT.] (a) With respect to the construction of the stadiums, the construction manager must: (1) guarantee a maximum cost of construction; and (2) provide payment and performance bonds or other security reasonably acceptable to the authority in an amount equal to the guaranteed maximum cost of construction, and shall comply with all employment requirements applicable to city and state contracts for construction, including prevailing wages as defined in section 177.42, affirmative action, and outreach.

(b) The lessee under the stadium lease described in paragraph (c) or the construction manager may enter into contracts with contractors for labor, materials, supplies, and equipment to equip and construct the new stadium through the process of public bidding.

(c) The lessee or the construction manager may: (1) limit the list of eligible bidders to those that the construction manager determines possess sufficient expertise to perform the intended functions; (2) award contracts to the contractors that the construction manager determines provide the best value, which need not be the lowest responsible bidder; and (3) for work the construction manager determines to be critical to the completion schedule, the construction manager may award contracts on the basis of competitive proposals or perform work with its own forces without soliciting competitive bids if the construction manager provides evidence of competitive pricing.

Subd. 16. [SCHEDULE.] The authority must designate one preliminary site for each stadium by September 15, 2004. The authority must make a final selection of a site for a baseball stadium by December 31, 2004, and for a football stadium by September 15, 2004.

Sec. 8. [473.753] [CRITERIA AND CONDITIONS.]

Subdivision 1. [BINDING AND ENFORCEABLE.] In setting parameters and making decisions necessary to complete the stadium process, the authority must follow and enforce the criteria and conditions in subdivisions 2 to 23.

Subd. 2. [TOTAL PUBLIC INVESTMENT TOWARD PROJECT COSTS.] The total public investment maximums are \$478,000,000 of which \$100,000,000 is the maximum state investment for the baseball stadium and \$600,000,000 of which \$185,000,000 is the maximum state investment for the football stadium. These costs include all project costs, including the revenue contributions provided by and other costs incurred by the host community.

Subd. 3. [TEAM AND FAN CONTRIBUTIONS.] (a) The authority must set the amount of anticipated contributions from each team towards the total cost for its stadium. Team contributions must consist of at least 25 percent in up-front cash contributions, and the remainder in annual payments. Each team's contribution must be no less than one-third of its team's stadium's project costs. The team's one-third contribution must be determined on a present value basis, using an appropriate discount rate and adjusting for the creditworthiness of the security underlying the team's obligation. The authority may attempt to structure each team's investment to maximize benefits both to the public and to the teams. In addition to any other team contribution, each team must assume and pay when due all cost overruns for its stadium.

(b) The team contributions must be used for payment of principal and interest on the revenue bonds issued by the Metropolitan Council under sections 473.75 to 473.758 and chapter 475.

(c) The authority and the use agreement must treat the value of the exemption from local taxes provided under section 473.752, subdivision 4, as a public contribution and not as a team contribution for purposes of this section.

Subd. 4. [RESERVE FOR CAPITAL IMPROVEMENTS.] The authority may require that a reserve fund for capital improvements to the stadium be set up and may require the teams and the host communities' governments to contribute to the fund in a manner and on the terms the authority and the team or host community may agree to.

Subd. 5. [LEASE OR USE AGREEMENTS.] The authority must negotiate long-term lease or use agreements with each team for its use of one of the stadiums. Each team must schedule and play all regular season and postseason home games at its stadium. Preseason games may also be scheduled and played at the stadium. The lease or use agreements must be for a term of the greater of 30 years or until the last of the bonds issued to fund the stadium are retired or defeased. The lease must include terms for default, termination, and breach of the facility lease. The leases must require specific performance and must not include escape clauses or buyout provisions.

Subd. 6. [MAJOR LEAGUE BASEBALL GUARANTY.] With the advice of the attorney general, the authority must have executed an agreement with the major league of which the baseball team is a member and with major league baseball that, for the greater of 30 years or the term of the bonds issued to finance the baseball park, major league baseball that guarantees a major league baseball franchise will be a tenant of the stadium.

Subd. 7. [NATIONAL FOOTBALL LEAGUE AGREEMENT.] The authority must execute an agreement with the national football league that guarantees continuance of the franchise in the metropolitan area for the period of the agreements referred to in subdivision 5.

Subd. 8. [GUARANTY OF PAYMENT OF ALL OBLIGATIONS.] The authority must ensure that a guaranty is in place at the time of execution of the obligation in a form satisfactory to the authority. The guaranty may be in the form of a letter of credit, minimum net worth requirements, personal guaranties, or other surety covering such payments on such terms as determined by the authority in negotiations with the team.

Subd. 9. [TITLE TO ALL LAND AND AIR RIGHTS.] By the beginning of construction of a stadium, the authority must have title to all land and air rights needed for construction and operation of the facilities.

Subd. 10. [ENFORCEABLE FINANCIAL COMMITMENTS.] The authority must determine before construction begins that all public and private funding sources for construction and operation of each stadium are officially committed in writing and enforceable. The committed funds must be adequate to site, design, construct, furnish, equip, and service the facilities' debt, as well as to pay for the ongoing operation and maintenance of the respective baseball and football facilities.

Subd. 11. [ENVIRONMENTAL REQUIREMENTS.] The authority must ensure that environmental requirements imposed by appropriate regulatory agencies for each stadium, site, and structure are complied with.

Subd. 12. [PUBLIC INFRASTRUCTURE.] In making determinations about the location of the stadiums, the authority must determine and consider the estimated cost to the public in constructing necessary public infrastructure for each location under consideration. The authority must obtain commitments from applicable governmental entities that all necessary and reasonably appropriate public infrastructure is financed and constructed by the time of completion of the respective baseball and football facilities.

Subd. 13. [PRICE, COMPLETION DATE, PERFORMANCE, PAYMENT BONDS.] Before construction begins, the authority must have executed contracts certifying construction price and completion date that include performance and payment bonds that cover any costs over the certified price for the facility contracted for.

Subd. 14. [PUBLIC SHARE OF VALUE ADDED BY STADIUM UPON SALE.] (a) The lease or use agreements must provide that if the franchise is sold during the term of the agreement, then any portion of the sale price that is attributable to public money spent to develop the stadium used by the franchise's team must be returned to the public.

(b) The lease or use agreement must provide that the franchise or related properties, such as entities holding broadcast or cable television rights, trademarks, trade names or other similar rights of the franchise, cannot be sold during the term of the agreement without approval of the authority unless:

(1) the franchise owner agrees with the authority on the portion of the sales price that will be returned to the public under paragraph (a); or

(2) the franchise owner agrees that the amount that will be returned to the public under paragraph (a) will be determined by a neutral party, selected by a method specified in the lease or use agreement.

Subd. 15. [ACCESS TO BOOKS AND RECORDS.] The lease or use agreements must provide the authority access to those financial books and records of the franchise that the authority deems necessary to carry out its duties under this article and to enforce the terms of any lease or use agreements entered into under this section. Any financial information obtained by the authority under this subdivision is nonpublic data under section 13.02, subdivision 9.

Subd. 16. [FINANCE COMMISSIONER; LEGISLATIVE COORDINATING COMMISSION APPROVAL.] The authority must transmit the financing documents and lease or use agreement to the commissioner of finance and the Legislative Coordinating Commission prior to the execution of the agreements. The commissioner of finance

and the Legislative Coordinating Commission must approve the financing document and the lease or use agreements before the issuance of any bonds to finance the construction of the stadiums. The requirement of approval by the Legislative Coordinating Commission is severable and if that provision is found to be unconstitutional and void, the remaining provisions of sections 473.75 to 473.758 shall be valid and enforceable.

Subd. 17. [USE FOR AMATEUR SPORTS.] The authority must determine that the lease or use agreements for the stadiums provide for a reasonable amount of use for amateur sports.

Subd. 18. [AFFORDABLE ACCESS.] The authority must ensure that the lease or use agreements provide for affordable access to the respective professional sporting events held in these facilities.

Subd. 19. [ATTENDANCE INCENTIVES.] The authority may negotiate a provision in the lease or use agreements that provide incentives for the teams to increase attendance at their sporting events.

Subd. 20. [SELLOUT SPONSOR IF POSSIBLE.] The authority must make reasonable efforts to seek a sponsoring organization to purchase all football game tickets not sold shortly before a home game.

Subd. 21. [USE OF BOND PROCEEDS.] The authority must ensure and confirm to the Metropolitan Council that all bond proceeds from Metropolitan Council bonds authorized by sections 473.75 to 473.758 must be used to acquire a site, design, construct or furnish the facilities and fund reserves, capitalized interest, credit enhancement fees and other financing costs and for related public infrastructure.

Subd. 22. [NO STRIKES.] The authority must negotiate an agreement to prevent strikes that would halt, delay, or impede construction of the respective baseball and football facilities.

Subd. 23. [SITE SELECTION AND ADMINISTRATIVE COSTS.] To cover the authority's start-up and site selection costs, and the administrative expenses of the commissioner of revenue in the implementation of sections 473.75 to 473.758, the authority may assess each professional baseball and football team. The Metropolitan Sports Facilities Commission may provide staff and other assistance to the authority.

Subd. 24. [CONSTRUCTION MATERIALS.] The authority must negotiate an agreement providing that all construction materials for any stadium produced from or containing steel, so far as practicable, must use steel produced in the United States from taconite produced in Minnesota.

Subd. 25. [AMERICAN FLAG.] The authority must negotiate an agreement providing that an American flag manufactured in the United States will be publicly displayed at all events conducted in either stadium.

Sec. 9. [473.754] [LOCAL TAXES.]

(a) Notwithstanding section 477A.016, a political subdivision that is the host community for a stadium may impose one or more of the following taxes on:

(1) admissions to the stadium;

(2) parking for events at the stadium;

(3) restaurants, alcoholic beverages, or prepared food;

(4) lodging and related services by a hotel, motel, or similar property, other than the leasing of it for a continuous period of 30 days or more; or

(5) a general sales and use tax as permitted under section 297A.99.

(b) The political subdivision may impose:

(1) a tax under paragraph (a), clauses (3) and (4), only after obtaining the approval of the voters at a special or general election; and

(2) a general sales and use tax under paragraph (a), clause (5), only after obtaining approval of the voters at a general election.

Sec. 10. [473.7541] [LOCAL ACTIVITIES; BONDS.]

Subdivision 1. [ACTIVITIES; CONTRACTS.] A host community may make a grant to the authority for stadium construction and related purposes on such terms and conditions as may be agreed to by the authority and the host community, acquire a stadium site and convey it to the authority with or without consideration, prepare a site for development as a stadium and acquire and construct any related public infrastructure. The host community has all powers necessary or convenient for those purposes and may enter into any contract for those purposes. The host community may reimburse a local governmental entity within its jurisdiction for site acquisition, preparation of the site for stadium development, and public infrastructure. The state and any local governmental unit may convey any land owned by it to the authority without consideration for stadium purposes.

Each host community may exercise for purposes of site acquisition, preparation, and development for the stadium, all the powers of a city, a housing and redevelopment authority, a port authority, a community development agency, and an economic development authority.

Subd. 2. [LOCAL REVENUE BONDS.] A host community may by resolution authorize, sell, and issue revenue bonds to provide funds to make a grant to the authority and to finance all or a portion of the costs of site acquisition, site improvements and other activities necessary to prepare a site for development of a stadium and to acquire and construct any related parking facilities and other public infrastructure. The host community may also by resolution issue bonds to refund the bonds issued under this section. The bonds must be limited obligations, payable solely from or secured by taxes levied and any other revenues to become available under sections 473.75 to 473.758. Bonds may be issued in one or more series and sold without an election. The bonds must be sold in the manner provided by section 475.60. The bonds must be secured, bear the interest rate or rates, have the rank or priority, be executed in the manner, be payable in the manner, mature, and be subject to the defaults, redemptions, repurchases, tender options, or other terms, as the host community may determine. The host community may enter into and perform all contracts deemed necessary or desirable by it to issue and secure the bonds, including an indenture of trust with a trustee within or without the state. The debt represented by the bonds is not included in computing any debt limitation applicable to the host community. Subject to this subdivision, the bonds must be issued and sold in the manner provided in chapter 475.

Sec. 11. [473.755] [LOCAL TAX INCREMENT FINANCING; DEVELOPMENT RIGHTS.]

A local unit of government that is a host community for a stadium may use local tax increment financing or sale of development rights as otherwise provided by law to help complete the stadium project.

Sec. 12. [473.756] [STATE CONTRIBUTION; TAX REFUNDS.]

Subdivision 1. [TEAM RENT.] The lease or use agreement for a stadium financed under sections 473.75 to 473.758 must include an obligation to make additional rent payments. Rent under this requirement must be paid in at least annual installments. The authority must set the rent obligation for each year equal to no less than its estimate

of the tax refunds allowed under this section. The rent payments under this section and the sales tax exemption under section 297A.71, subdivision 33, constitute the state's contribution to the financing of the stadium and may not be counted as part of the required team contribution under section 473.753, subdivision 3.

Subd. 2. [REFUND CALCULATION.] (a) Upon application by the professional baseball team, in a form prescribed by the commissioner, the commissioner shall pay to the baseball team a refund equal to the sum of the following amounts for the calendar year:

(1)(i) the player payroll for the calendar year;

(ii) minus the baseline baseball payroll;

(iii) multiplied by the payroll percentage for baseball; plus

(2)(i) the sales tax on ticket sales for admission to professional baseball-related events at the baseball stadium;

(ii) plus the sales tax remitted by vendors and concessionaires for sales at professional baseball-related events at the stadium for the calendar year;

(iii) minus the baseline baseball sales tax.

(b) Upon application by the professional football team, in a form prescribed by the commissioner, the commissioner shall pay to the football team a refund equal to the sum of the following amounts for the calendar year:

(1)(i) the player payroll for the calendar year;

(ii) minus the baseline football payroll;

(iii) multiplied by the payroll percentage for football; plus

(2)(i) the sales tax on ticket sales for admission to professional football-related events at the stadium;

(ii) plus the sales tax remitted by vendors and concessionaires for sales in the stadium district on days when professional football-related events occur at the stadium for the calendar year;

(iii) minus the baseline football sales tax.

(c) The maximum amount of the refund may not exceed the rent paid under subdivision 1 for the calendar year.

(d) If the amount of the refund for a calendar year, determined before the limitation under paragraph (c), exceeds the rent for the calendar year, the excess is a carryover to each of the succeeding calendar years of the lease or use agreement. The entire amount of the carryover for the calendar year is carried first to the earliest of the calendar years to which the refund may be carried and then to each successive year to which the refund may be carried. The amount of the unused refund that may be added under this paragraph may not exceed the team's rent less the refund for the calendar year.

Subd. 3. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of revenue.

(c) "Baseline baseball payroll" means the amount of wages paid to players of the major league baseball team that is the tenant of the baseball stadium for calendar year 2003.

(d) "Baseline baseball sales tax" means the sales tax on ticket sales for admission to professional baseball-related events at the Metrodome and sales tax remitted by vendors and concessionaires for sales at professional baseball-related events occurring in the Metrodome for calendar year 2003.

(e) "Baseline football payroll" means the amount of wages paid to players of the National Football League team that is the tenant of the football stadium for the last calendar year in which the team played in the Metrodome.

(f) "Baseline football sales tax" means the annual average for calendar years 2002 to 2004 of the sum of sales tax:

(1) on ticket sales for admission to professional football-related events; and

(2) remitted by vendors and concessionaires for sales professional football-related events at the Metrodome.

(g) "Payroll percentage" means the commissioner's estimate of the percentage, computed for taxable years beginning during calendar year 2003, that Minnesota individual income taxes paid by players of both the Minnesota-based franchise and visiting teams of the applicable professional league is of total wages paid to players of the Minnesota-based franchise. The payroll percentage must be computed separately for the major league baseball franchise and for the national football league franchise.

(h) "Player payroll" means the amount of wages paid by the major league baseball team to its players who are on its major league roster for the calendar year and by the national football league team to its players for the calendar year.

(i) "Sales tax" means the state sales tax imposed under chapter 297A.

(j) "Stadium district" means a district, containing the professional football stadium and consisting of no more than 175 acres, that is designated by the authority and the host community.

(k) "Wages" means wages subject to the hospital insurance tax under section 3101(b) of the Internal Revenue Code of 1986, as amended.

Subd. 4. [INFLATION OF ADJUSTMENT OF BASELINES.] In computing the refund for a year, the commissioner shall adjust the baseline amounts for inflation using the index and methods provided under section 290.06, subdivision 2d.

Subd. 5. [USE OF PAYMENTS.] Rent paid under this section is pledged and must be used to pay bonds issued by the Metropolitan Council under section 473.757.

Subd. 6. [DUE DATE; INTEREST.] The commissioner shall pay refunds under this section by no later than April 1 following the end of the calendar year or 90 days after filing of the application for the refund, whichever is later. Interest is payable at the rate under section 270.76 from the due date of the refund.

Subd. 7. [COMMISSIONER AUTHORITY.] (a) The commissioner may require the teams to provide any documentation or information necessary or useful in determining the refund under this section. The commissioner may disallow all or part of a refund, if the commissioner determines that the team has not complied with the requirements of this subdivision and the commissioner cannot determine or verify the amount of the refund. Amounts withheld under this authority do not accrue interest.

(b) The commissioner's determination of the refund amount is final and subject to appeal to the tax court.

Subd. 8. [APPROPRIATION.] An amount sufficient to pay the refunds under this section is appropriated to the commissioner from the general fund.

Sec. 13. [473.757] [SECURITY.]

Subdivision 1. [BONDS.] The Metropolitan Council, on behalf of the Minnesota Stadium Authority, may by resolution authorize the sale and issuance of its bonds for any or all of the following purposes:

(1) to provide funds to predesign, design, acquire, construct, furnish, equip, and otherwise better the sports facilities owned or to be owned by the authority pursuant to this article;

(2) to refund bonds issued hereunder; and

(3) to fund judgments entered by any court against the authority or against the council in matters relating to the authority's functions related to the sports facilities.

Subd. 2. [PROCEDURE.] The bonds must be sold, issued, and secured in the manner provided in chapter 475, for bonds payable solely from revenues, except as otherwise provided in sections 473.75 to 473.758, and the council has the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. They must be payable solely from tax and other revenues referred to in this article. The bonds are not a general obligation or debt of the council or of the authority, and are not included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation. No election is required.

Subd. 3. [LIMITATIONS.] (a) The principal amount of the bonds issued under subdivision 1, clause (1), are limited to the amounts authorized in this subdivision. If the authority's proposal and the construction contracts referred to in sections 473.75 to 473.758 provide for the construction of two major league sports stadiums as provided in sections 473.75 to 473.758, the principal amount of bonds issued pursuant to subdivision 1, clause (1), are limited to \$478,000,000 for a baseball stadium and \$600,000,000 for a football stadium. The council shall issue its bonds and construction of sports facilities may commence when the council has made the determinations in this subdivision. The bonds may be issued separately for each stadium or in other segments as necessary or desirable to accomplish the projects. Bonds may be issued for only one stadium facility after one stadium project is agreed to by the parties involved so long as the amount of bonds issued does not exceed the authorized principal amount for the stadium. Bonds for the second stadium project may be issued when and if agreement is reached as to the second stadium project.

(b) The authority has executed long-term lease or use agreements with each team for its use of one of the stadiums as provided in section 473.753, subdivision 5.

(c) The authority has executed agreements with each of the professional baseball and football leagues as provided in section 473.753, subdivisions 6 and 7.

(d) The proceeds of bonds provided for in this subdivision will be sufficient, together with other capital funds that may be available to the authority for expenditures on the sports facilities, to carry out the projects for which the proceeds were intended as proposed by the authority, including the appropriate professional fees and charges but excluding, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in paragraphs (e) and (f).

(e) The authority has acquired, without cost to the authority or the council except as provided in this subdivision, title to all real property including all easements and other appurtenances needed for the construction and operation of the stadium facilities or has received a grant of funds or has entered into agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to make any payment upon which the authority's acquisition of title and possession of the real property is conditioned.

(f) The authority has received a grant of funds or entered into agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of all sports facilities, railroad tracks and other structures, including, without limitation, all relocation costs, all utility relocation costs, and all legal costs.

(g) The authority has executed agreements to prevent strikes that would halt, delay, or impede construction of the respective baseball and football facilities.

(h) The authority has executed agreements which will provide for the construction of the sports facilities for a certified construction price and completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the authority or loss of revenues resulting from incomplete construction on the completion date.

(i) The anticipated revenue from the operation of the sports facilities plus any additional available revenue of the authority will be an amount sufficient to pay when due all debt service plus all administration, operating, and maintenance expense.

(j) The validity of any bonds issued under subdivision 1, clause (1), and the obligations of the council and authority related to them, are not conditioned upon or impaired by the council's determinations made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the council are deemed conclusive, and the council remains obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

(k) The council may not issue bonds to finance a baseball stadium, until it has determined that legal arrangements are in place that will provide access to at least 135 of the team's games scheduled for the next major league baseball regular season for 70 percent or more of the subscribers in the state to cable television or satellite television service.

Subd. 4. [SECURITY.] To the extent and in the manner provided in sections 473.75 to 473.758, the taxes described in this article, the tax and other revenues of the authority described in sections 473.75 to 473.758, and any other revenues of the authority attributable to the sports facilities, including team and local host's communities contributions, shall be and remain pledged and appropriated to the authority or to the Metropolitan Council, as appropriate for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the sports facilities until all bonds and certificates issued under this section are fully paid or discharged in accordance with law. Bonds issued under this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which must define the tax, team and fan contributions, and other sports facility revenues pledged for the payment and security of the bonds. The pledge is a valid charge on the tax and other revenues referred to in sections 473.75 to 473.758 from the date when bonds are first issued or secured under the resolution or indenture and secures the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing such payments. No mortgage of or security interest in any tangible real or personal property may be granted to the bondholders or the trustee, but they have a valid security interest in all tax and other revenues received and accounts receivable by the authority or council hereunder, as against the claims of all other persons in tort, contract, or otherwise.

irrespective of whether the parties have notice thereof, and without possession or filing as provided in the Uniform Commercial Code or any other law. In the bond resolution or trust indenture the council may make covenants, which are binding upon the authority, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, authority, site city or county, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council thereunder are fully discharged.

Subd. 5. [NO FULL FAITH AND CREDIT.] Any bonds or other obligations issued by the council under sections 473.75 to 473.758 are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged for their payment or of any payments that the state agrees to make under sections 473.75 to 473.758.

Subd. 6. [AUTHORITY NOT AFFECTED BY TAXABILITY OF INTEREST.] The bonds authorized by sections 473.75 to 473.758 may be issued without regard to whether the interest to be paid on them is gross income for federal tax purposes.

Sec. 14. [473.758] [NEGOTIATION DEADLINE.]

The authority to negotiate and enter into agreements with the teams and host communities under sections 473.75 to 473.758 expires December 31, 2004, for baseball and July 1, 2005, for football except for amendments to initial agreements determined by the authority to be necessary.

Sec. 15. [REPEALER.]

Minnesota Statutes 2002, sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05; 473I.06; 473I.07; 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; and 473I.13, are repealed.

Sec. 16. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 2

UNIVERSITY OF MINNESOTA STADIUM

Section 1. [PURPOSE; FINDINGS.]

The legislature finds that construction of a new football stadium by the Board of Regents of the University of Minnesota on the University's east bank campus in the city of Minneapolis serves statewide public purposes. The legislature finds that the public purposes served include, but are not limited to, providing an on-campus outdoor intercollegiate football stadium as a part of the public amenities for Minnesota's citizens, enhancing the enjoyment of its citizens, and enhancing the University experience for students, alumni, faculty, staff, and other supporters of the University. The legislature finds that the University intends to join together with its students, alumni, faculty, staff, and other supporters to raise funds to build a stadium to return college football to the University campus. Further, the legislature finds that construction of a University of Minnesota football stadium should be supported by the state and that the support should not detract from or be a substitute for other operating and capital support by the state for the University; however, state financial support for the stadium should be conditioned upon the University providing for payment of a significant portion of the stadium's cost from nonstate general revenue fund sources. The purpose of this article is to provide a firm 25 percent level of funding for a new University football stadium to be constructed and owned by the Board of Regents of the University of Minnesota.

Sec. 2. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 8.

Subd. 2. [COMMISSION.] "Commission" means the Metropolitan Sports Facilities Commission.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of finance.

Subd. 4. [STADIUM.] "Stadium" means an athletic stadium suitable for intercollegiate National Collegiate Athletic Association (NCAA) Division I football games and related infrastructure improvements constructed on the University of Minnesota's east bank campus in the city of Minneapolis.

Subd. 5. [BOARD.] "Board" means the Board of Regents of the University of Minnesota.

Sec. 3. [ACTIVITIES; CONTRACTS.]

In addition to the powers it already has under the constitution and laws of the state, the legislature recognizes that the board has all powers necessary or convenient for designing, constructing, equipping, improving, controlling, operating, and maintaining the stadium and may enter into contracts that are in its judgment in the best interests of the public for those purposes. Notwithstanding contrary law, the board may adopt the fair and competitive design and construction procurement procedures in connection with the stadium that it considers to be in the public interest. Minnesota Statutes, sections 16B.33 and 16B.335, do not apply to the stadium.

Sec. 4. Minnesota Statutes 2002, section 297A.71, is amended by adding a subdivision to read:

Subd. 34. [CONSTRUCTION MATERIALS; UNIVERSITY OF MINNESOTA FOOTBALL STADIUM.] Materials, supplies, or equipment used or consumed in connection with the construction, equipping, or improvement of a football stadium constructed for use by the University of Minnesota are exempt. This subdivision expires one year after substantial completion of the football stadium.

Sec. 5. [ENVIRONMENTAL REVIEW.]

The legislature requests that the board undertake an environmental review of the stadium project and perform the responsibilities of the responsible governmental unit as prescribed in the Minnesota Environmental Policy Act, Minnesota Statutes, chapter 116D, and the rules adopted under that chapter. The designation of the board to serve as the responsible governmental unit is effective upon approval by the board authorizing the University to act in that capacity.

Sec. 6. [CONDITIONS FOR PAYMENT TO UNIVERSITY.]

It is the intent of the legislature to provide state funds for the construction of an athletic stadium suitable for intercollegiate National Collegiate Athletic Association (NCAA) Division I football games on the University of Minnesota's east bank campus in the city of Minneapolis. Upon certification by the commissioner that the board has received at least \$133,100,000 in pledges, gifts, sponsorships, and other nonstate general fund revenue support for the construction of the stadium, the commissioner shall include a recommendation by the governor at the start of the next scheduled legislative session for state funding of the remaining costs of the stadium up to a maximum of \$89,000,000.

Sec. 7. [COOPERATION REQUIRED.]

Local units of government affected by the stadium project must cooperate with the University to the greatest practical extent in facilitating the development, construction, and operation of the stadium.

Sec. 8. [473.5955] [TERMINATION OF LEASE.]

The lease between the Board of Regents of the University of Minnesota and the commission dated May 19, 1982, that requires the University of Minnesota football team to play its home football games at the Hubert H. Humphrey Metrodome until July 1, 2012, may be terminated by the Board of Regents effective on or after the date designated by the Board of Regents as the date of completion of the stadium.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to sports stadiums; providing for a process to build stadiums for the use of the Minnesota Twins and the Minnesota Vikings; establishing the Minnesota Stadium Authority; providing a process for state support of a football stadium at the University of Minnesota; authorizing revenue bonds; authorizing certain taxes and revenues; providing sales tax exemptions; appropriating money; amending Minnesota Statutes 2002, sections 3.8841, subdivision 1, by adding a subdivision; 297A.71, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 2002, sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05; 473I.06; 473I.07; 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; 473I.13."

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 606, 2027, 2334, 2737 and 2915 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 2437 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Greiling and Opatz introduced:

H. F. No. 3190, A bill for an act relating to education; appropriating money to the Office of Educational Accountability through the University of Minnesota; amending Minnesota Statutes 2002, section 120B.31, subdivision 3; Laws 2003, First Special Session chapter 9, article 10, section 10, subdivision 2.

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

Davnie, by request, introduced:

H. F. No. 3191, A bill for an act relating to education; providing that children have healthy a la carte options in Minnesota's school lunch program; proposing coding for new law in Minnesota Statutes, chapter 124D.

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

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. 1645, A bill for an act relating to museums and archives repositories; regulating loans to and abandoned property of museums and archives repositories; providing a process for establishing ownership of property loaned to museums and archives repositories; proposing coding for new law in Minnesota Statutes, chapter 345.

The Senate has appointed as such committee:

Senators Higgins, Moua and Wergin.

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. 2930, A bill for an act relating to state government; requiring flags in the Capitol area to be flown at half-staff following death of a public safety officer or Minnesota military personnel killed in the line of duty; proposing coding for new law in Minnesota Statutes, chapter 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. 1530, 2455, 1384, 2231 and 2778.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1530, A bill for an act relating to animals; imposing limits on ownership and possession of certain dangerous animals; requiring registration; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 346.

The bill was read for the first time.

Strachan moved that S. F. No. 1530 and H. F. No. 1593, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2455, A bill for an act relating to public safety; removing sunset date on propane education and research council established under federal law; repealing Laws 2001, chapter 130, sections 5, 6.

The bill was read for the first time.

Howes moved that S. F. No. 2455 and H. F. No. 2653, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1384, A bill for an act relating to human rights; including status with regard to adoption in the definition of familial status; prohibiting discrimination based on status with regard to adoption by employers; modifying the definition of familial status; amending Minnesota Statutes 2003 Supplement, sections 363A.03, subdivision 18, by adding a subdivision; 363A.08, subdivision 2.

The bill was read for the first time.

Pugh moved that S. F. No. 1384 and H. F. No. 3065, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2231, A bill for an act relating to peace officers; clarifying when a peace officer may recoup attorney fees and costs in a civilian complaint proceeding; amending Minnesota Statutes 2002, section 471.44, subdivision 2.

The bill was read for the first time.

Biernat moved that S. F. No. 2231 and H. F. No. 2275, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2778, A bill for an act relating to Hennepin County; eliminating duplicate campaign finance filings; making other technical changes to the county campaign finance provisions; amending Minnesota Statutes 2002, sections 383B.042, subdivisions 13, 14, 16; 383B.046; 383B.047; 383B.048; 383B.049; 383B.05; 383B.053, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Paulsen from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Wednesday, May 5, 2004:

H. F. No. 2246; S. F. No. 1671; H. F. No. 2127; S. F. No. 2365; H. F. No. 2799; S. F. No. 2181; H. F. No. 2011; S. F. No. 2453; H. F. No. 1824; S. F. Nos. 1758 and 1787; H. F. Nos. 2258, 2444, 1593 and 2166; S. F. No. 1946; and H. F. No. 2275.

CALENDAR FOR THE DAY

H. F. No. 2832 was reported to the House.

There being no objection, H. F. No. 2832 was temporarily laid over on the Calendar for the Day.

H. F. No. 2436 was reported to the House.

Abeler and Thao moved to amend H. F. No. 2436, the fourth engrossment, as follows:

Page 5, line 2, after the period, insert "Data disclosed to a private person or organization under this paragraph must not be further disseminated without the permission of the sending entity. Notwithstanding any law to the contrary, data must not be disclosed to an agency or political subdivision of another state or country, a federal agency, an international organization, or a tribal authority under this paragraph, unless the receiving entity agrees that the data disseminated shall have the same classification in the hands of the entity receiving it as it had in the hands of the entity providing it."

Page 8, line 7, strike "Following the imposition of" and insert "At the same time that the commissioner of health issues a directive for"

Page 8, line 9, strike "within 24 hours apply" and insert "initiate the process of applying"

The motion prevailed and the amendment was adopted.

H. F. No. 2436, A bill for an act relating to health; providing for public health emergencies; amending Minnesota Statutes 2002, sections 12.03, subdivision 4d; 12.39, subdivision 2; 144.419, subdivision 1; 144.4195, subdivisions 1, 2, 3, 5; Minnesota Statutes 2003 Supplement, section 13.37, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 12; 144; repealing Laws 2002, chapter 402, section 21.

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

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Hoppe	Lipman	Pelowski	Sykora
Abrams	Dorn	Hornstein	Magnus	Penas	Thao
Adolphson	Eastlund	Jacobson	Mahoney	Peterson	Thissen
Anderson, I.	Eken	Jaros	Mariani	Powell	Tingelstad
Anderson, J.	Ellison	Johnson, J.	Marquart	Pugh	Urdahl
Atkins	Entenza	Johnson, S.	McNamara	Rhodes	Vandever
Bernardy	Erhardt	Juhnke	Mullery	Rukavina	Wagenius
Biernat	Erickson	Kahn	Murphy	Ruth	Walker
Blaine	Finstad	Kelliher	Nelson, C.	Samuelson	Walz
Borrell	Fuller	Klinzing	Nelson, M.	Seagren	Wardlow
Boudreau	Goodwin	Knoblach	Nelson, P.	Seifert	Wasiluk
Bradley	Greiling	Koenen	Newman	Sertich	Westerberg
Brod	Gunther	Kohls	Nornes	Severson	Westrom
Carlson	Haas	Kuisle	Olsen, S.	Sieben	Wilkin
Clark	Hackbarth	Lanning	Opatz	Simpson	Zellers
Cornish	Harder	Larson	Osterman	Slawik	Spk. Sviggum
Cox	Hausman	Latz	Otremba	Smith	
Davids	Heidgerken	Lenczewski	Otto	Soderstrom	
Davnie	Hilstrom	Lesch	Ozment	Solberg	
Demmer	Hilty	Lieder	Paulsen	Stang	
Dill	Holberg	Lindgren	Paymar	Swenson	

Those who voted in the negative were:

Anderson, B.	Buesgens	DeLaForest	Gerlach	Howes	Lindner
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The bill was passed, as amended, and its title agreed to.

H. F. No. 2175 was reported to the House.

Abeler and Thao moved to amend H. F. No. 2175, the third engrossment, as follows:

Page 70, after line 5, insert:

"ARTICLE 11

EMERGENCY HEALTH POWERS REAUTHORIZATION

Section 1. Minnesota Statutes 2002, section 12.03, subdivision 4d, is amended to read:

Subd. 4d. [FACILITY.] "Facility" means any real property, building, structure, or other improvement to real property or any motor vehicle, rolling stock, aircraft, watercraft, or other means of transportation. Facility does not include a private residence but may include a licensed health care facility only when other alternatives are not feasible.

Sec. 2. Minnesota Statutes 2002, section 12.39, subdivision 2, is amended to read:

Subd. 2. [INFORMATION GIVEN.] ~~Where feasible,~~ Before performing examinations, testing, treatment, or vaccination of an individual under subdivision 1, a health care provider shall notify the individual of the right to refuse the examination, testing, treatment, or vaccination, and the consequences, including isolation or quarantine, upon refusal.

Sec. 3. [12.60] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 12.60 to 12.64, the definitions in this section apply.

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

Subd. 3. [DIRECTOR.] "Director" means the director of the Division of Homeland Security and Emergency Management.

Subd. 4. [EMERGENCY PLAN.] "Emergency plan" means a plan describing the coordination of various government or private sector emergency responsibilities, including addressing the accessibility needs of persons with disabilities and of other special populations, and includes:

(1) any plan for managing a public health emergency developed by the commissioner or a local public health official;

(2) any plan for managing a public health emergency developed by one or more hospitals, clinics, nursing homes, health care plans, or other parts of the health care system and approved by the commissioner or a local public health official in consultation with the director or local emergency management officials; or

(3) any provision for assistance by out-of-state responders under an interstate or international compact, including, but not limited to, the Emergency Management Assistance Compact.

Subd. 5. [LOCAL GOVERNMENT.] "Local government" means:

(1) a board of health established under section 145A.03 or 145A.07; or

(2) a city, county, or other municipal or public corporation or any instrumentality thereof.

Subd. 6. [PUBLIC HEALTH EMERGENCY RESPONDER OR RESPONDER.] "Public health emergency responder" or "responder" means a person or organization that provides health care or health services including, but not limited to, a physician, physician assistant, registered or other nurse, certified nursing assistant, or other applicable staff position within a health care provider organization; pharmacist; chiropractor; dentist; emergency medical technician; laboratory technician; firefighter or another registered as a first responder; mental health professional; hospital; nursing facility, boarding care facility, home health care agency, or other long-term care provider; medical or dental clinic; and medical laboratory and including, but not limited to, ambulance service personnel and dispatch services and a person not registered as a first responder but who is affiliated with a medical response unit and is dispatched to the scene of an emergency by a public safety answering point or licensed ambulance service.

Subd. 7. [STATE.] "State" means the state of Minnesota or any of its agencies, departments, boards, or commissions.

Sec. 4. [12.63] [RESPONDER LIABILITY LIMITATION; HOSPITAL CAPACITY EXCEEDED.]

For purposes of this section, "regional hospital system" means all hospitals in one of the hospital bioterrorism preparedness program geographic regions of the state set forth in the most recent hospital preparedness plan available on the Minnesota Department of Health Web site at www.health.state.mn.us/oep. During a national security emergency or a peacetime emergency due to a public health emergency declared under section 12.31, the governor may issue an emergency executive order upon finding that the number of seriously ill or injured persons exceeds the emergency capacity of one or more regional hospital systems and that care has to be given in temporary facilities. A responder in any impacted region acting consistent with an emergency plan is not liable for any civil damages as a result of good faith acts or omissions by that responder in rendering emergency care, advice, or assistance during the effective period of the emergency executive order.

Sec. 5. [12.64] [EMERGENCY VACCINE ADMINISTRATION AND LEGEND DRUG DISPENSING.]

When the governor has declared, under section 12.31, a national security emergency or a peacetime emergency due to a public health emergency, the commissioner may authorize any person, including, but not limited to, any person licensed or otherwise credentialed under chapters 144E, 147 to 148, 150A, 151, 153, or 156, to administer vaccinations or dispense legend drugs if the commissioner determines that such action is necessary to protect the health and safety of the public. The authorization shall be in writing and shall contain the categories of persons included in the authorization, any additional training required before performance of the vaccination or drug dispensing by such persons, any supervision required for performance of the vaccination or drug dispensing, and the duration of the authorization. The commissioner may, in writing, extend the scope and duration of the authorization as the emergency warrants. Any person licensed or otherwise credentialed under chapters 144E, 147 to 148, 150A, 151, 153, or 156 shall not be subject to criminal liability, administrative penalty, professional discipline, or other administrative sanction because the person acted outside the scope of activities allowed under the person's license or other credential in good faith performance of vaccination or drug dispensing duties assigned under this section.

Sec. 6. Minnesota Statutes 2003 Supplement, section 13.37, subdivision 3, is amended to read:

Subd. 3. [DATA DISSEMINATION.] (a) Crime prevention block maps and names, home addresses, and telephone numbers of volunteers who participate in community crime prevention programs may be disseminated to volunteers participating in crime prevention programs. The location of a National Night Out event is public data.

(b) A government entity engaged in or temporarily assisting with emergency preparedness or response may make any data classified as security information under subdivision 1, paragraph (a), accessible to another government entity or to a private person or organization engaged in or temporarily assisting with emergency preparedness or response, an agency or political subdivision of another state or country, a federal agency, an international organization, or a tribal authority if the disclosing government entity determines that granting the access will aid public health, promote public safety, assist law enforcement, or otherwise reduce risk to the security of information, possessions, individuals, or property. Data disclosed to a private person or organization under this paragraph must not be further disseminated without the permission of the sending entity. Notwithstanding any law to the contrary, data must not be disclosed to an agency or political subdivision of another state or country, a federal agency, an international organization, or a tribal authority under this paragraph, unless the receiving entity agrees that the data disseminated shall have the same classification in the hands of the entity receiving it as it had in the hands of the entity providing it.

Sec. 7. Minnesota Statutes 2002, section 144.419, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of ~~this section and section 144.4195~~ sections 144.419 to 144.4196, the following definitions apply:

(1) "bioterrorism" means the intentional use of any microorganism, virus, infectious substance, or biological product that may be engineered as a result of biotechnology, or any naturally occurring or bioengineered component of any such microorganism, virus, infectious substance, or biological product, to cause death, disease, or other biological malfunction in a human, an animal, a plant, or another living organism in order to influence the conduct of government or to intimidate or coerce a civilian population;

(2) "communicable disease" means a disease caused by a living organism or virus and believed to be caused by bioterrorism or a new or novel or previously controlled or eradicated infectious agent or biological toxin that can be transmitted person to person and for which isolation or quarantine is an effective control strategy, excluding a disease that is directly transmitted as defined under section 144.4172, subdivision 5;

(3) "isolation" means separation, during the period of communicability, of a person infected with a communicable disease, in a place and under conditions so as to prevent direct or indirect transmission of an infectious agent to others; and

(4) "quarantine" means restriction, during a period of communicability, of activities or travel of an otherwise healthy person who likely has been exposed to a communicable disease to prevent disease transmission during the period of communicability in the event the person is infected.

Sec. 8. Minnesota Statutes 2002, section 144.4195, subdivision 1, is amended to read:

Subdivision 1. [EX PARTE ORDER FOR ISOLATION OR QUARANTINE.] (a) Before isolating or quarantining a person or group of persons, the commissioner of health shall obtain a written, ex parte order authorizing the isolation or quarantine from the District Court of Ramsey County, the county where the person or group of persons is located, or a county adjoining the county where the person or group of persons is located. The evidence or testimony in support of an application may be made or taken by telephone, facsimile transmission, video equipment, or other electronic communication. The court shall grant the order upon a finding that probable cause exists to believe isolation or quarantine is warranted to protect the public health.

(b) The order must state the specific facts justifying isolation or quarantine, must state that the person being isolated or quarantined has a right to a court hearing under this section and a right to be represented by counsel during any proceeding under this section, and must be provided immediately to each person isolated or quarantined. The commissioner of health shall provide a copy of the authorizing order to the commissioner of public safety and other peace officers known to the commissioner to have jurisdiction over the site of the isolation or quarantine. If feasible, the commissioner of health shall give each person being isolated or quarantined an estimate of the expected period of the person's isolation or quarantine.

(c) If it is impracticable to provide individual orders to a group of persons isolated or quarantined, one order shall suffice to isolate or quarantine a group of persons believed to have been commonly infected with or exposed to a communicable disease. A copy of the order and notice shall be posted in a conspicuous place:

(1) in the isolation or quarantine premises, but only if the persons to be isolated or quarantined are already at the isolation or quarantine premises and have adequate access to the order posted there; or

(2) in another location where the group of persons to be isolated or quarantined is located, such that the persons have adequate access to the order posted there.

If the court determines that posting the order according to clause (1) or (2) is impractical due to the number of persons to be isolated or quarantined or the geographical area affected, the court must use the best means available to ensure that the affected persons are fully informed of the order and notice.

(d) A peace officer, as defined under section 144.4803, subdivision 16, shall enforce an order under this section and may use all necessary and lawful means to apprehend, hold, transport, quarantine, or isolate a person subject to the order. "Necessary and lawful means" includes reasonable force but not deadly force as defined in section 609.066, subdivision 1. The peace officer shall act upon telephone, facsimile, or other electronic notification of the court order. The commissioner or an agent of a local board of health authorized under section 145A.04 shall advise the peace officer, upon request, of protective measures necessary to protect the peace officer from possible transmission of the communicable disease.

(e) No person may be isolated or quarantined pursuant to an order issued under this subdivision for longer than 21 days without a court hearing under subdivision 3 to determine whether isolation or quarantine should continue. A person who is isolated or quarantined may request a court hearing under subdivision 3 at any time before the expiration of the order.

Sec. 9. Minnesota Statutes 2002, section 144.4195, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY HOLD UPON COMMISSIONER'S DIRECTIVE.] (a) Notwithstanding subdivision 1, the commissioner of health may by directive isolate or quarantine a person or group of persons without first obtaining a written, ex parte order from the court if a delay in isolating or quarantining the person or group of persons would significantly jeopardize the commissioner of health's ability to prevent or limit the transmission of a communicable or potentially communicable disease to others. The commissioner must provide the person or group of persons subject to the temporary hold with notice that the person has a right to request a court hearing under this section and a right to be represented by counsel during a proceeding under this section. If it is impracticable to provide individual notice to each person subject to the temporary hold, notice of these rights may be posted in the same manner as the posting of orders under subdivision 1, paragraph (c). ~~Following the imposition of~~ At the same time that the commissioner of health issues a directive for isolation or quarantine under this subdivision, the commissioner of health shall ~~within 24 hours apply~~ initiate the process of applying for a written, ex parte order pursuant to subdivision 1 authorizing the isolation or quarantine. The court must rule within 24 hours of receipt of the application. If the person is under a temporary hold, the person may not be held in isolation or quarantine after the temporary hold expires unless the court issues an ex parte order under subdivision 1.

(b) A peace officer, as defined under section 144.4803, subdivision 16, shall enforce a commissioner's directive under paragraph (a) as the peace officer would enforce a court order under this section. The peace officer shall act upon telephone, facsimile, or other electronic notification of the commissioner's directive. The commissioner or an agent of a local board of health authorized under section 145A.04 shall advise the peace officer, upon request, of protective measures necessary to protect the peace officer from possible transmission of the communicable disease.

(c) If a person subject to a commissioner's directive under paragraph (a) is already institutionalized in an appropriate health care facility, the commissioner of health may direct the facility to continue to hold the person. The facility shall take all reasonable measures to prevent the person from exposing others to the communicable disease.

Sec. 10. Minnesota Statutes 2002, section 144.4195, subdivision 3, is amended to read:

Subd. 3. [COURT HEARING.] (a) A person isolated or quarantined under an order issued pursuant to subdivision 1 or a temporary hold under subdivision 2 or the person's representative may petition the court to contest the court order or temporary hold at any time prior to the expiration of the order or temporary hold. If a petition is filed, the court must hold a hearing within 72 hours from the date of the filing. A petition for a hearing does not stay the order of isolation or quarantine. At the hearing, the commissioner of health must show by clear and convincing evidence that the isolation or quarantine is warranted to protect the public health.

(b) If the commissioner of health wishes to extend the order for isolation or quarantine past the period of time stated in subdivision 1, paragraph ~~(d)~~ (e), the commissioner must petition the court to do so. Notice of the hearing must be served upon the person or persons who are being isolated or quarantined at least three days before the hearing. If it is impracticable to provide individual notice to large groups who are isolated or quarantined, a copy of the notice may be posted in the same manner as described under subdivision 1, paragraph (c).

(c) The notice must contain the following information:

(1) the time, date, and place of the hearing;

(2) the grounds and underlying facts upon which continued isolation or quarantine is sought;

(3) the person's right to appear at the hearing; and

(4) the person's right to counsel, including the right, if indigent, to be represented by counsel designated by the court or county of venue.

(d) The court may order the continued isolation or quarantine of the person or group of persons if it finds by clear and convincing evidence that the person or persons would pose an imminent health threat to others if isolation or quarantine was lifted. In no case may the isolation or quarantine continue longer than 30 days from the date of the court order issued under this subdivision unless the commissioner petitions the court for an extension. Any hearing to extend an order is governed by this subdivision.

Sec. 11. Minnesota Statutes 2002, section 144.4195, subdivision 5, is amended to read:

Subd. 5. [JUDICIAL PROCEDURES AND DECISIONS.] Court orders issued pursuant to subdivision 3 or 4 shall be based upon clear and convincing evidence and a written record of the disposition of the case shall be made and retained. Any person subject to isolation or quarantine has the right to be represented by counsel or other lawful representative. The court may choose to conduct a hearing under subdivision 3 or 4 by telephonic, interactive video, or other electronic means to maintain isolation or quarantine precautions and reduce the risk of spread of a communicable disease. Otherwise, the manner in which the request for a hearing is filed and acted upon shall be in accordance with the existing laws and rules of the courts of this state or, if the isolation or quarantine occurs during a national security or peacetime emergency, any rules that are developed by the courts for use during a national security or peacetime emergency.

Sec. 12. [144.4196] [EMPLOYEE PROTECTION.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "qualifying employee" means a person who performs services for hire in Minnesota and who has been subject to isolation or quarantine for a communicable disease, as defined in section 144.419, subdivision 1, clause (2). The term applies to persons who comply with isolation or quarantine restrictions because of:

(i) a commissioner's temporary hold directive;

(ii) an order of a federal quarantine officer;

(iii) a state or federal court order; or

(iv) a written recommendation of the commissioner or the commissioner's designee that the person enter isolation or quarantine. A person qualifying under this item must demonstrate that the person's isolation or quarantine was subject to monitoring by the commissioner or the commissioner's designee or by the person's own health care provider; and

(2) "employer" means a person having one or more employees in Minnesota and includes the state and any political subdivision of the state.

Subd. 2. [PROTECTIONS.] (a) An employer shall not discharge, discipline, threaten, or penalize a qualifying employee, or otherwise discriminate in the work terms, conditions, location, or privileges of the qualifying employee, because the qualifying employee has been in isolation or quarantine.

(b) A qualifying employee claiming a violation of paragraph (a) may bring a civil action for recovery of lost wages or benefits, for reinstatement, or for other relief within 90 days of the claimed violation or within 90 days of the end of the isolation or quarantine, whichever is later. A qualifying employee who prevails shall be allowed reasonable attorney fees fixed by the court.

(c) Nothing in this subdivision is intended to alter sick leave or sick pay terms of the employment relationship.

Subd. 3. [LIMITATION.] This section does not apply to work absences due to isolation or quarantine under subdivision 1 for periods longer than 21 consecutive days.

Sec. 13. [WORKERS' COMPENSATION ADVISORY COUNCIL REPORT.]

The Council on Workers' Compensation, established under Minnesota Statutes, section 175.007, must study extending workers' compensation to volunteers during a public health emergency and during emergency preparedness preparations. The report must be completed and presented to the legislature by January 15, 2005. The report must comply with Minnesota Statutes, sections 3.195 and 3.197.

Sec. 14. [HEALTH STUDY.]

(a) The commissioner of health must prepare a plan for the development and implementation of a statewide public health data management system in cooperation and consultation with representatives of local public health departments. The plan must provide state and local public health departments with a cost-effective, reliable means for collecting, utilizing, and disseminating public health data. The plan must include cost estimates for the planning and development of a statewide system. Nothing in this section requires the commissioner to collect additional health data.

(b) The plan must be completed and presented to the legislature by January 15, 2005. The plan must comply with Minnesota Statutes, sections 3.195 and 3.197.

Sec. 15. [REPEALER.]

Laws 2002, chapter 402, section 21, is repealed.

Sec. 16. [EXPIRATION.]

(a) Minnesota Statutes 2002, sections 12.03, subdivisions 1c, 4d, 6a, 9a; 12.311; 12.312; 12.381; 12.39; 13.3806, subdivisions 1a and 10a; 144.419; and 144.4195; and sections 3 to 5, and 12, expire August 1, 2008.

(b) The amendments to Minnesota Statutes, by Laws 2002, chapter 402, sections 6 to 9, 12, and 13, to sections 12.21, subdivision 3; 12.31, subdivisions 1, 2, and 3; 12.32; 12.34, subdivision 1, and the amendments in sections 2 and 6 expire August 1, 2008.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Abeler moved to amend H. F. No. 2175, the third engrossment, as amended, as follows:

Page 9, line 14, delete "family" and insert "families"

Page 9, line 30, delete "certified"

Page 10, line 17, before "must" insert "performed"

Page 23, after line 23, insert:

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

Page 23, after line 30, insert:

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

Page 23, delete lines 31 to 33

Page 47, line 36, after "Accreditation" insert "of the American Dental Association"

Page 52, line 7, before "Board" insert "Dental"

Page 52, line 9, after "residency" insert "program (GPR)"

Page 52, line 10, after "dentistry" insert "(AEGD)"

Page 62, line 4, delete "in rule" and insert "under Minnesota Rules"

Page 63, line 10, after "trainee" insert a comma

The motion prevailed and the amendment was adopted.

Brod and Rhodes moved to amend H. F. No. 2175, the third engrossment, as amended, as follows:

Page 19, after line 16, insert:

"Sec. 25. Minnesota Statutes 2002, section 192.502, is amended to read:

192.502 [PROTECTIONS.]

Subdivision 1. [POSTSECONDARY STUDENTS.] (a) A member of the Minnesota National Guard or any other military reserve component who is a student at a postsecondary education institution and who is called or ordered to state active service in the Minnesota National Guard, as defined in section 190.05, subdivision 5, or who is called or ordered to federal active military service has the following rights:

(1) with regard to courses in which the person is enrolled, the person may:

(i) withdraw from one or more courses for which tuition and fees have been paid that are attributable to the courses. The tuition and fees must be credited to the person's account at the postsecondary institution. Any refunds are subject to the requirements of the state or federal financial aid programs of origination. In such a case, the student must not receive credit for the courses and must not receive a failing grade, an incomplete, or other negative annotation on the student's record, and the student's grade point average must not be altered or affected in any manner because of action under this item;

(ii) be given a grade of incomplete and be allowed to complete the course upon release from active duty under the postsecondary institution's standard practice for completion of incompletes; or

(iii) continue and complete the course for full credit. Class sessions the student misses due to performance of state or federal active military service must be counted as excused absences and must not be used in any way to adversely impact the student's grade or standing in the class. Any student who selects this option is not, however, automatically excused from completing assignments due during the period the student is performing state or federal active military service. A letter grade or a grade of pass must only be awarded if, in the opinion of the faculty member teaching the course, the student has completed sufficient work and has demonstrated sufficient progress toward meeting course requirements to justify the grade;

(2) to receive a refund of amounts paid for room, board, and fees attributable to the time period during which the student was serving in state or federal active military service and did not use the facilities or services for which the amounts were paid. Any refund of room, board, and fees is subject to the requirements of the state or federal financial aid programs of origination; and

(3) if the student chooses to withdraw, the student has the right to be readmitted and reenrolled as a student at the postsecondary education institution, without penalty or redetermination of admission eligibility, within one year following release from the state or federal active military service.

(b) The protections in this section may be invoked as follows:

(1) the person, or an appropriate officer from the military organization in which the person will be serving, must give advance verbal or written notice that the person is being called or ordered to qualifying service;

(2) advance notice is not required if the giving of notice is precluded by military necessity or, under all the relevant circumstances, the giving of notice is impossible or unreasonable; and

(3) upon written request from the postsecondary institution, the person must provide written verification of service.

(c) This section provides minimum protections for students. Nothing in this section prevents postsecondary institutions from providing additional options or protections to students who are called or ordered to state or federal active military service.

Subd. 2. [RENEWAL OF PROFESSIONAL LICENSES OR CERTIFICATIONS.] The renewal of a license or certificate of registration for a member of the Minnesota National Guard or other military reserves who has been ordered to active military service and who is required by law to be licensed or registered in order to carry on or practice a health or other trade, employment, occupation, or profession in the state is governed under sections 326.55 and 326.56.

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

Sec. 26. [197.65] [RENEWAL OF PROFESSIONAL LICENSES OR CERTIFICATIONS.]

The renewal of a license or certificate of registration for a person who is serving in or has recently been discharged from active military service and who is required by law to be licensed or registered in order to carry on or practice a health or other trade, employment, occupation, or profession in the state is governed under sections 326.55 and 326.56.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Latz offered an amendment to H. F. No. 2175, the third engrossment, as amended.

POINT OF ORDER

Boudreau raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills that the Latz amendment was not in order. Speaker pro tempore Abrams ruled the point of order not well taken and the Latz amendment in order.

POINT OF ORDER

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

H. F. No. 2175, A bill for an act relating to health; modifying requirements for various public health occupations; prescribing authority of speech-language pathology assistants; modifying requirements for physician assistants, acupuncture practitioners, licensed professional counselors, alcohol and drug counselors, dentists, dental hygienists, dental assistants, and podiatrists; modifying provisions for designating essential community providers; modifying certain immunization provisions; appropriating money; amending Minnesota Statutes 2002, sections 12.03, subdivision 4d; 12.39, subdivision 2; 144.419, subdivision 1; 144.4195, subdivisions 1, 2, 3, 5; 147A.02; 147A.20; 147B.01, by adding a subdivision; 147B.06, subdivision 4; 148.211, subdivision 1; 148.284; 148.512, subdivisions 9, 19, by adding a subdivision; 148.6402, by adding a subdivision; 148.6403, subdivision 5; 148.6405; 148.6428; 148.6443, subdivisions 1, 5; 150A.06, as amended; 150A.08, subdivision 1; 150A.09, subdivision 4; 153.01, subdivision 2; 153.16, subdivisions 1, 2; 153.19, subdivision 1; 153.24, subdivision 4; 153.25, subdivision 1; 192.502; Minnesota Statutes 2003 Supplement, sections 13.37, subdivision 3; 62Q.19, subdivision 2; 121A.15,

subdivisions 3a, 12; 147A.09, subdivision 2; 148.212, subdivision 1; 148.511; 148.512, subdivisions 12, 13; 148.513, subdivisions 1, 2; 148.5161, subdivisions 1, 4, 6; 148.5175; 148.518; 148.5193, subdivisions 1, 6a; 148.5195, subdivision 3; 148.5196, subdivision 3; 148B.52; 148B.53, subdivisions 1, 3; 148B.54; 148B.55; 148B.59; 148C.04, subdivision 6; 148C.075, subdivision 2, by adding a subdivision; 148C.11, subdivision 6, by adding a subdivision; 148C.12, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 12; 144; 148; 148B; 197; repealing Minnesota Statutes 2002, sections 147B.02, subdivision 5; Laws 2002, chapter 402, section 21; Minnesota Rules, parts 6900.0020, subparts 3, 3a, 9, 10; 6900.0400.

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

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Holberg	Lindgren	Paulsen	Stang
Abrams	Dorman	Hornstein	Lindner	Paymar	Swenson
Anderson, B.	Dorn	Huntley	Lipman	Pelowski	Sykora
Anderson, I.	Eastlund	Jacobson	Magnus	Penas	Thao
Anderson, J.	Eken	Jaros	Mahoney	Peterson	Thissen
Atkins	Ellison	Johnson, J.	Mariani	Powell	Tingelstad
Bernardy	Entenza	Johnson, S.	Marquart	Pugh	Urdahl
Biernat	Erhardt	Juhnke	McNamara	Rhodes	Vanderveer
Blaine	Erickson	Kahn	Mullery	Rukavina	Wagenius
Borrell	Finstad	Kelliher	Murphy	Ruth	Walker
Boudreau	Fuller	Klinzing	Nelson, C.	Samuelson	Walz
Bradley	Goodwin	Knoblach	Nelson, M.	Seagren	Wardlow
Brod	Greiling	Koenen	Nelson, P.	Seifert	Wasiluk
Carlson	Gunther	Kohls	Newman	Sertich	Westerberg
Clark	Haas	Kuisle	Nornes	Severson	Westrom
Cornish	Hackbarth	Lanning	Olsen, S.	Sieben	Wilkin
Cox	Harder	Larson	Opatz	Simpson	Zellers
Davids	Hausman	Latz	Osterman	Slawik	Spk. Sviggum
Davnie	Heidgerken	Lenczewski	Otremba	Smith	
DeLaForest	Hilstrom	Lesch	Otto	Soderstrom	
Demmer	Hilty	Lieder	Ozment	Solberg	

Those who voted in the negative were:

Adolphson	Buesgens	Gerlach	Hoppe	Howes	Krinkie
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The bill was passed, as amended, and its title agreed to.

Walker was excused between the hours of 1:25 p.m. and 1:55 p.m.

The Speaker assumed the Chair.

H. F. No. 2832, which was temporarily laid over earlier today on the Calendar for the Day, was again reported to the House.

H. F. No. 2832, A bill for an act relating to education; requiring school and library computers with Internet access available for student use to be equipped with software filtering or blocking technology; imposing a financial penalty; amending Minnesota Statutes 2002, sections 125B.15; 134.50.

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

The question was taken on the passage of the bill and the roll was called. There were 111 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Abeler	Davnie	Hilstrom	Lindgren	Paulsen	Solberg
Abrams	DeLaForest	Hilty	Lindner	Paymar	Stang
Adolphson	Demmer	Holberg	Lipman	Pelowski	Swenson
Anderson, B.	Dill	Hoppe	Magnus	Penas	Sykora
Anderson, I.	Dorman	Howes	Mahoney	Peterson	Tingelstad
Anderson, J.	Dorn	Jacobson	Marquart	Powell	Urdahl
Atkins	Eastlund	Johnson, J.	McNamara	Pugh	Vandever
Beard	Eken	Juhnke	Murphy	Rhodes	Wagenius
Bernardy	Entenza	Klinzing	Nelson, C.	Ruth	Walz
Blaine	Erhardt	Knoblach	Nelson, M.	Samuelson	Wardlow
Borrell	Erickson	Koenen	Nelson, P.	Seagren	Wasiluk
Boudreau	Finstad	Kohls	Newman	Seifert	Westerberg
Bradley	Fuller	Krinkie	Nornes	Sertich	Westrom
Brod	Gerlach	Kuisle	Olsen, S.	Severson	Wilkin
Buesgens	Gunther	Lanning	Opatz	Sieben	Zellers
Carlson	Haas	Larson	Osterman	Simpson	Spk. Sviggum
Cornish	Hackbarth	Lenczewski	Otremba	Slawik	
Cox	Harder	Lesch	Otto	Smith	
Davids	Heidgerken	Lieder	Ozment	Soderstrom	

Those who voted in the negative were:

Biernat	Goodwin	Hornstein	Johnson, S.	Latz	Rukavina
Clark	Greiling	Huntley	Kahn	Mariani	Thao
Ellison	Hausman	Jaros	Kelliher	Mullery	Thissen

The bill was passed and its title agreed to.

The Speaker called Abrams to the Chair.

H. F. No. 2763 was reported to the House.

Urdahl offered an amendment to H. F. No. 2763.

POINT OF ORDER

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

H. F. No. 2763, A bill for an act relating to civil actions; clarifying that civil liability for receiving motor fuel without paying does not bar criminal liability; amending Minnesota Statutes 2002, section 604.15, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Hilty	Lesch	Ozment	Stang
Abrams	Dill	Holberg	Lieder	Paulsen	Swenson
Adolphson	Dorman	Hoppe	Lindgren	Paymar	Sykora
Anderson, B.	Dorn	Hornstein	Lindner	Pelowski	Thao
Anderson, I.	Eastlund	Howes	Lipman	Penas	Thissen
Anderson, J.	Eken	Huntley	Magnus	Peterson	Tingelstad
Atkins	Ellison	Jacobson	Mahoney	Powell	Urdahl
Beard	Entenza	Jaros	Mariani	Pugh	Vandever
Bernardy	Erhardt	Johnson, J.	Marquart	Rhodes	Wagenius
Biernat	Erickson	Johnson, S.	McNamara	Rukavina	Walker
Blaine	Finstad	Juhnke	Mullery	Ruth	Walz
Borrell	Fuller	Kahn	Murphy	Samuelson	Wardlow
Boudreau	Gerlach	Kelliher	Nelson, C.	Seagren	Wasiluk
Bradley	Goodwin	Klinzing	Nelson, M.	Seifert	Westerberg
Brod	Greiling	Knoblach	Nelson, P.	Sertich	Westrom
Carlson	Gunther	Koenen	Newman	Severson	Wilkin
Clark	Haas	Kohls	Nornes	Sieben	Zellers
Cornish	Hackbarth	Kuisle	Olsen, S.	Simpson	Spk. Sviggum
Cox	Harder	Lanning	Opatz	Slawik	
Davids	Hausman	Larson	Osterman	Smith	
Davnie	Heidgerken	Latz	Otremba	Soderstrom	
DeLaForest	Hilstrom	Lenczewski	Otto	Solberg	

Those who voted in the negative were:

Buesgens Krinkie

The bill was passed and its title agreed to.

S. F. No. 2387, A bill for an act relating to crimes; treating probation officers the same as correctional employees for purposes of certain assaults; amending Minnesota Statutes 2002, section 609.2231, subdivision 1; Minnesota Statutes 2003 Supplement, section 609.2231, subdivision 3.

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

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

Those who voted in the affirmative were:

Abeler	DeLaForest	Hilstrom	Latz	Otremba	Soderstrom
Abrams	Demmer	Hilty	Lenczewski	Otto	Solberg
Adolphson	Dill	Holberg	Lesch	Ozment	Stang
Anderson, B.	Dorman	Hoppe	Lieder	Paulsen	Swenson
Anderson, I.	Dorn	Hornstein	Lindgren	Paymar	Sykora
Anderson, J.	Eastlund	Howes	Lindner	Pelowski	Thao
Atkins	Eken	Huntley	Lipman	Penas	Thissen
Beard	Ellison	Jacobson	Magnus	Peterson	Tingelstad
Bernardy	Entenza	Jaros	Mahoney	Powell	Urdahl
Biernat	Erhardt	Johnson, J.	Mariani	Pugh	Vandevveer
Blaine	Erickson	Johnson, S.	Marquart	Rhodes	Wagenius
Borrell	Finstad	Juhnke	McNamara	Rukavina	Walker
Boudreau	Fuller	Kahn	Mullery	Ruth	Walz
Bradley	Gerlach	Kelliher	Murphy	Samuelson	Wardlow
Brod	Goodwin	Klinzing	Nelson, C.	Seagren	Wasiluk
Buesgens	Greiling	Knoblach	Nelson, M.	Seifert	Westerberg
Carlson	Gunther	Koenen	Nelson, P.	Sertich	Westrom
Clark	Haas	Kohls	Newman	Severson	Wilkin
Cornish	Hackbarth	Krinkie	Nornes	Sieben	Zellers
Cox	Harder	Kuisle	Olsen, S.	Simpson	Spk. Sviggum
Davids	Hausman	Lanning	Opatz	Slawik	
Davnie	Heidgerken	Larson	Osterman	Smith	

The bill was passed and its title agreed to.

H. F. No. 2246, A bill for an act relating to health; modifying the nursing facility survey process; establishing a quality improvement program; requiring annual quality improvement reports; requiring the commissioner of health to seek federal waivers and approvals; amending Minnesota Statutes 2002, sections 144A.10, subdivision 1a, by adding a subdivision; 256.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 144A.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Blaine	Davids	Entenza	Hackbarth	Jacobson
Abrams	Borrell	Davnie	Erhardt	Harder	Jaros
Adolphson	Boudreau	DeLaForest	Erickson	Hausman	Johnson, J.
Anderson, B.	Bradley	Demmer	Finstad	Heidgerken	Johnson, S.
Anderson, I.	Brod	Dill	Fuller	Hilty	Juhnke
Anderson, J.	Buesgens	Dorman	Gerlach	Holberg	Kahn
Atkins	Carlson	Dorn	Goodwin	Hoppe	Kelliher
Beard	Clark	Eastlund	Greiling	Hornstein	Klinzing
Bernardy	Cornish	Eken	Gunther	Howes	Knoblach
Biernat	Cox	Ellison	Haas	Huntley	Koenen

Kohls	Magnus	Olsen, S.	Pugh	Smith	Walker
Krinkie	Mahoney	Opatz	Rhodes	Soderstrom	Walz
Kuisle	Mariani	Osterman	Rukavina	Solberg	Wardlow
Lanning	Marquart	Otremba	Ruth	Stang	Wasiluk
Larson	McNamara	Otto	Samuelson	Swenson	Westerberg
Latz	Mullery	Ozment	Seagren	Sykora	Westrom
Lenczewski	Murphy	Paulsen	Seifert	Thao	Wilkin
Lesch	Nelson, C.	Paymar	Sertich	Thissen	Zellers
Lieder	Nelson, M.	Pelowski	Severson	Tingelstad	Spk. Sviggum
Lindgren	Nelson, P.	Penas	Sieben	Urdahl	
Lindner	Newman	Peterson	Simpson	Vandevveer	
Lipman	Nornes	Powell	Slawik	Wagenius	

The bill was passed and its title agreed to.

S. F. No. 1671, A bill for an act relating to health; placing the term "assisted living facility" into statute as a formal means of referring to registered housing with services establishments; proposing coding for new law in Minnesota Statutes, chapter 144D.

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

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

Those who voted in the affirmative were:

Abeler	DeLaForest	Hilstrom	Latz	Otremba	Soderstrom
Abrams	Demmer	Hilty	Lenczewski	Otto	Solberg
Adolphson	Dill	Holberg	Lesch	Ozment	Stang
Anderson, B.	Dorman	Hoppe	Lieder	Paulsen	Swenson
Anderson, I.	Dorn	Hornstein	Lindgren	Paymar	Sykora
Anderson, J.	Eastlund	Howes	Lindner	Pelowski	Thao
Atkins	Eken	Huntley	Lipman	Penas	Thissen
Beard	Ellison	Jacobson	Magnus	Peterson	Tingelstad
Bernardy	Entenza	Jaros	Mahoney	Powell	Urdahl
Biernat	Erhardt	Johnson, J.	Mariani	Pugh	Vandevveer
Blaine	Erickson	Johnson, S.	Marquart	Rhodes	Wagenius
Borrell	Finstad	Juhnke	McNamara	Rukavina	Walker
Boudreau	Fuller	Kahn	Mullery	Ruth	Walz
Bradley	Gerlach	Kelliher	Murphy	Samuelson	Wardlow
Brod	Goodwin	Klinzing	Nelson, C.	Seagren	Wasiluk
Buesgens	Greiling	Knoblach	Nelson, M.	Seifert	Westerberg
Carlson	Gunther	Koenen	Nelson, P.	Sertich	Westrom
Clark	Haas	Kohls	Newman	Severson	Wilkin
Cornish	Hackbarth	Krinkie	Nornes	Sieben	Zellers
Cox	Harder	Kuisle	Olsen, S.	Simpson	Spk. Sviggum
Davids	Hausman	Lanning	Opatz	Slawik	
Davnie	Heidgerken	Larson	Osterman	Smith	

The bill was passed and its title agreed to.

S. F. No. 2365, A bill for an act relating to health; modifying the reporting system for adverse health care events; requiring certain boards to make certain reports; amending Minnesota Statutes 2002, sections 147.121, subdivision 2; 147A.15, subdivision 2; 148.264, subdivision 2; 153.25, subdivision 2; Minnesota Statutes 2003 Supplement, section 144.7065, subdivision 10; Laws 2003, chapter 99, section 7, as amended; proposing coding for new law in Minnesota Statutes, chapters 144; 147; 147A; 148; 151; 153.

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

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

Those who voted in the affirmative were:

Abeler	DeLaForest	Hilstrom	Latz	Otremba	Soderstrom
Abrams	Demmer	Hilty	Lenczewski	Otto	Solberg
Adolphson	Dill	Holberg	Lesch	Ozment	Stang
Anderson, B.	Dorman	Hoppe	Lieder	Paulsen	Swenson
Anderson, I.	Dorn	Hornstein	Lindgren	Paymar	Sykora
Anderson, J.	Eastlund	Howes	Lindner	Pelowski	Thao
Atkins	Eken	Huntley	Lipman	Penas	Thissen
Beard	Ellison	Jacobson	Magnus	Peterson	Tingelstad
Bernardy	Entenza	Jaros	Mahoney	Powell	Urdahl
Biernat	Erhardt	Johnson, J.	Mariani	Pugh	Vandever
Blaine	Erickson	Johnson, S.	Marquart	Rhodes	Wagenius
Borrell	Finstad	Juhnke	McNamara	Rukavina	Walker
Boudreau	Fuller	Kahn	Mullery	Ruth	Walz
Bradley	Gerlach	Kelliher	Murphy	Samuelson	Wardlow
Brod	Goodwin	Klinzing	Nelson, C.	Seagren	Wasiluk
Buesgens	Greiling	Knoblach	Nelson, M.	Seifert	Westerberg
Carlson	Gunther	Koenen	Nelson, P.	Sertich	Westrom
Clark	Haas	Kohls	Newman	Severson	Wilkin
Cornish	Hackbarth	Krinkie	Nornes	Sieben	Zellers
Cox	Harder	Kuisle	Olsen, S.	Simpson	Spk. Sviggum
Davids	Hausman	Lanning	Opatz	Slawik	
Davnie	Heidgerken	Larson	Osterman	Smith	

The bill was passed and its title agreed to.

H. F. No. 2799, A bill for an act relating to employment; modifying state dislocated worker program provisions; amending Minnesota Statutes 2002, sections 116L.01, subdivision 1; 116L.05, subdivision 4; 116L.17, subdivisions 1, 4, 5, 6; Minnesota Statutes 2003 Supplement, section 116L.17, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapter 116L; repealing Minnesota Statutes 2002, sections 116L.04, subdivision 4; 116L.17, subdivision 7.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, B.	Atkins	Biernat	Boudreau	Buesgens
Abrams	Anderson, I.	Beard	Blaine	Bradley	Carlson
Adolphson	Anderson, J.	Bernardy	Borrell	Brod	Clark

Cornish	Greiling	Kelliher	Marquart	Peterson	Sykora
Cox	Gunther	Klinzing	McNamara	Powell	Thao
Davids	Haas	Knoblach	Mullery	Pugh	Thissen
Davnie	Hackbarth	Koenen	Murphy	Rhodes	Tingelstad
DeLaForest	Harder	Kohls	Nelson, C.	Rukavina	Urdahl
Demmer	Hausman	Krinkie	Nelson, M.	Ruth	Vanderveer
Dill	Heidgerken	Kuisle	Nelson, P.	Samuelson	Wagenius
Dorman	Hilstrom	Lanning	Newman	Seagren	Walker
Dorn	Hilty	Larson	Nornes	Seifert	Walz
Eastlund	Holberg	Latz	Olsen, S.	Sertich	Wardlow
Eken	Hoppe	Lenczewski	Opatz	Severson	Wasiluk
Ellison	Hornstein	Lesch	Osterman	Sieben	Westerberg
Entenza	Huntley	Lieder	Otremba	Simpson	Westrom
Erhardt	Jacobson	Lindgren	Otto	Slawik	Wilkin
Erickson	Jaros	Lindner	Ozment	Smith	Zellers
Finstad	Johnson, J.	Lipman	Paulsen	Soderstrom	Spk. Sviggum
Fuller	Johnson, S.	Magnus	Paymar	Solberg	
Gerlach	Juhnke	Mahoney	Pelowski	Stang	
Goodwin	Kahn	Mariani	Penas	Swenson	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

S. F. No. 2453 was reported to the House.

Gunther and Dorman moved to amend S. F. No. 2453 as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 2002, section 239.011, is amended by adding a subdivision to read:

Subd. 3. [LIQUEFIED PETROLEUM GAS.] (a) The annual testing and inspection requirements for liquefied petroleum gas measuring equipment, as set forth in section 239.10, subdivision 3, shall be deemed to have been met by an owner or seller who has testing and inspection performed annually in compliance with this subdivision. The testing and inspection must meet the following requirements:

(1) all equipment subject to inspection and testing requirements must be inspected and tested annually;

(2) inspection testing must only be done by persons who have demonstrated to the director that they are competent to inspect and test liquefied petroleum gas measuring equipment. Competency may be established by passage of a competency examination, which the director must establish, or by other recognized credentialing processes approved by the director. Persons taking tests established by the director may be charged for the costs of the testing procedure;

(3) testing and inspection procedures must comply with inspection protocol, which must be established by the director. The director may use existing protocol or recognize any other scientifically established and recognized protocol;

(4) persons who inspect or test liquefied petroleum gas measuring equipment must use testing equipment that meets any specifications issued by the director;

(5) equipment used for testing and inspection must be submitted to the director for calibration by the division whenever ordered by the director; and

(6) all inspectors, equipment, and inspection protocol must comply with all relevant requirements of Minnesota Statutes, department rules, and written procedures issued by the director.

(b) Owners or sellers of liquefied petroleum gas may perform their own tests and inspections or have employees do so as long as they meet the requirements of this subdivision. Persons performing inspection and testing may also perform repairs and maintenance on inspected equipment if authorized by the owner. However, they shall not be allowed to take equipment out of service.

(c) Inspectors shall tag meters that fail the testing process as "out of tolerance." For equipment that has passed inspection, the inspector shall provide to the owner or seller a seal indicating that the equipment has been inspected and the date of the inspection. Whenever an inspector issues a seal to an owner or seller, the inspector shall submit to the director written verification that the equipment was tested by procedures and testing equipment meeting the requirements of this subdivision. The director shall issue seals (stickers) to inspectors for the purposes of this subdivision. The issuance of a seal to an owner or seller establishes only that the equipment was inspected by a certified inspector using qualified equipment and procedures, and that the equipment was found to be within allowable tolerance on the date tested.

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

Sec. 2. Minnesota Statutes 2002, section 239.101, subdivision 3, is amended to read:

Subd. 3. [PETROLEUM INSPECTION FEE.] (a) An inspection fee is imposed (1) on petroleum products when received by the first licensed distributor, and (2) on petroleum products received and held for sale or use by any person when the petroleum products have not previously been received by a licensed distributor. The petroleum inspection fee is ~~85 cents~~ \$1 for every 1,000 gallons received. The commissioner of revenue shall collect the fee. The revenue from the fee must first be applied to cover the amounts appropriated. Fifteen cents of the inspection fee must be deposited in an account in the special revenue fund and is appropriated to the commissioner of commerce for the cost of petroleum product quality inspection expenses, and for the inspection and testing of petroleum product measuring equipment, and for petroleum supply monitoring under chapter 216C. The remainder of the fee must be deposited in the general fund.

(b) The commissioner of revenue shall credit a person for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report as prescribed by the commissioner of revenue.

(c) The commissioner of revenue may collect the inspection fee along with any taxes due under chapter 296A."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2453, A bill for an act relating to motor fuels; regulating oxygenated gasoline; abolishing a fee and certain requirements and powers of Department of Commerce relating to utility measuring equipment; amending Minnesota Statutes 2002, section 239.791, subdivision 12, by adding a subdivision; repealing Minnesota Statutes 2002, sections 239.12; 239.25.

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

The question was taken on the passage of the bill and the roll was called. There were 111 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Hilstrom	Latz	Otto	Stang
Abrams	Dorman	Hilty	Lenczewski	Ozment	Swenson
Anderson, J.	Dorn	Holberg	Lesch	Paulsen	Sykora
Atkins	Eastlund	Hoppe	Lieder	Paymar	Thao
Beard	Eken	Hornstein	Lipman	Pelowski	Thissen
Bernardy	Ellison	Howes	Magnus	Penas	Tingelstad
Biernat	Entenza	Huntley	Mahoney	Powell	Urdahl
Blaine	Erhardt	Jacobson	Mariani	Pugh	Wagenius
Borrell	Finstad	Jaros	Marquart	Rhodes	Walker
Boudreau	Fuller	Johnson, J.	McNamara	Ruth	Walz
Brod	Gerlach	Johnson, S.	Mullery	Samuelson	Wardlow
Carlson	Goodwin	Juhnke	Murphy	Seifert	Wasiluk
Clark	Greiling	Kahn	Nelson, M.	Sertich	Westerberg
Cornish	Gunther	Kelliher	Nelson, P.	Severson	Westrom
Cox	Haas	Koenen	Nornes	Sieben	Zellers
Davids	Hackbarth	Kohls	Olsen, S.	Simpson	Spk. Sviggum
Davnie	Harder	Kuisle	Opatz	Slawik	
DeLaForest	Hausman	Lanning	Osterman	Soderstrom	
Demmer	Heidgerken	Larson	Otremba	Solberg	

Those who voted in the negative were:

Adolphson	Buesgens	Krinkie	Newman	Smith
Anderson, B.	Erickson	Lindgren	Peterson	Vandever
Anderson, I.	Klinzing	Lindner	Rukavina	Wilkin
Bradley	Knoblach	Nelson, C.	Seagren	

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

The Speaker called Abrams to the Chair.

H. F. No. 2444 was reported to the House.

Atkins and Pugh moved to amend H. F. No. 2444 as follows:

Page 2, delete lines 27 to 33 and insert:

"Sections 541.30 to 541.35 apply to claims arising from incidents occurring on or after August 1, 2004."

A roll call was requested and properly seconded.

The question was taken on the Atkins and Pugh amendment and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Hilstrom	Latz	Otto	Solberg
Abrams	Demmer	Hilty	Lenczewski	Ozment	Stang
Adolphson	Dill	Holberg	Lesch	Paulsen	Swenson
Anderson, B.	Dorman	Hoppe	Lieder	Paymar	Sykora
Anderson, I.	Dorn	Hornstein	Lindgren	Pelowski	Thao
Anderson, J.	Eastlund	Howes	Lindner	Penas	Thissen
Atkins	Eken	Huntley	Magnus	Peterson	Tingelstad
Beard	Ellison	Jacobson	Mahoney	Powell	Urdahl
Bernardy	Entenza	Jaros	Mariani	Pugh	Vandever
Biernat	Erhardt	Johnson, J.	Marquart	Rhodes	Wagenius
Blaine	Erickson	Johnson, S.	McNamara	Rukavina	Walker
Borrell	Finstad	Juhnke	Mullery	Ruth	Walz
Boudreau	Fuller	Kahn	Murphy	Samuelson	Wardlow
Bradley	Gerlach	Kelliher	Nelson, C.	Seagren	Wasiluk
Brod	Goodwin	Klinzing	Nelson, M.	Seifert	Westerberg
Buesgens	Greiling	Knoblach	Nelson, P.	Sertich	Westrom
Carlson	Gunther	Koenen	Newman	Severson	Wilkin
Clark	Haas	Kohls	Nornes	Siebers	Zellers
Cornish	Hackbarth	Krinkie	Olsen, S.	Simpson	Spk. Sviggum
Cox	Harder	Kuisele	Opatz	Slawik	
Davids	Hausman	Lanning	Osterman	Smith	
Davnie	Heidgerken	Larson	Otremba	Soderstrom	

Those who voted in the negative were:

Lipman

The motion prevailed and the amendment was adopted.

H. F. No. 2444, A bill for an act relating to civil actions; regulating limitation periods of certain actions; enacting a uniform conflict of laws-limitations act; proposing coding for new law in Minnesota Statutes, chapter 541.

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

The question was taken on the passage of the bill and the roll was called. There were 91 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abrams	Borrell	DeLaForest	Finstad	Holberg	Knoblach
Adolphson	Boudreau	Demmer	Fuller	Hoppe	Koenen
Anderson, B.	Bradley	Dorman	Gerlach	Howes	Kohls
Anderson, J.	Brod	Dorn	Gunther	Jacobson	Krinkie
Beard	Buesgens	Eastlund	Haas	Johnson, J.	Kuisele
Bernardy	Cornish	Eken	Hackbarth	Johnson, S.	Lanning
Biernat	Cox	Erhardt	Harder	Juhnke	Larson
Blaine	Davids	Erickson	Heidgerken	Klinzing	Lenczewski

Lindgren	Nelson, P.	Ozment	Seagren	Thissen	Wilkin
Lindner	Newman	Paulsen	Seifert	Tingelstad	Zellers
Lipman	Nornes	Pelowski	Severson	Urdahl	Spk. Sviggum
Magnus	Olsen, S.	Penas	Simpson	Vanderveer	
Marquart	Opatz	Peterson	Soderstrom	Walz	
McNamara	Osterman	Powell	Stang	Wardlow	
Nelson, C.	Otremba	Ruth	Swenson	Westerberg	
Nelson, M.	Otto	Samuelson	Sykora	Westrom	

Those who voted in the negative were:

Abeler	Ellison	Hornstein	Lieder	Rhodes	Thao
Anderson, I.	Entenza	Huntley	Mahoney	Rukavina	Wagenius
Atkins	Goodwin	Jaros	Mariani	Sertich	Walker
Carlson	Greiling	Kahn	Mullery	Sieben	Wasiluk
Clark	Hausman	Kelliher	Murphy	Slawik	
Davnie	Hilstrom	Latz	Paymar	Smith	
Dill	Hilty	Lesch	Pugh	Solberg	

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

H. F. No. 2166, A bill for an act relating to veterans; changing administration and procedures for certain benefit programs; amending Minnesota Statutes 2002, sections 197.03; 197.06; 197.75, subdivision 3; Minnesota Statutes 2003 Supplement, sections 197.05; 197.75, subdivision 1; 197.78, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 2002, sections 124D.97; 197.23, subdivision 2; 197.236, subdivision 4; 197.59.

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

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

Those who voted in the affirmative were:

Abeler	Cornish	Goodwin	Johnson, S.	Lipman	Ozment
Abrams	Cox	Greiling	Juhnke	Magnus	Paulsen
Adolphson	Davids	Gunther	Kahn	Mahoney	Paymar
Anderson, B.	Davnie	Haas	Kelliher	Mariani	Pelowski
Anderson, I.	DeLaForest	Hackbarth	Klinzing	Marquart	Penas
Anderson, J.	Demmer	Harder	Knoblach	McNamara	Peterson
Atkins	Dill	Hausman	Koenen	Mullery	Powell
Beard	Dorman	Heidgerken	Kohls	Murphy	Pugh
Bernardy	Dorn	Hilstrom	Krinkie	Nelson, C.	Rhodes
Biernat	Eastlund	Hilty	Kuisle	Nelson, M.	Rukavina
Blaine	Eken	Holberg	Lanning	Nelson, P.	Ruth
Borrell	Ellison	Hoppe	Larson	Newman	Samuelson
Boudreau	Entenza	Hornstein	Latz	Nornes	Seagren
Bradley	Erhardt	Howes	Lenczewski	Olsen, S.	Seifert
Brod	Erickson	Huntley	Lesch	Opatz	Sertich
Buesgens	Finstad	Jacobson	Lieder	Osterman	Severson
Carlson	Fuller	Jaros	Lindgren	Otremba	Sieben
Clark	Gerlach	Johnson, J.	Lindner	Otto	Simpson

Slawik	Stang	Thissen	Wagenius	Wasiluk	Zellers
Smith	Swenson	Tingelstad	Walker	Westerberg	Spk. Sviggum
Soderstrom	Sykora	Urdahl	Walz	Westrom	
Solberg	Thao	Vandev eer	Wardlow	Wilkin	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

S. F. No. 1946 was reported to the House.

Seifert, Gunther, Dorn and Sertich moved to amend S. F. No. 1946 as follows:

Page 2, after line 3, insert:

"Sec. 2. TRANSFERS AND CANCELLATIONS

Subdivision 1. Vocational Rehabilitation Transfer

Beginning in fiscal year 2005, the commissioner of employment and economic development may transfer \$1,325,000 from the independent living program's general fund appropriation to the vocational rehabilitation program. Each year the state director of the vocational rehabilitation program shall immediately restore from the vocational rehabilitation program's federal Social Security Administration program income or federal Title I funds, the \$1,325,000 to the Centers for Independent Living.

Subd. 2. Federal Funds Match

The transferred independent living general funds under subdivision 1 must be used to match federal vocational rehabilitation funds as they become available, and each year the resulting additional federal funds must be divided equally between the vocational rehabilitation program and the Centers for Independent Living.

The maximum amount of federal vocational rehabilitation funds that may be shared with the Centers for Independent Living is \$2,438,000. The vocational rehabilitation program may not use the Centers for Independent Living's share of the additional federal funds for any other purpose than to fund the Centers for Independent Living.

Subd. 3. Data Sharing

The Centers for Independent Living must share data with the vocational rehabilitation program to ensure that the transfer of funds under subdivision 1 and the related contracts meet all legal requirements."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Seifert et al amendment and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Hilstrom	Latz	Otremba	Soderstrom
Abrams	Demmer	Hilty	Lenczewski	Otto	Solberg
Adolphson	Dill	Holberg	Lesch	Ozment	Stang
Anderson, B.	Dorman	Hoppe	Lieder	Paulsen	Swenson
Anderson, I.	Dorn	Hornstein	Lindgren	Paymar	Sykora
Anderson, J.	Eastlund	Howes	Lindner	Pelowski	Thao
Atkins	Eken	Huntley	Lipman	Penas	Thissen
Beard	Ellison	Jacobson	Magnus	Peterson	Tingelstad
Bernardy	Entenza	Jaros	Mahoney	Powell	Urdahl
Biernat	Erhardt	Johnson, J.	Mariani	Pugh	Vandever
Blaine	Erickson	Johnson, S.	Marquart	Rhodes	Wagenius
Borrell	Finstad	Juhnke	McNamara	Rukavina	Walker
Boudreau	Fuller	Kahn	Mullery	Ruth	Walz
Bradley	Gerlach	Kelliher	Murphy	Samuelson	Wardlow
Brod	Goodwin	Klinzing	Nelson, C.	Seagren	Wasiluk
Buesgens	Greiling	Knoblach	Nelson, M.	Seifert	Westerberg
Carlson	Gunther	Koenen	Nelson, P.	Sertich	Westrom
Clark	Haas	Kohls	Newman	Severson	Wilkin
Cornish	Hackbarth	Krinkie	Nornes	Sieben	Zellers
Cox	Harder	Kuisle	Olsen, S.	Simpson	Spk. Sviggum
Davids	Hausman	Lanning	Opatz	Slawik	
Davnie	Heidgerken	Larson	Osterman	Smith	

The motion prevailed and the amendment was adopted.

S. F. No. 1946, A bill for an act relating to employment; directing the commissioner of employment and economic development to conduct an extended employment pilot project.

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

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

Those who voted in the affirmative were:

Abeler	DeLaForest	Hilstrom	Latz	Otremba	Soderstrom
Abrams	Demmer	Hilty	Lenczewski	Otto	Solberg
Adolphson	Dill	Holberg	Lesch	Ozment	Stang
Anderson, B.	Dorman	Hoppe	Lieder	Paulsen	Swenson
Anderson, I.	Dorn	Hornstein	Lindgren	Paymar	Sykora
Anderson, J.	Eastlund	Howes	Lindner	Pelowski	Thao
Atkins	Eken	Huntley	Lipman	Penas	Thissen
Beard	Ellison	Jacobson	Magnus	Peterson	Tingelstad
Bernardy	Entenza	Jaros	Mahoney	Powell	Urdahl
Biernat	Erhardt	Johnson, J.	Mariani	Pugh	Vandever
Blaine	Erickson	Johnson, S.	Marquart	Rhodes	Wagenius
Borrell	Finstad	Juhnke	McNamara	Rukavina	Walker
Boudreau	Fuller	Kahn	Mullery	Ruth	Walz
Bradley	Gerlach	Kelliher	Murphy	Samuelson	Wardlow
Brod	Goodwin	Klinzing	Nelson, C.	Seagren	Wasiluk
Buesgens	Greiling	Knoblach	Nelson, M.	Seifert	Westerberg
Carlson	Gunther	Koenen	Nelson, P.	Sertich	Westrom
Clark	Haas	Kohls	Newman	Severson	Wilkin
Cornish	Hackbarth	Krinkie	Nornes	Sieben	Zellers
Cox	Harder	Kuisle	Olsen, S.	Simpson	Spk. Sviggum
Davids	Hausman	Lanning	Opatz	Slawik	
Davnie	Heidgerken	Larson	Osterman	Smith	

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

H. F. No. 2258 was reported to the House.

Wilkin moved to amend H. F. No. 2258, the first engrossment, as follows:

Page 1, after line 24, insert:

"Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of commerce or the commissioner of health, whichever commissioner otherwise regulates the health organization."

Renumber the remaining subdivisions in sequence

Page 2, line 7, delete "a company, or managed care organization, or" and insert "an"

Page 2, line 8, after "licensed" insert "or regulated"

Page 35, after line 1, insert:

"Sec. 2. Minnesota Statutes 2002, section 62C.09, is amended by adding a subdivision to read:

Subd. 5. [RISK-BASED CAPITAL REQUIREMENT.] A service plan corporation is subject to regulation of its financial solvency under sections 60A.50 to 60A.592."

Page 35, line 24, reinstate the stricken "the" and after the stricken "amounts" insert "amount" and reinstate the stricken "of net worth" and before "net" insert "initial"

Page 35, line 25, after the stricken "capital" reinstate the stricken language and after the comma, insert "compliance with the risk-based capital standards under sections 60A.50 to 60A.592."

Page 36, after line 35, insert:

"Sec. 3. Minnesota Statutes 2002, section 62D.041, subdivision 2, is amended to read:

Subd. 2. [REQUIRED DEPOSIT.] Each health maintenance organization shall deposit with any organization or trustee acceptable to the commissioner through which a custodial or controlled account is utilized, bankable funds in the amount required in this section. The commissioner may allow a health maintenance organization's deposit requirement to be funded by a guaranteeing an organization, as defined in section 62D.043 approved by the commissioner.

Sec. 4. Minnesota Statutes 2002, section 62D.042, subdivision 1, is amended to read:

Subdivision 1. [~~DEFINITIONS~~ DEFINITION.] (a) ~~For purposes of this section, "guaranteeing organization" means an organization that has agreed to make necessary contributions or advancements to the health maintenance organization to maintain the health maintenance organization's statutorily required net worth.~~

(b) ~~For this section, "working capital" means current assets minus current liabilities.~~

(e) For purposes of this section, if a health maintenance organization offers supplemental benefits as described in section 62D.05, subdivision 6, "expenses" does not include any expenses attributable to the supplemental benefit.

Sec. 5. Minnesota Statutes 2002, section 62D.042, subdivision 2, is amended to read:

Subd. 2. [INITIAL NET WORTH REQUIREMENTS REQUIREMENT.] (a) Beginning organizations shall maintain net worth of at least 8-1/3 percent of the sum of all expenses expected to be incurred in the 12 months following the date the certificate of authority is granted, or \$1,500,000, whichever is greater.

(b) ~~After the first full calendar year of operation, organizations shall maintain net worth of at least 8 1/3 percent and at most 25 percent of the sum of all expenses incurred during the most recent calendar year, but in no case shall net worth fall below \$1,000,000.~~

(e) ~~Notwithstanding paragraphs (a) and (b), any health maintenance organization owned by a political subdivision of this state, which has a higher than average percentage of enrollees who are enrolled in medical assistance or general assistance medical care, may exceed the maximum net worth limits provided in paragraphs (a) and (b), with the advance approval of the commissioner.~~

Sec. 6. Minnesota Statutes 2002, section 62N.25, subdivision 6, is amended to read:

Subd. 6. [SOLVENCY.] A community integrated service network is exempt from the deposit, reserve, and solvency requirements specified in sections 62D.041, 62D.042, ~~62D.043~~, and 62D.044 and shall comply instead with sections 62N.27 to 62N.32. To the extent that there are analogous definitions or procedures in chapter 62D or in rules promulgated thereunder, the commissioner shall follow those existing provisions rather than adopting a contrary approach or interpretation.

Sec. 7. Minnesota Statutes 2002, section 62N.27, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For purposes of sections 62N.27 to 62N.32, the terms defined in this section have the meanings given. Other terms used in those sections have the meanings given in sections 62D.041, 62D.042, ~~62D.043~~, and 62D.044.

Sec. 8. Minnesota Statutes 2002, section 62N.29, is amended to read:

62N.29 [GUARANTEEING ORGANIZATION.]

Subdivision 1. [USE OF GUARANTEEING ORGANIZATION.] (a) A community network may satisfy its net worth and deposit requirements, in whole or in part, through the use of one or more guaranteeing organizations, with the approval of the commissioner, under the conditions permitted in ~~chapter 62D~~ this section. If the guaranteeing organization is used only to satisfy the deposit requirement, the requirements of this section do not apply to the guaranteeing organization.

(b) For purposes of this section, a "guaranteeing organization" means an organization that has agreed to assume the responsibility for the obligation of the community network's net worth requirement.

(c) Governmental entities, such as counties, may serve as guaranteeing organizations subject to the requirements of ~~chapter 62D~~ this section.

Subd. 2. [RESPONSIBILITIES OF GUARANTEEING ORGANIZATION.] Upon an order of rehabilitation or liquidation, a guaranteeing organization shall transfer funds to the commissioner in the amount necessary to satisfy the net worth requirement.

Subd. 3. [REQUIREMENTS FOR GUARANTEEING ORGANIZATION.] (a) A community network's net worth requirement may be guaranteed provided that the guaranteeing organization:

(1) transfers into a restricted asset account cash or securities permitted by section 61A.28, subdivisions 2, 5, and 6, in an amount necessary to satisfy the net worth requirement. Restricted asset accounts shall be considered admitted assets for the purpose of determining whether a guaranteeing organization is maintaining sufficient net worth. Permitted securities shall not be transferred to the restricted asset account in excess of the limits applied to the community network, unless approved by the commissioner in advance;

(2) designates the restricted asset account specifically for the purpose of funding the community network's net worth requirement;

(3) maintains positive working capital subsequent to establishing the restricted asset account, if applicable;

(4) maintains net worth, retained earnings, or surplus in an amount in excess of the amount of the restricted asset account, if applicable, and allows the guaranteeing organization:

(i) to remain a solvent business organization, which shall be evaluated on the basis of the guaranteeing organization's continued ability to meet its maturing obligations without selling substantially all its operating assets and paying debts when due; and

(ii) to be in compliance with any state or federal statutory net worth, surplus, or reserve requirements applicable to that organization or lesser requirements agreed to by the commissioner; and

(5) fulfills requirements of clauses (1) to (4) by April 1 of each year.

(b) The commissioner may require the guaranteeing organization to complete the requirements of paragraph (a) more frequently if the amount necessary to satisfy the net worth requirement increases during the year.

Subd. 4. [EXCEPTIONS TO REQUIREMENTS.] When a guaranteeing organization is a governmental entity, subdivision 3 is not applicable. The commissioner may consider factors which provide evidence that the governmental entity is a financially reliable guaranteeing organization. Similarly, when a guaranteeing organization is a Minnesota-licensed health maintenance organization, health service plan corporation, or insurer, subdivision 3, paragraphs (1) and (2), are not applicable.

Subd. 5. [AMOUNTS NEEDED TO MEET NET WORTH REQUIREMENTS.] The amount necessary for a guaranteeing organization to satisfy the community network's net worth requirement is the lesser of:

(1) an amount needed to bring the community network's net worth to the amount required by section 62N.28; or

(2) an amount agreed to by the guaranteeing organization.

Subd. 6. [CONSOLIDATED CALCULATIONS FOR GUARANTEED COMMUNITY NETWORKS.] (a) If a guaranteeing organization guarantees one or more community networks, the guaranteeing organization may calculate the amount necessary to satisfy the community networks' net worth requirements on a consolidated basis.

(b) Liabilities of the community network to the guaranteeing organization must be subordinated in the same manner as preferred ownership claims under section 60B.44, subdivision 10.

Subd. 7. [AGREEMENT BETWEEN GUARANTEERING ORGANIZATION AND COMMUNITY NETWORK.] A written agreement between the guaranteeing organization and the community network must include the commissioner as a party and include the following provisions:

(1) any or all of the funds needed to satisfy the community network's net worth requirement shall be transferred, unconditionally and upon demand, according to subdivision 2;

(2) the arrangement shall not terminate for any reason without the commissioner being notified of the termination at least nine months in advance. The arrangement may terminate earlier if net worth requirements will be satisfied under other arrangements, as approved by the commissioner;

(3) the guaranteeing organization shall pay or reimburse the commissioner for all costs and expenses, including reasonable attorney fees and costs, incurred by the commissioner in connection with the protection, defense, or enforcement of the guarantee;

(4) the guaranteeing organization shall waive all defenses and claims it may have or the community network may have pertaining to the guarantee including, but not limited to, waiver, release, res judicata, statute of frauds, lack of authority, usury, illegality;

(5) the guaranteeing organization waives present demand for payment, notice of dishonor or nonpayment and protest, and the commissioner shall not be required to first resort for payment to other sources or other means before enforcing the guarantee;

(6) the guarantee may not be waived, modified, amended, terminated, released, or otherwise changed except as provided by the guarantee agreement, and as provided by applicable statutes;

(7) the guaranteeing organization waives its rights under the Federal Bankruptcy Code, United States Code, title 11, section 303, to initiate involuntary proceedings against the community network and agrees to submit to the jurisdiction of the commissioner and Minnesota state courts in any rehabilitation or liquidation of the community network;

(8) the guarantee shall be governed by and construed and enforced according to the laws of the state of Minnesota; and

(9) the guarantee must be approved by the commissioner.

Subd. 8. [SUBMISSION OF GUARANTEEING ORGANIZATION'S FINANCIAL STATEMENTS.] The community network shall submit to the commissioner the guaranteeing organization's audited financial statements annually by April 1 or at a different date if agreed to by the commissioner. The community network shall also provide other relevant financial information regarding a guaranteeing organization as may be requested by the commissioner.

Subd. 9. [PERFORMANCE AS GUARANTEEING ORGANIZATION VOLUNTARY.] No provider may be compelled to serve as a guaranteeing organization.

Subd. 10. [GUARANTOR STATUS IN REHABILITATION OR LIQUIDATION.] Any or all of the funds in excess of the amounts needed to satisfy the community network's obligations as of the date of an order of liquidation or rehabilitation shall be returned to the guaranteeing organization in the same manner as preferred ownership claims under section 60B.44, subdivision 10.

Sec. 9. [REVISOR INSTRUCTION.]

The revisor of statutes shall change the heading of Minnesota Statutes, section 62D.042, to read "INITIAL NET WORTH REQUIREMENT."

Page 37, line 1, before "Minnesota" insert "(a)" and delete "subdivision 3" and insert "subdivisions 3 and 4"

Page 37, line 2, after "62D.042" insert ", subdivisions 5, 6, and 7" and after the period, insert:

"(b) Minnesota Rules, part 4685.0600, is repealed."

The motion prevailed and the amendment was adopted.

Wilkin and Huntley moved to amend H. F. No. 2258, the first engrossment, as amended, as follows:

Page 35, after line 1, insert:

"Sec. 2. Minnesota Statutes 2002, section 62A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] (a) The health plan form shall not be issued, nor shall any application, rider, endorsement, or rate be used in connection with it, until the expiration of 60 days after it has been filed unless the commissioner approves it before that time.

(b) Notwithstanding paragraph (a), a health plan form or a rate, filed with respect to a policy of accident and sickness insurance as defined in section 62A.01 by an insurer licensed under chapter 60A, may be used on or after the date of filing with the commissioner. Health plan forms and rates that are not approved or disapproved within the 60-day time period are deemed approved. This paragraph does not apply to Medicare-related coverage as defined in section 62A.31, subdivision 3, paragraph (q).

Sec. 3. [62Q.37] [AUDITS CONDUCTED BY A NATIONALLY RECOGNIZED INDEPENDENT ORGANIZATION.]

Subdivision 1. [APPLICABILITY.] This section applies only to:

- (1) a nonprofit health service plan corporation operating under chapter 62C;
- (2) a health maintenance organization operating under chapter 62D;
- (3) a community integrated service network operating under chapter 62N; and
- (4) managed care organizations operating under chapter 256B, 256D, or 256L.

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

(a) "Commissioner" means the commissioner of health for purposes of regulating health maintenance organizations and community integrated service networks; the commissioner of commerce for purposes of regulating nonprofit health service plan corporations; or the commissioner of human services for the purpose of contracting with managed care organizations serving persons enrolled in programs under chapter 256B, 256D, or 256L.

(b) "Health plan company" means a nonprofit health service plan corporation operating under chapter 62C; a health maintenance organization operating under chapter 62D; a community integrated service network operating under chapter 62N; or a managed care organization operating under chapter 256B, 256D, or 256L.

(c) "Nationally recognized independent organization" means an organization that sets specific national standards governing health care quality assurance processes, utilization review, provider credentialing, marketing, and other topics covered by this chapter and other chapters and audits and provides accreditation to those health plan companies that meet those standards. The American Accreditation Health Care Commission (URAC), the National Committee for Quality Assurance (NCQA), and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) are, at a minimum, defined as nationally recognized independent organizations; and the Centers for Medicare and Medicaid Services for purposes of reviews or audits conducted of health plan companies under Part C of Title XVIII of the Social Security Act or under section 1876 of the Social Security Act.

(d) "Performance standard" means those standards relating to quality management and improvement, access and availability of service, utilization review, provider selection, provider credentialing, marketing, member rights and responsibilities, complaints, appeals, grievance systems, enrollee information and materials, enrollment and disenrollment, subcontractual relationships and delegation, confidentiality, continuity and coordination of care, assurance of adequate capacity and services, coverage and authorization of services, practice guidelines, health information systems, and financial solvency.

Subd. 3. [AUDITS.] (a) The commissioner may conduct routine audits and investigations as prescribed under the commissioner's respective state authorizing statutes. If a nationally recognized independent organization has conducted an audit of the health plan company using audit procedures that are comparable to or more stringent than the commissioner's audit procedures:

(1) the commissioner may accept the independent audit and require no further audit if the results of the independent audit show that the performance standard being audited meets or exceeds state standards;

(2) the commissioner may accept the independent audit and limit further auditing if the results of the independent audit show that the performance standard being audited partially meets state standards;

(3) the health plan company must demonstrate to the commissioner that the nationally recognized independent organization that conducted the audit is qualified and that the results of the audit demonstrate that the particular performance standard partially or fully meets state standards; and

(4) if the commissioner has partially or fully accepted an independent audit of the performance standard, the commissioner may use the finding of a deficiency with regard to statutes or rules by an independent audit as the basis for a targeted audit or enforcement action.

(b) If a health plan company has formally delegated activities that are required under either state law or contract to another organization that has undergone an audit by a nationally recognized independent organization, that health plan company may use the nationally recognized accrediting body's determination on its own behalf under this section.

Subd. 4. [DISCLOSURE OF NATIONAL STANDARDS AND REPORTS.] The health plan company shall:

(1) request that the nationally recognized independent organization provide to the commissioner a copy of the current nationally recognized independent organization's standards upon which the acceptable accreditation status has been granted; and

(2) shall provide to the commissioner a copy of the most current final audit report issued by the nationally recognized independent organization.

Subd. 5. [ACCREDITATION NOT REQUIRED.] Nothing in this section requires a health plan company to seek an acceptable accreditation status from a nationally recognized independent organization.

Subd. 6. [CONTINUED AUTHORITY.] Nothing in this section precludes the commissioner from conducting audits and investigations, or requesting data as granted under the commissioner's respective state authorizing statutes.

Subd. 7. [HUMAN SERVICES.] The commissioner of human services shall implement this section in a manner that is consistent with applicable federal laws and regulations.

Subd. 8. [CONFIDENTIALITY.] Any documents provided to the commissioner related to the audit report that may be accepted under this section are private data on individuals pursuant to chapter 13 and may only be released as permitted under section 60A.03, subdivision 9.

Sec. 4. Minnesota Statutes 2002, section 72A.20, is amended by adding a subdivision to read:

Subd. 37. [ELECTRONIC TRANSMISSION OF REQUIRED INFORMATION.] A health carrier, as defined in section 62A.011, subdivision 2, is not in violation of this chapter for electronically transmitting or electronically making available information otherwise required to be delivered in writing under chapters 62A to 62Q and 72A to an enrollee as defined in section 62Q.01, subdivision 2a, and with the requirements of those chapters if the following conditions are met:

(1) the health carrier informs the enrollee that electronic transmission or access is available and, at the discretion of the health carrier, the enrollee is given one of the following options:

(i) electronic transmission or access will occur only if the enrollee affirmatively requests to the health carrier that the required information be electronically transmitted or available and a record of that request is retained by the health carrier; or

(ii) electronic transmission or access will automatically occur if the enrollee has not opted out of that manner of transmission by request to the health carrier and requested that the information be provided in writing. If the enrollee opts out of electronic transmission, a record of that request must be retained by the health carrier;

(2) the enrollee is allowed to withdraw the request at any time;

(3) if the information transmitted electronically contains individually identifiable data, it must be transmitted to a secured mailbox. If the information made available electronically contains individually identifiable data, it must be made available at a password-protected secured Web site;

(4) the enrollee is provided a customer service number on the enrollee's member card that may be called to request a written copy of the document; and

(5) the electronic transmission or electronic availability meets all other requirements of this chapter including, but not limited to, size of the typeface and any required time frames for distribution."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2258, A bill for an act relating to commerce; establishing risk-based capital requirements for health organizations; establishing the minimum standard of valuation for health insurance; enacting model regulations of the National Association of Insurance Commissioners; regulating loss revenue certifications; changing other health plan requirements; making various securities regulation technical changes; amending Minnesota Statutes 2002, sections 45.027, subdivision 7a; 60A.03, subdivision 9; 60A.031, subdivision 4; 60A.129, subdivision 2; 62A.02, subdivision 2; 62C.09, by adding a subdivision; 62D.04, subdivision 1; 62D.041, subdivision 2; 62D.042, subdivisions 1, 2; 62N.25, subdivision 6; 62N.27, subdivision 1; 62N.29; 72A.20, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 60A; 62Q; repealing Minnesota Statutes 2002, sections 62C.09, subdivisions 3, 4; 62D.042, subdivisions 5, 6, 7; 62D.043; Minnesota Rules, part 4685.0600.

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

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

Those who voted in the affirmative were:

Abeler	Anderson, J.	Blaine	Buesgens	Davids	Dorman
Abrams	Atkins	Borrell	Carlson	Davnie	Dorn
Adolphson	Beard	Boudreau	Clark	DeLaForest	Eastlund
Anderson, B.	Bernardy	Bradley	Cornish	Demmer	Eken
Anderson, I.	Biernat	Brod	Cox	Dill	Ellison

Entenza	Hoppe	Lanning	Nelson, M.	Rhodes	Thao
Erhardt	Hornstein	Larson	Nelson, P.	Rukavina	Thissen
Erickson	Howes	Latz	Newman	Ruth	Tingelstad
Finstad	Huntley	Lenczewski	Nornes	Samuelson	Urdahl
Fuller	Jacobson	Lesch	Olsen, S.	Seagren	Vandever
Gerlach	Jaros	Lieder	Opatz	Seifert	Wagenius
Goodwin	Johnson, J.	Lindgren	Osterman	Sertich	Walker
Greiling	Johnson, S.	Lindner	Otremba	Severson	Walz
Gunther	Juhnke	Lipman	Otto	Sieben	Wardlow
Haas	Kahn	Magnus	Ozment	Simpson	Wasiluk
Hackbarth	Kelliher	Mahoney	Paulsen	Slawik	Westerberg
Harder	Klinzing	Mariani	Paymar	Smith	Westrom
Hausman	Knoblach	Marquart	Pelowski	Soderstrom	Wilkin
Heidgerken	Koenen	McNamara	Penas	Solberg	Zellers
Hilstrom	Kohls	Mullery	Peterson	Stang	Spk. Sviggum
Hilty	Krinkie	Murphy	Powell	Swenson	
Holberg	Kuisle	Nelson, C.	Pugh	Sykora	

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

S. F. No. 1716, A bill for an act relating to health; providing an exemption from the hospital construction moratorium; amending Minnesota Statutes 2003 Supplement, section 144.551, subdivision 1.

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

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

Those who voted in the affirmative were:

Abeler	DeLaForest	Heidgerken	Larson	Osterman	Soderstrom
Abrams	Demmer	Hilstrom	Latz	Otremba	Solberg
Adolphson	Dempsey	Hilty	Lenczewski	Otto	Stang
Anderson, B.	Dill	Holberg	Lesch	Ozment	Swenson
Anderson, I.	Dorman	Hoppe	Lieder	Paulsen	Sykora
Anderson, J.	Dorn	Hornstein	Lindgren	Paymar	Thao
Atkins	Eastlund	Howes	Lindner	Pelowski	Thissen
Beard	Eken	Huntley	Lipman	Penas	Tingelstad
Bernardy	Ellison	Jacobson	Magnus	Peterson	Urdahl
Biernat	Entenza	Jaros	Mahoney	Powell	Vandever
Blaine	Erhardt	Johnson, J.	Mariani	Pugh	Wagenius
Borrell	Erickson	Johnson, S.	Marquart	Rhodes	Walker
Boudreau	Finstad	Juhnke	McNamara	Rukavina	Walz
Bradley	Fuller	Kahn	Mullery	Ruth	Wardlow
Brod	Gerlach	Kelliher	Murphy	Seagren	Wasiluk
Buesgens	Goodwin	Klinzing	Nelson, C.	Seifert	Westerberg
Carlson	Greiling	Knoblach	Nelson, M.	Sertich	Westrom
Clark	Gunther	Koenen	Nelson, P.	Severson	Wilkin
Cornish	Haas	Kohls	Newman	Sieben	Zellers
Cox	Hackbarth	Krinkie	Nornes	Simpson	Spk. Sviggum
Davids	Harder	Kuisle	Olsen, S.	Slawik	
Davnie	Hausman	Lanning	Opatz	Smith	

The bill was passed and its title agreed to.

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

MOTIONS AND RESOLUTIONS

Knoblach moved that the name of Olson, M., be added as an author on H. F. No. 2760. The motion prevailed.

Stang moved that the name of Strachan be added as an author on H. F. No. 3089. The motion prevailed.

House Resolution No. 24 was reported to the House.

HOUSE RESOLUTION NO. 24

A House resolution recognizing May 6, 2004, as a Day of Prayer in Minnesota.

Whereas, the citizens of the state of Minnesota are a diverse group of people, with nearly every nationality and a variety of religious traditions being represented; and

Whereas, the history of our state is replete with leaders who voluntarily called upon their God, whether the need was great or small; and

Whereas, civic and national days of prayer have a long and venerable history in our constitutional republic, dating back to the First Continental Congress in 1775; and

Whereas, the Declaration of Independence, our first statement as Americans of national purpose and identity, made "the laws of Nature and of Nature's God" the foundation of our United States of America and asserted that people have inalienable rights that are God-given; and

Whereas, in 1988, legislation setting aside the first Thursday in May in each year as a National Day of Prayer was passed unanimously by both houses of Congress and signed by President Ronald Reagan; and

Whereas, the National Day of Prayer is an opportunity for Americans of all faiths to join in united prayer to acknowledge our dependence on God, to give thanks for blessings received, to request healing for wounds endured, and to ask God to guide our leaders, bless our troops, and bring wholeness to the United States and its citizens; and

Whereas, May 6, 2004, marks the fifty-third consecutive observance of the National Day of Prayer in cities and towns throughout the United States; and

Whereas, this year it is fitting that we pray especially for American armed services members serving in Iraq or supporting those who serve there; and

Whereas, the citizens of Minnesota should gather together on this day in their homes, churches, meeting places, and chosen places of worship to pray in their own way for unity of the hearts of all humankind and for strong moral character in the lives of the people of all nations, as well as peace and understanding throughout the world; *Now, Therefore,*

Be It Resolved by the House of Representatives of the State of Minnesota that it recognizes May 6, 2004, as a Day of Prayer in the state of Minnesota and commends this observance to all citizens.

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

Boudreau moved to amend House Resolution No. 24 as follows:

Page 2, line 12, after the second comma, insert "synagogues, mosques,"

The motion prevailed and the amendment was adopted.

Boudreau moved that House Resolution No. 24, as amended, be now adopted. The motion prevailed and House Resolution No. 24, as amended, was adopted.

Tingelstad, Abeler and Otremba introduced:

House Resolution No. 25, A House resolution recognizing October 20, 2004, as Disability Mentoring Day in the State of Minnesota.

The resolution was referred to the Committee on Rules and Legislative Administration.

Holberg introduced:

House Resolution No. 26, A House resolution honoring Donald A. Gemberling on the occasion of his retirement from the Department of Administration.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 10:00 a.m., Thursday, May 6, 2004. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Thursday, May 6, 2004.

EDWARD A. BURDICK, Chief Clerk, House of Representatives