

STATE OF MINNESOTA

EIGHTY-FIRST SESSION — 2000

EIGHTIETH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 1, 2000

The House of Representatives convened at 3:00 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by Father Lawrence Blake, St. Hubert Catholic Church, Chanhassen, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Winter was excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Fuller 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. 2346 and H. F. No. 2603, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Hackbarth moved that the rules be so far suspended that S. F. No. 2346 be substituted for H. F. No. 2603 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2485 and H. F. No. 2774, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Broecker moved that S. F. No. 2485 be substituted for H. F. No. 2774 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2554 and H. F. No. 3039, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Daggett moved that S. F. No. 2554 be substituted for H. F. No. 3039 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2783 and H. F. No. 3066, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Seifert, J., moved that the rules be so far suspended that S. F. No. 2783 be substituted for H. F. No. 3066 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 537, A bill for an act relating to health; allowing complementary and alternative health care practitioners to practice in certain circumstances; creating informed consent and notice requirements; establishing civil penalties; amending Minnesota Statutes 1998, section 147.09; proposing coding for new law as Minnesota Statutes, chapter 146A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"COMPLEMENTARY AND ALTERNATIVE HEALTH CARE FREEDOM OF ACCESS ACT

Section 1. Minnesota Statutes 1999 Supplement, section 13.99, is amended by adding a subdivision to read:

Subd. 42c. [UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTITIONERS AND CLIENTS.] Data obtained by the commissioner of health on unlicensed complementary and alternative health care practitioners and clients are classified under sections 146A.06 and 146A.08.

Sec. 2. [146A.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] As used in this chapter, the following terms have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health or the commissioner's designee.

Subd. 3. [COMPLEMENTARY AND ALTERNATIVE HEALTH CARE CLIENT.] "Complementary and alternative health care client" means an individual who receives services from an unlicensed complementary and alternative health care practitioner.

Subd. 4. [COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTICES.] (a) "Complementary and alternative health care practices" means the broad domain of complementary and alternative healing methods and treatments, including but not limited to: (1) acupressure; (2) anthroposophy; (3) aroma therapy; (4) ayurveda; (5) cranial sacral therapy; (6) culturally traditional healing practices; (7) detoxification practices and therapies; (8) energetic healing; (9) polarity therapy; (10) folk practices; (11) healing practices utilizing food, food supplements, nutrients, and the physical forces of heat, cold, water, touch, and light; (12) Gerson therapy and colostrum therapy; (13) healing touch; (14) herbology or herbalism; (15) homeopathy; (16) iridology; (17) body work, massage, and massage therapy; (18) meditation; (19) mind-body healing practices; (20) naturopathy; (21) noninvasive instrumentalities; and (22) traditional Oriental practices, such as Qi Gong energy healing.

(b) Complementary and alternative health care practices, in and of themselves, do not include surgery, x-ray radiation, administering or dispensing legend drugs and controlled substances, practices that invade the human body by puncture of the skin, setting fractures, the use of medical devices as defined in section 147A.01, any practice included in the practice of dentistry as defined in section 150A.05, subdivision 1, or the manipulation or adjustment of articulations of joints or the spine as described in section 146.23 or 148.01.

(c) Complementary and alternative health care practices do not include practices that are permitted under section 147.09, clause (11), or 148.271, clause (5).

Subd. 5. [OFFICE OF UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTICE OR OFFICE.] "Office of unlicensed complementary and alternative health care practice" or "office" means the office of unlicensed complementary and alternative health care practice established in section 146A.02.

Subd. 6. [PATIENT-IDENTIFYING DATA.] "Patient-identifying data" means data that identifies a patient directly or that identifies characteristics which reasonably could uniquely identify a specific patient circumstantially.

Subd. 7. [ROSTER DATA.] "Roster data" means, with regard to an enrollee of a health plan company or group purchaser, an enrollee's name, address, telephone number, date of birth, gender, and enrollment status under a group purchaser's health plan. Roster data means, with regard to a patient of a provider, the patient's name, address, telephone number, date of birth, gender, and date or dates treated, including, if applicable, the date of admission and the date of discharge.

Subd. 8. [UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTITIONER.] "Unlicensed complementary and alternative health care practitioner" means a person who:

(1) is not licensed or registered by a health-related licensing board or the commissioner of health, or does not hold oneself out to the public as licensed or registered by a health-related licensing board or the commissioner of health when engaging in complementary and alternative health care practices;

(2) has not had a license or registration issued by a health-related licensing board or the commissioner of health revoked or has not been disciplined in any manner at any time in the past, unless the right to engage in complementary and alternative health care practices has been established by order of the commissioner of health;

(3) is engaging in complementary and alternative health care practices; and

(4) is providing complementary and alternative health care services for remuneration or is holding oneself out to the public as a practitioner of complementary and alternative health care practices.

Sec. 3. [146A.02] [OFFICE OF UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTICE.]

Subdivision 1. [CREATION.] The office of unlicensed complementary and alternative health care practice is created in the department of health to investigate complaints and take and enforce disciplinary actions against all unlicensed complementary and alternative health care practitioners for violations of prohibited conduct, as defined in section 146A.08. The office shall also serve as a clearinghouse on complementary and alternative health care practices and unlicensed complementary and alternative health care practitioners through the dissemination of objective information to consumers and through the development and performance of public education activities, including outreach, regarding the provision of complementary and alternative health care practices and unlicensed complementary and alternative health care practitioners who provide these services.

Subd. 2. [RULEMAKING.] The commissioner shall adopt rules necessary to implement, administer, or enforce provisions of this chapter pursuant to chapter 14. The commissioner may not adopt rules that restrict or prohibit persons from engaging in complementary and alternative health care practices on the basis of education, training, experience, or supervision.

Sec. 4. [146A.025] [MALTREATMENT OF MINORS.]

Nothing in this chapter shall restrict the ability of a local welfare agency, local law enforcement agency, the commissioner of human services, or the state to take action regarding the maltreatment of minors under section 609.378 or 626.556. A parent who obtains complementary and alternative health care for the parent's minor child is not relieved of the duty to seek necessary medical care.

Sec. 5. [146A.03] [REPORTING OBLIGATIONS.]

Subdivision 1. [PERMISSION TO REPORT.] A person who has knowledge of any conduct constituting grounds for disciplinary action relating to complementary and alternative health care practices under this chapter may report the violation to the office.

Subd. 2. [INSTITUTIONS.] A state agency, political subdivision, agency of a local unit of government, private agency, hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state shall report to the office any action taken by the agency, institution, or organization or any of its administrators or medical or other committees to revoke, suspend, restrict, or condition an unlicensed complementary and alternative health care practitioner's privilege to practice or treat complementary and alternative health care clients in the institution or, as part of the organization, any denial of privileges or any other disciplinary action for conduct that might constitute grounds for disciplinary action by the office under this chapter. The institution, organization, or governmental entity shall also report the resignation of any unlicensed complementary and alternative health care practitioners prior to the conclusion of any disciplinary action proceeding for conduct that might constitute grounds for disciplinary action under this chapter or prior to the commencement of formal charges but after the practitioner had knowledge that formal charges were contemplated or were being prepared.

Subd. 3. [PROFESSIONAL SOCIETIES.] A state or local professional society for unlicensed complementary and alternative health care practitioners shall report to the office any termination, revocation, or suspension of membership or any other disciplinary action taken against an unlicensed complementary and alternative health care practitioner. If the society has received a complaint that might be grounds for discipline under this chapter against a member on which it has not taken any disciplinary action, the society shall report the complaint and the reason why it has not taken action on it or shall direct the complainant to the office.

Subd. 4. [LICENSED PROFESSIONALS.] A licensed health professional shall report to the office personal knowledge of any conduct that the licensed health professional reasonably believes constitutes grounds for disciplinary action under this chapter by any unlicensed complementary and alternative health care practitioner, including conduct indicating that the individual may be medically incompetent or may be medically or physically unable to engage safely in the provision of services. If the information was obtained in the course of a client relationship, the client is an unlicensed complementary and alternative health care practitioner, and the treating individual successfully counsels the other practitioner to limit or withdraw from practice to the extent required by the impairment, the office may deem this limitation of or withdrawal from practice to be sufficient disciplinary action.

Subd. 5. [INSURERS.] Four times each year as prescribed by the commissioner, each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to unlicensed complementary and alternative health care practitioners or the medical joint underwriting association under chapter 62F shall submit to the office a report concerning the unlicensed complementary and alternative health care practitioners against whom malpractice settlements or awards have been made. The response must contain at least the following information:

- (1) the total number of malpractice settlements or awards made;
- (2) the date the malpractice settlements or awards were made;
- (3) the allegations contained in the claim or complaint leading to the settlements or awards made;
- (4) the dollar amount of each malpractice settlement or award;
- (5) the regular address of the practice of the unlicensed complementary and alternative health care practitioner against whom an award was made or with whom a settlement was made; and
- (6) the name of the unlicensed complementary and alternative health care practitioner against whom an award was made or with whom a settlement was made.

The insurance company shall, in addition to the above information, submit to the office any information, records, and files, including clients' charts and records, it possesses that tend to substantiate a charge that an unlicensed complementary and alternative health care practitioner may have engaged in conduct violating this chapter.

Subd. 6. [COURTS.] The court administrator of district court or any other court of competent jurisdiction shall report to the office any judgment or other determination of the court that adjudges or includes a finding that an unlicensed complementary and alternative health care practitioner is mentally ill, mentally incompetent, guilty of a felony, guilty of a violation of federal or state narcotics laws or controlled substances act, or guilty of abuse or fraud under Medicare or Medicaid; or that appoints a guardian of the unlicensed complementary and alternative health care practitioner under sections 525.54 to 525.61 or commits an unlicensed complementary and alternative health care practitioner under chapter 253B.

Subd. 7. [SELF-REPORTING.] An unlicensed complementary and alternative health care practitioner shall report to the office any personal action that would require that a report be filed with the office by any person, health care facility, business, or organization pursuant to subdivisions 2 to 5. The practitioner shall also report the revocation, suspension, restriction, limitation, or other disciplinary action against the practitioner's license, certificate, registration, or right of practice in another state or jurisdiction for offenses that would be subject to disciplinary action in this state and also report the filing of charges regarding the practitioner's license, certificate, registration, or right of practice in another state or jurisdiction.

Subd. 8. [DEADLINES; FORMS.] Reports required by subdivisions 2 to 7 must be submitted not later than 30 days after the reporter learns of the occurrence of the reportable event or transaction. The office may provide forms for the submission of reports required by this section, may require that reports be submitted on the forms provided, and may adopt rules necessary to ensure prompt and accurate reporting.

Sec. 6. [146A.04] [IMMUNITY.]

Subdivision 1. [REPORTING.] Any person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting a report to the office, for otherwise reporting to the office violations or alleged violations of this chapter, or for cooperating with an investigation of a report, except as provided in this subdivision. Any person who knowingly or recklessly makes a false report is liable in a civil suit for any actual damages suffered by the person or persons so reported and for any punitive damages set by the court or jury. An action requires clear and convincing evidence that the defendant made the statement with knowledge of falsity or with reckless disregard for its truth or falsity. The report or statement or any statement made in cooperation with an investigation or as part of a disciplinary proceeding is privileged except in an action brought under this subdivision.

Subd. 2. [INVESTIGATION.] The commissioner and employees of the department of health and other persons engaged in the investigation of violations and in the preparation, presentation, and management of and testimony pertaining to charges of violations of this chapter are absolutely immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

Sec. 7. [146A.05] [DISCIPLINARY RECORD ON JUDICIAL REVIEW.]

Upon judicial review of any disciplinary action taken by the commissioner under this chapter, the reviewing court shall seal the administrative record, except for the commissioner's final decision, and shall not make the administrative record available to the public.

Sec. 8. [146A.06] [PROFESSIONAL COOPERATION; UNLICENSED PRACTITIONER.]

Subdivision 1. [COOPERATION.] An unlicensed complementary and alternative health care practitioner who is the subject of an investigation, or who is questioned in connection with an investigation, by or on behalf of the office shall cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the office relating to the subject of the investigation, whether tape recorded or not; providing copies of client records, as reasonably requested by the office, to assist the office in its investigation; and appearing at conferences or hearings scheduled by the commissioner. If the office does not have a written consent from a client permitting access to the client's records, the unlicensed complementary and alternative health care practitioner shall delete any patient-identifying data and roster data in the record before providing it to the office. The office shall maintain any records obtained pursuant to this section as investigative data pursuant to section 13.41. If an unlicensed complementary and alternative health care practitioner refuses to give testimony or produce any documents, books, records, or correspondence on the basis of the fifth amendment to the Constitution of the United States, the commissioner may compel the unlicensed complementary and alternative health care practitioner to provide the testimony or information; however, the testimony or evidence may not be used against the practitioner in any criminal proceeding. Challenges to requests of the office may be brought before the appropriate agency or court.

Subd. 2. [CLASSIFICATION OF DATA.] The commissioner shall maintain any records, other than client records, obtained as part of an investigation as investigative data under section 13.41. Client records are classified as private under chapter 13 and must be protected as such in the records of the office and in any administrative or judicial proceeding unless the unlicensed complementary and alternative health care client authorizes the office in writing to make public the identity of the client or a portion or all of the client's records.

Subd. 3. [EXCHANGING INFORMATION.] (a) The office shall establish internal operating procedures for:

(1) exchanging information with state boards; agencies, including the office of ombudsman for mental health and mental retardation; health-related and law enforcement facilities; departments responsible for licensing health-related occupations, facilities, and programs; and law enforcement personnel in this and other states; and

(2) coordinating investigations involving matters within the jurisdiction of more than one regulatory agency.

(b) The procedures for exchanging information must provide for the forwarding to the entities described in paragraph (a), clause (1), of information and evidence, including the results of investigations, that are relevant to matters within the regulatory jurisdiction of the organizations in paragraph (a). The data have the same classification in the hands of the agency receiving the data as they have in the hands of the agency providing the data.

(c) The office shall establish procedures for exchanging information with other states regarding disciplinary action against unlicensed complementary and alternative health care practitioners.

(d) The office shall forward to another governmental agency any complaints received by the office that do not relate to the office's jurisdiction but that relate to matters within the jurisdiction of the other governmental agency. The agency to which a complaint is forwarded shall advise the office of the disposition of the complaint. A complaint or other information received by another governmental agency relating to a statute or rule that the office is empowered to enforce must be forwarded to the office to be processed in accordance with this section.

(e) The office shall furnish to a person who made a complaint a description of the actions of the office relating to the complaint.

Sec. 9. [146A.07] [PROFESSIONAL ACCOUNTABILITY.]

The office shall maintain and keep current a file containing the reports and complaints filed against unlicensed complementary and alternative health care practitioners within the commissioner's jurisdiction. Each complaint filed with the office must be investigated. If the files maintained by the office show that a malpractice settlement or award has been made against an unlicensed complementary and alternative health care practitioner, as reported by insurers under section 146A.03, subdivision 5, the commissioner may authorize a review of the practitioner's practice by the staff of the office.

Sec. 10. [146A.08] [PROHIBITED CONDUCT.]

Subdivision 1. [PROHIBITED CONDUCT.] The commissioner may impose disciplinary action as described in section 146A.09 against any unlicensed complementary and alternative health care practitioner. The following conduct is prohibited and is grounds for disciplinary action:

(1) Conviction of a crime, including a finding or verdict of guilt, an admission of guilt, or a no-contest plea, in any court in Minnesota or any other jurisdiction in the United States, reasonably related to engaging in complementary and alternative health care practices. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony, gross misdemeanor, or misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.

(2) Conviction of any crime against a person. For purposes of this chapter, a crime against a person means violations of the following: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.221; 609.222; 609.223; 609.224; 609.2242; 609.23; 609.231; 609.2325; 609.233; 609.2335; 609.235; 609.24; 609.245; 609.25; 609.255; 609.26, subdivision 1, clause (1) or (2); 609.265; 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1; 609.50, subdivision 1, clause (1); 609.561; 609.562; 609.595; and 609.72, subdivision 3.

(3) Failure to comply with the self-reporting requirements of section 146A.03, subdivision 7.

(4) Engaging in sexual contact with a complementary and alternative health care client or former client, engaging in contact that may be reasonably interpreted by a client as sexual, engaging in any verbal behavior that is seductive or sexually demeaning to the patient, or engaging in sexual exploitation of a client or former client. For purposes of this clause, "former client" means a person who has obtained services from the unlicensed complementary and alternative health care practitioner within the past two years.

(5) Advertising that is false, fraudulent, deceptive, or misleading.

(6) Conduct likely to deceive, defraud, or harm the public or demonstrating a willful or careless disregard for the health, welfare, or safety of a complementary and alternative health care client; or any other practice that may create unnecessary danger to any client's life, health, or safety, in any of which cases, harm or the potential for harm must be recognizable and not remote and proof of actual injury need not be established.

(7) Adjudication as mentally incompetent or as a person who is dangerous to self or adjudication pursuant to chapter 253B as chemically dependent, mentally ill, mentally retarded, mentally ill and dangerous to the public, or as a sexual psychopathic personality or sexually dangerous person.

(8) Inability to engage in complementary and alternative health care practices with reasonable safety to complementary and alternative health care clients based on but not limited to illness; drunkenness; or use of drugs, narcotics, chemicals, or any other type of material or as a result of any mental or physical condition including deterioration through the aging process or loss of motor skills.

(9) The habitual overindulgence in the use of or the dependence on intoxicating liquors.

(10) Improper or unauthorized personal or other use of any legend drugs as defined in chapter 151, any chemicals as defined in chapter 151, or any controlled substance as defined in chapter 152.

(11) Revealing a communication from, or relating to, a complementary and alternative health care client except when otherwise required or permitted by law.

(12) Failure to comply with a complementary and alternative health care client's request made under section 144.335 or to furnish a complementary and alternative health care client record or report required by law.

(13) Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the complementary and alternative health care client.

(14) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(15) Failure to make reports as required by section 146A.03 or cooperate with an investigation of the office.

(16) Obtaining money, property, or services from a complementary and alternative health care client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud.

(17) Undertaking or continuing a professional relationship with a complementary and alternative health care client in which the objectivity of the unlicensed complementary and alternative health care practitioner would be impaired.

(18) Failure to provide a complementary and alternative health care client with a copy of the client bill of rights or violation of any provision of the client bill of rights.

(19) Violating any order issued by the commissioner.

(20) Failure to comply with any provision of sections 146A.01 to 146A.11 and the rules adopted under those sections.

(21) Failure to comply with any additional disciplinary grounds established by the commissioner by rule.

(22) Revocation, suspension, restriction, limitation, or other disciplinary action against any health care license, certificate, registration, or right to practice of the unlicensed complementary and alternative health care practitioner in this or another state or jurisdiction for offenses that would be subject to disciplinary action in this state or failure to report to the office that charges regarding the practitioner's license, certificate, registration, or right to practice have been brought in this or another state or jurisdiction unless right to practice is established by the commissioner order.

(23) Use of the title "doctor," "Dr.," or "physician" alone or in combination with any other words, letters, or insignia to describe the complementary and alternative health care practices the practitioner provides.

(24) Failure to provide a complementary and alternative health care client with a recommendation that the client see a health care provider who is licensed or registered by a health-related licensing board or the commissioner of health, if there is a reasonable likelihood that, based on the health condition of the client, the client needs to be seen by a licensed or registered health care provider. However, after making such a recommendation, the practitioner may continue to provide services to the client if the client provides informed consent for the continued services.

Subd. 2. [LESS CUSTOMARY APPROACH.] The fact that a complementary and alternative health care practice may be a less customary approach to health care shall not constitute the basis of a disciplinary action per se.

Subd. 3. [EVIDENCE.] In disciplinary actions alleging a violation of subdivision 1, clause (1), (2), (3), or (7), a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same is admissible into evidence without further authentication and constitutes prima facie evidence of its contents.

Subd. 4. [EXAMINATION; ACCESS TO MEDICAL DATA.] (a) If the commissioner has probable cause to believe that an unlicensed complementary and alternative health care practitioner has engaged in conduct prohibited by subdivision 1, clause (7), (8), (9), or (10), the commissioner may issue an order directing the practitioner to submit to a mental or physical examination or chemical dependency evaluation. For the purpose of this subdivision, every unlicensed complementary and alternative health care practitioner is deemed to have consented to submit to a mental or physical examination or chemical dependency evaluation when ordered to do so in writing by the commissioner and further to have waived all objections to the admissibility of the testimony or examination reports of the health care provider performing the examination or evaluation on the grounds that the same constitute a privileged communication. Failure of an unlicensed complementary and alternative health care practitioner to submit to an examination or evaluation when ordered, unless the failure was due to circumstances beyond the practitioner's control, constitutes an admission that the unlicensed complementary and alternative health care practitioner violated subdivision 1, clause (7), (8), (9), or (10), based on the factual specifications in the examination or evaluation order and may result in a default and final disciplinary order being entered after a contested case hearing. An unlicensed complementary and alternative health care practitioner affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the practitioner can resume the provision of complementary and alternative health care practices with reasonable safety to clients. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the commissioner shall be used against an unlicensed complementary and alternative health care practitioner in any other proceeding.

(b) In addition to ordering a physical or mental examination or chemical dependency evaluation, the commissioner may, notwithstanding section 13.42, 144.651, 595.02, or any other law limiting access to medical or other health data, obtain medical data and health records relating to an unlicensed complementary and alternative health care practitioner without the practitioner's consent if the commissioner has probable cause to believe that a practitioner has engaged in conduct prohibited by subdivision 1, clause (7), (8), (9), or (10). The medical data may be requested from a provider as defined in section 144.335, subdivision 1, paragraph (b), an insurance company, or a government agency, including the department of human services. A provider, insurance company, or government agency shall comply with any written request of the commissioner under this subdivision and is not liable in any action for damages for releasing the data requested by the commissioner if the data are released pursuant to a written request under this subdivision, unless the information is false and the person or organization giving the information knew or had reason to believe the information was false. Information obtained under this subdivision is private data under section 13.41.

Sec. 11. [146A.09] [DISCIPLINARY ACTIONS.]

Subdivision 1. [FORMS OF DISCIPLINARY ACTION.] When the commissioner finds that an unlicensed complementary and alternative health care practitioner has violated any provision of this chapter, the commissioner may take one or more of the following actions, only against the individual practitioner:

(1) revoke the right to practice;

(2) suspend the right to practice;

(3) impose limitations or conditions on the practitioner's provision of complementary and alternative health care practices, impose rehabilitation requirements, or require practice under supervision;

(4) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the practitioner of any economic advantage gained by reason of the violation charged or to reimburse the office for all costs of the investigation and proceeding;

(5) censure or reprimand the practitioner;

(6) impose a fee on the practitioner to reimburse the office for all or part of the cost of the proceedings resulting in disciplinary action including, but not limited to, the amount paid by the office for services from the office of administrative hearings, attorney fees, court reports, witnesses, reproduction of records, staff time, and expense incurred by the staff of the office of unlicensed complementary and alternative health care practice; or

(7) any other action justified by the case.

Subd. 2. [DISCOVERY; SUBPOENAS.] In all matters relating to the lawful activities of the office, the commissioner may issue subpoenas and compel the attendance of witnesses and the production of all necessary papers, books, records, documents, and other evidentiary material. Any person failing or refusing to appear or testify regarding any matter about which the person may be lawfully questioned or failing to produce any papers, books, records, documents, or other evidentiary materials in the matter to be heard, after having been required by order of the commissioner or by a subpoena of the commissioner to do so may, upon application to the district court in any district, be ordered to comply with the order or subpoena. The commissioner may administer oaths to witnesses or take their affirmation. Depositions may be taken within or without the state in the manner provided by law for the taking of depositions in civil actions. A subpoena or other process may be served upon a person it names anywhere within the state by any officer authorized to serve subpoenas or other process in civil actions in the same manner as prescribed by law for service of process issued out of the district court of this state.

Subd. 2a. [HEARINGS.] If the commissioner proposes to take action against the practitioner as described in subdivision 1, the commissioner must first notify the practitioner against whom the action is proposed to be taken and provide the practitioner with an opportunity to request a hearing under the contested case provisions of chapter 14. If the practitioner does not request a hearing by notifying the commissioner within 30 days after service of the notice of the proposed action, the commissioner may proceed with the action without a hearing.

Subd. 3. [REINSTATEMENT.] The commissioner may at the commissioner's discretion reinstate the right to practice and may impose any disciplinary measure listed under subdivision 1.

Subd. 4. [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the commissioner may, acting through a person to whom the commissioner has delegated this authority and without a hearing, temporarily suspend the right of an unlicensed complementary and alternative health care practitioner to practice if the commissioner's delegate finds that the practitioner has violated a statute or rule that the commissioner is empowered to enforce and continued practice by the practitioner would create a serious risk of harm to others. The suspension is in effect upon service of a written order on the practitioner specifying the statute or rule violated. The order remains in effect until the commissioner issues a final order in the matter after a hearing or upon agreement between the commissioner and the practitioner. Service of the order is effective if the order is served on the practitioner or counsel of record personally or by first class mail. Within ten days of service of the order, the commissioner shall hold a hearing on the sole issue of whether there is a reasonable basis to continue, modify, or lift the suspension. Evidence presented by the office or practitioner shall be in affidavit form only. The practitioner or the counsel of record may appear for oral argument. Within five working days after the hearing, the commissioner shall issue the commissioner's order and, if the suspension is continued, schedule a contested case hearing within 45 days after issuance of the order. The administrative law judge shall issue a report within 30 days after closing of the contested case hearing record. The commissioner shall issue a final order within 30 days after receipt of that report.

Subd. 5. [AUTOMATIC SUSPENSION.] The right of an unlicensed complementary and alternative health care practitioner to practice is automatically suspended if (1) a guardian of an unlicensed complementary and alternative health care practitioner is appointed by order of a court under sections 525.54 to 525.61, or (2) the practitioner is committed by order of a court pursuant to chapter 253B. The right to practice remains suspended until the practitioner is restored to capacity by a court and, upon petition by the practitioner, the suspension is terminated by the commissioner after a hearing or upon agreement between the commissioner and the practitioner.

Sec. 12. [146A.10] [ADDITIONAL REMEDIES.]

Subdivision 1. [CEASE AND DESIST.] (a) The commissioner may issue a cease and desist order to stop a person from violating or threatening to violate a statute, rule, or order which the office has issued or is empowered to enforce. The cease and desist order must state the reason for its issuance and give notice of the person's right to request a hearing under sections 14.57 to 14.62. If, within 15 days of service of the order, the subject of the order fails to request a hearing in writing, the order is the final order of the commissioner and is not reviewable by a court or agency.

(b) A hearing must be initiated by the office not later than 30 days from the date of the office's receipt of a written hearing request. Within 30 days of receipt of the administrative law judge's report, the commissioner shall issue a final order modifying, vacating, or making permanent the cease and desist order as the facts require. The final order remains in effect until modified or vacated by the commissioner.

(c) When a request for a stay accompanies a timely hearing request, the commissioner may, in the commissioner's discretion, grant the stay. If the commissioner does not grant a requested stay, the commissioner shall refer the request to the office of administrative hearings within three working days of receipt of the request. Within ten days after receiving the request from the commissioner, an administrative law judge shall issue a recommendation to grant or deny the stay. The commissioner shall grant or deny the stay within five days of receiving the administrative law judge's recommendation.

(d) In the event of noncompliance with a cease and desist order, the commissioner may institute a proceeding in Hennepin county district court to obtain injunctive relief or other appropriate relief, including a civil penalty payable to the office not exceeding \$10,000 for each separate violation.

Subd. 2. [INJUNCTIVE RELIEF.] In addition to any other remedy provided by law, including the issuance of a cease and desist order under subdivision 1, the commissioner may in the commissioner's own name bring an action in Hennepin county district court for injunctive relief to restrain an unlicensed complementary and alternative health care practitioner from a violation or threatened violation of any statute, rule, or order which the commissioner is empowered to regulate, enforce, or issue. A temporary restraining order must be granted in the proceeding if continued activity by a practitioner would create a serious risk of harm to others. The commissioner need not show irreparable harm.

Subd. 3. [ADDITIONAL POWERS.] The issuance of a cease and desist order or injunctive relief granted under this section does not relieve a practitioner from criminal prosecution by a competent authority or from disciplinary action by the commissioner.

Sec. 13. [146A.11] [COMPLEMENTARY AND ALTERNATIVE HEALTH CARE CLIENT BILL OF RIGHTS.]

Subdivision 1. [SCOPE.] All unlicensed complementary and alternative health care practitioners shall provide to each complementary and alternative health care client prior to providing treatment a written copy of the complementary and alternative health care client bill of rights. A copy must also be posted in a prominent location in the office of the unlicensed complementary and alternative health care practitioner. Reasonable accommodations shall be made for those clients who cannot read or who have communication impairments and those who do not read or speak English. The complementary and alternative health care client bill of rights shall include the following:

(1) the name, title, business address, and telephone number of the unlicensed complementary and alternative health care practitioner;

(2) the degrees, training, experience, or other qualifications of the practitioner, followed by the following statement in bold print:

"THE STATE OF MINNESOTA HAS NOT ADOPTED ANY EDUCATIONAL AND TRAINING STANDARDS FOR UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTITIONERS. THIS STATEMENT OF CREDENTIALS IS FOR INFORMATION PURPOSES ONLY.

The practices of an unlicensed complementary and alternative health care practitioner do not constitute a diagnosis from a licensed physician, chiropractor, or acupuncture practitioner. If a client desires a diagnosis from a licensed physician, chiropractor, or acupuncture practitioner, or services from a physician, chiropractor, nurse, osteopath, physical therapist, dietitian, nutritionist, acupuncture practitioner, or any other type of health care provider, the client may seek such services at any time."

(3) the name, business address, and telephone number of the practitioner's supervisor, if any;

(4) notice that a complementary and alternative health care client has the right to file a complaint with the practitioner's supervisor, if any, and the procedure for filing complaints;

(5) the name, address, and telephone number of the office of unlicensed complementary and alternative health care practice and notice that a client may file complaints with the office;

(6) the practitioner's fees per unit of service, the practitioner's method of billing for such fees, the names of any insurance companies that have agreed to reimburse the practitioner, or health maintenance organizations with whom the practitioner contracts to provide service, whether the practitioner accepts Medicare, medical assistance, or general assistance medical care, and whether the practitioner is willing to accept partial payment, or to waive payment, and in what circumstances;

(7) a statement that the client has a right to reasonable notice of changes in services or charges;

(8) a brief summary, in plain language, of the theoretical approach used by the practitioner in treating patients;

(9) notice that the client has a right to complete and current information concerning the practitioner's assessment and recommended course of treatment, including the expected duration of treatment;

(10) a statement that clients may expect courteous treatment and to be free from verbal, physical, or sexual abuse by the practitioner;

(11) a statement that client records and transactions with the practitioner are confidential, unless release of these records is authorized in writing by the client, or otherwise provided by law;

(12) a statement of the client's right to be allowed access to records and written information from records in accordance with section 144.335;

(13) a statement that other services may be available in the community, including where information concerning services is available;

(14) a statement that the client has the right to choose freely among available practitioners and to change practitioners after services have begun, within the limits of health insurance, medical assistance, or other health programs;

(15) a statement that the client has a right to coordinated transfer when there will be a change in the provider of services;

(16) a statement that the client may refuse services or treatment, unless otherwise provided by law; and

(17) a statement that the client may assert the client's rights without retaliation.

Subd. 2. [ACKNOWLEDGMENT BY CLIENT.] Prior to the provision of any service, a complementary and alternative health care client must sign a written statement attesting that the client has received the complementary and alternative health care client bill of rights.

Sec. 14. Minnesota Statutes 1999 Supplement, section 147.09, is amended to read:

147.09 [EXEMPTIONS.]

Section 147.081 does not apply to, control, prevent or restrict the practice, service, or activities of:

(1) A person who is a commissioned medical officer of, a member of, or employed by, the armed forces of the United States, the United States Public Health Service, the Veterans Administration, any federal institution or any federal agency while engaged in the performance of official duties within this state, if the person is licensed elsewhere.

(2) A licensed physician from a state or country who is in actual consultation here.

(3) A licensed or registered physician who treats the physician's home state patients or other participating patients while the physicians and those patients are participating together in outdoor recreation in this state as defined by section 86A.03, subdivision 3. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to promulgate the contents of that form by rule. No fee shall be charged for this registration.

(4) A student practicing under the direct supervision of a preceptor while the student is enrolled in and regularly attending a recognized medical school.

(5) A student who is in continuing training and performing the duties of an intern or resident or engaged in postgraduate work considered by the board to be the equivalent of an internship or residency in any hospital or institution approved for training by the board, provided the student has a residency permit issued by the board under section 147.0391.

(6) A person employed in a scientific, sanitary, or teaching capacity by the state university, the department of children, families, and learning, or by any public or private school, college, or other bona fide educational institution, a nonprofit organization, which has tax-exempt status in accordance with the Internal Revenue Code, section 501(c)(3), and is organized and operated primarily for the purpose of conducting scientific research directed towards discovering the causes of and cures for human diseases, or the state department of health, whose duties are entirely of a research, public health, or educational character, while engaged in such duties; provided that if the research includes the study of humans, such research shall be conducted under the supervision of one or more physicians licensed under this chapter.

(7) Physician's assistants registered in this state.

(8) A doctor of osteopathy duly licensed by the state board of osteopathy under Minnesota Statutes 1961, sections 148.11 to 148.16, prior to May 1, 1963, who has not been granted a license to practice medicine in accordance with this chapter provided that the doctor confines activities within the scope of the license.

(9) Any person licensed by a health related licensing board, as defined in section 214.01, subdivision 2, or registered by the commissioner of health pursuant to section 214.13, including psychological practitioners with respect to the use of hypnosis; provided that the person confines activities within the scope of the license.

(10) A person who practices ritual circumcision pursuant to the requirements or tenets of any established religion.

(11) A Christian Scientist or other person who endeavors to prevent or cure disease or suffering exclusively by mental or spiritual means or by prayer.

(12) A physician licensed to practice medicine in another state who is in this state for the sole purpose of providing medical services at a competitive athletic event. The physician may practice medicine only on participants in the athletic event. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to adopt the contents of the form by rule. The physician shall provide evidence satisfactory to the board of a current unrestricted license in another state. The board shall charge a fee of \$50 for the registration.

(13) A psychologist licensed under section 148.907 or a social worker licensed under section 148B.21 who uses or supervises the use of a penile or vaginal plethysmograph in assessing and treating individuals suspected of engaging in aberrant sexual behavior and sex offenders.

(14) Any person issued a training course certificate or credentialed by the emergency medical services regulatory board established in chapter 144E, provided the person confines activities within the scope of training at the certified or credentialed level.

(15) An unlicensed complementary and alternative health care practitioner practicing according to chapter 146A.

Sec. 15. Minnesota Statutes 1999 Supplement, section 214.01, subdivision 2, is amended to read:

Subd. 2. [HEALTH-RELATED LICENSING BOARD.] "Health-related licensing board" means the board of examiners of nursing home administrators established pursuant to section 144A.19, the office of unlicensed complementary and alternative health care practice established pursuant to section 146A.02, the board of medical practice created pursuant to section 147.01, the board of nursing created pursuant to section 148.181, the board of chiropractic examiners established pursuant to section 148.02, the board of optometry established pursuant to section 148.52, the board of physical therapy established pursuant to section 148.67, the board of psychology established pursuant to section 148.90, the board of social work pursuant to section 148B.19, the board of marriage and family therapy pursuant to section 148B.30, the office of mental health practice established pursuant to section 148B.61, the alcohol and drug counselors licensing advisory council established pursuant to section 148C.02, the board of dietetics and nutrition practice established under section 148.622, the board of dentistry established pursuant to section 150A.02, the board of pharmacy established pursuant to section 151.02, the board of podiatric medicine established pursuant to section 153.02, and the board of veterinary medicine, established pursuant to section 156.01.

Sec. 16. [REPORT TO THE LEGISLATURE.]

The commissioner of health shall report to the legislature by January 1, 2003, on the number and types of complaints received against unlicensed complementary and alternative health care practitioners pursuant to Minnesota Statutes, chapter 146A, the types of practitioners against whom complaints were filed, and the locations of the practitioners, the number of investigations conducted, and the number and types of enforcement actions completed. The report must be filed in accordance with Minnesota Statutes, sections 3.195 and 3.197.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective July 1, 2001."

Delete the title and insert:

"A bill for an act relating to health; regulating complementary and alternative health care practitioners; establishing civil penalties; amending Minnesota Statutes 1999 Supplement, sections 13.99, by adding a subdivision; 147.09; 214.01, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 146A."

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

The report was adopted.

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

H. F. No. 764, A bill for an act relating to family law; providing for grandparent visitation rights on behalf of the child; expanding grandparent visitation rights; specifying procedures; requiring mediation; amending Minnesota Statutes 1998, section 257.022, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1998, section 257.022, subdivisions 2 and 2a.

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

The report was adopted.

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

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

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [469.1082] [COUNTY ECONOMIC DEVELOPMENT SERVICE PROVIDER; NONMETRO ALTERNATIVE CREATION.]

Subdivision 1. [AUTHORITY TO CREATE.] A county located outside the metropolitan area may form a county economic development authority or grant a housing and redevelopment authority the powers specified in subdivision 4, clause (2), if it receives a recommendation to do so from a committee formed under subdivision 2. An economic development authority established under this section has all the powers and rights of an authority under sections 469.090 to 469.1081, except the authority granted under section 469.094 if so limited under subdivision 4. This section is in addition to any other authority to create a county economic development authority or service provider.

Subd. 2. [LOCAL COMMITTEES.] Upon notice to all local government units and development agencies within the county, a county may adopt a resolution to create a committee to recommend options for a county economic development service provider.

The committee shall consist of no fewer than 11 and no more than 15 members appointed by the county board. At least one city official and at least one township official from the county to be served by the county economic service provider shall be included on the committee. Members may also represent school districts, political subdivisions that currently provide services under sections 469.001 to 469.047 and 469.090 to 469.1081, nonprofit or for-profit housing and economic development organizations, business, and labor organizations located within the county. Political subdivision representatives must be selected by their local governments and must constitute no more than 50 percent of the total committee membership. The county may appoint no more than two county commissioners. The committee shall select a chair at its initial meeting.

Subd. 3. [COMMITTEE REPORT.] The committee shall issue its report within 90 days of its initial meeting. The committee may request one 60-day extension from the county board. The report must contain the committee's recommendation for the preferred organizational option for a county economic development service provider. The report must contain written findings on issues considered by the committee including, but not limited to, the following:

(1) identification of the current level of economic development, housing, and community development programs and services provided by existing agencies, any existing gaps in programs and services, and the capacity and ability of those agencies to expand their activities; and

(2) the recommended organizational option for providing needed economic development, housing, and community development services in the most efficient, effective manner.

Subd. 4. [ORGANIZATIONAL OPTIONS.] The committee may only recommend:

(1) establishment of a county economic development authority to operate under sections 469.090 to 469.1081, except that the county shall not have the powers of section 469.094 without the consent of an existing county housing and redevelopment authority operating within that county. For the purposes of a county economic development authority's operation, the county is considered to be the municipality and the county board is considered to be the city council;

(2) requiring an existing county housing and redevelopment authority or multicounty housing and redevelopment authority to operate under sections 469.090 to 469.1081;

(3) that the county pursue special legislation; or

(4) no change in the existing structure.

Subd. 5. [AREA OF OPERATION.] The area of operation of a county economic development service provider created under this section shall include all cities within a county that have adopted resolutions electing to participate. A city may adopt a resolution electing to withdraw participation. The withdrawal election may be made every fifth year following adoption of the resolution electing participation. The withdrawal election is effective on the anniversary date of the original resolution provided notice is given to the county economic development authority not less than 90 nor more than 180 days prior to that anniversary date. The city electing to withdraw retains any rights, obligations, and liabilities it obtained or incurred during its participation. If a city prohibits a county economic development service provider created under this section from operating within its boundaries, the city's property taxpayers shall not be subject to the property tax levied for the county economic development service provider.

Subd. 6. [CITY ECONOMIC DEVELOPMENT AUTHORITIES.] If a county economic development service provider has been established under this section, existing city economic development authorities shall continue to function and operate under sections 469.090 to 469.1081. Additional city economic development authorities may be created within the area of operation of the county economic development service provider created under this section without the explicit concurrence of the county economic development service provider.

Subd. 7. [CONTINUATION OF EXISTING COUNTY AND MULTICOUNTY HOUSING AND REDEVELOPMENT AUTHORITIES.] Existing county and multicounty housing and redevelopment authorities shall continue to function and operate under the provisions of sections 469.001 to 469.047."

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

The report was adopted.

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

H. F. No. 1201, A bill for an act relating to agriculture; expanding the definition of a family farm partnership; removing limitations on ownership and use of agricultural lands by limited liability companies; amending Minnesota Statutes 1998, sections 500.24, subdivisions 3a, 3b, and 4; and 500.245, subdivision 2; Minnesota Statutes 1999 Supplement, sections 500.24, subdivisions 2 and 3; and 500.245, subdivision 1.

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

The report was adopted.

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

H. F. No. 1383, A bill for an act relating to professions; modifying provisions relating to optometrist licensing; amending Minnesota Statutes 1998, sections 148.57, subdivision 1; and 148.61, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 148.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

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

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

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

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

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

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

(1) prepare, administer, and grade the examination itself ~~or (b) may;~~

(2) recognize and approve in whole or in part an examination prepared, administered and graded by a national board of examiners in optometry; ~~or (c) may~~

(3) administer a recognized and approved examination prepared and graded by or under the direction of a national board of examiners in optometry.

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

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

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

(1) deny an application for a credential;

(2) revoke the regulated person's credential;

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

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

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

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

The report was adopted.

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

H. F. No. 1646, A bill for an act relating to family law; providing visitation rights to certain relatives; amending Minnesota Statutes 1998, section 257.022, by adding a subdivision.

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

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 1748, A bill for an act relating to commerce; motor vehicle fuel franchises; changing the definition of a franchise; creating a right of first refusal upon assignment or sale of marketing premises; amending Minnesota Statutes 1998, section 80C.01, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 80C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 80C.01, subdivision 4, is amended to read:

Subd. 4. (a) "Franchise" means ~~(a)~~ (1) a contract or agreement, either express or implied, whether oral or written, for a definite or indefinite period, between two or more persons:

(1) (i) by which a franchisee is granted the right to engage in the business of offering or distributing goods or services using the franchisor's trade name, trademark, service mark, logotype, advertising, or other commercial symbol or related characteristics;

(2) (ii) in which the franchisor and franchisee have a community of interest in the marketing of goods or services at wholesale, retail, by lease, agreement, or otherwise; and

(3) (iii) for which the franchisee pays, directly or indirectly, a franchise fee; or

(4) (2) a contract, lease, or other agreement, either express or implied, whether oral or written, for a definite or indefinite period, between two or more persons, whereby the franchisee is authorized, permitted, or granted the right to market motor vehicle fuel using at retail under the franchisor's trade name, trademark, service mark, logotype, advertising, or other commercial symbol or related characteristics ~~for which the franchisee pays a franchise fee owned or controlled by the franchisor;~~ or

(5) (3) the sale or lease of any products, equipment, chattels, supplies, or services to the purchaser, other than the sale of sales demonstration equipment, materials or samples for a total price of \$500 or less to any one person, for the purpose of enabling the purchaser to start a business and in which the seller:

(1) (i) represents that the seller, lessor, or an affiliate thereof will provide locations or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases, or similar devices, or currency operated amusement machines or devices, on premises neither owned or leased by the purchaser or seller; or

(2) (ii) represents that the seller will purchase any or all products made, produced, fabricated, grown, bred, or modified by the purchaser using, in whole or in part, the supplies, services, or chattels sold to the purchaser; or

(3) (iii) guarantees that the purchaser will derive income from the business which exceeds the price paid to the seller; or

(4) (4) an oral or written contract or agreement, either expressed or implied, for a definite or indefinite period, between two or more persons, under which a manufacturer, selling security systems through dealers or distributors in this state, requires regular payments from the distributor or dealer as royalties or residuals for products purchased and paid for by the dealer or distributor.

(5) (b) "Franchise" does not include any business which is operated under a lease or license on the premises of the lessor or licensor as long as such business is incidental to the business conducted by the lessor or licensor on such premises, including, without limitation, leased departments, licensed departments, and concessions.

(f) (c) "Franchise" does not include any contract, lease or other agreement whereby the franchisee is required to pay less than \$100 on an annual basis, except those franchises identified in ~~paragraph (b)~~ clause (2).

(g) (d) "Franchise" does not include a contract, lease or other agreement between a new motor vehicle manufacturer, distributor, or factory branch and a franchisee whereby the franchisee is granted the right to market automobiles, motorcycles, trucks, truck tractors, or self-propelled motor homes or campers if the foregoing are designed primarily for the transportation of persons or property on public highways.

(h) (e) "Franchise" does not include a contract, lease, or other agreement or arrangement between two or more air carriers, or between one or more air carriers and one or more foreign air carriers. The terms "air carrier" and "foreign air carrier" shall have the meanings assigned to them by the Federal Aviation Act, United States Code Appendix, title 49, sections 1301(3) and 1301(22), respectively.

(f) For purposes of this chapter, a person who sells motor vehicle fuel at wholesale who does not, or is not an affiliate of a person who, owns or controls the trademark, trade name, service mark, logotype, or other commercial symbol or related characteristics under which the motor vehicle fuel is sold at retail, is not a franchisor or a franchisee, and is not considered to be part of a franchise relationship.

Sec. 2. Minnesota Statutes 1998, section 80C.01, is amended by adding a subdivision to read:

Subd. 20. [AFFILIATE.] "Affiliate" means any person who controls, is controlled by, or is under common control with, any other person. The term includes, without limitation, partners, business entities with common ownership, principals of any business entity, and subsidiaries, parent companies, or holding companies of any person.

Sec. 3. Minnesota Statutes 1998, section 80C.01, is amended by adding a subdivision to read:

Subd. 21. [MOTOR FUEL.] "Motor fuel" means gasoline of a type distributed for use as a fuel in a self-propelled vehicle designed primarily for use on public streets, roads and highways, but does not include diesel fuel or specialty fuel.

Sec. 4. Minnesota Statutes 1998, section 80C.01, is amended by adding a subdivision to read:

Subd. 22. [SPECIALTY FUEL.] "Specialty fuel" means a motor fuel sold (1) by a refiner who directly or through an affiliate does not own, lease, or have any leasehold or other possessory rights to the marketing premises; and (2) under a trademark or trade name that is different from the trademark, trade name, service mark, logotype or other commercial symbol used to identify the marketing premises generally.

Sec. 5. [80C.147] [CHANGE IN OWNERSHIP OR CONTROL OF MARKETING PREMISES.]

Subdivision 1. [RIGHT OF FIRST REFUSAL.] A motor vehicle fuel franchisor, or an affiliate of such franchisor, who determines to sell, transfer or assign its interest in marketing premises occupied by a franchisee, must:

(1) make a bona fide offer to sell, transfer or assign to the franchisee the franchisor's or affiliate's interests in the premises; or

(2) offer to the franchisee a right of first refusal of at least 45 days' duration of an offer made by a third party to purchase the franchisor's or affiliate's interest in the premises.

Subd. 2. [OPTIONS.] A motor vehicle fuel franchisor or affiliate of the franchisor who has an option to purchase, or an option to lease or extend a lease, of marketing premises occupied by a franchisee and determines not to exercise the option shall offer to assign or otherwise transfer the option to the franchisee. The franchisor may charge the franchisee a reasonable legal and administrative cost for transfer of the option. Options to purchase, or to lease or extend the lease, of a marketing premises owned by a motor vehicle fuel franchisor or affiliate of the franchisor created after the effective date of this subdivision shall be assignable as a matter of law to the franchisee who occupies the marketing premises. If the franchisee exercises such an option, the franchisor or affiliate of the franchisor is not liable for the performance of the franchisee pursuant to the option or any underlying lease thereafter.

Sec. 6. [80F.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of this chapter, the following terms have the meanings given to them in this section.

Subd. 2. [AFFILIATE.] "Affiliate" means a person who controls, is controlled by, or is under common control with, any other person. Affiliate includes, without limitation, partners, business entities with common ownership, principals of any business entity, and subsidiaries, parent companies, or holding companies of any person.

Subd. 3. [DEALER.] "Dealer" means a person permitted to market motor vehicle fuel pursuant to a marketing agreement.

Subd. 4. [FACILITY.] "Facility" means the premises which, under a marketing agreement, are to be used by a dealer in connection with the sale, consignment and distribution of motor vehicle fuel to the public for ultimate consumption.

Subd. 5. [INCENTIVE.] "Incentive" or "incentives" means any rebates, volume credits, volume discounts, funds for construction, funds for reimaging, funds for equipment, funds for fixtures, funds for equipment or fixture upgrades, equipment, fixtures or any other money or things of value provided by or passed through the supplier to a dealer and which are required by the terms of the agreement between the supplier and the dealer to be repaid by the dealer if the terms of the supply contract, whether oral or written, are not met.

Subd. 6. [MARKETING AGREEMENT.] "Motor fuel marketing agreement" or "marketing agreement" means any contract, lease, or other agreement, whether that agreement is oral or written and whether it is express or implied, between two or more persons whereby a person is supplied motor vehicle fuel by the other person for marketing from a facility under a brand name, trade name, service mark, logotype, or other commercial symbol or related characteristics owned or controlled by the other person, or where the other person authorizes or permits such use. The term includes any agreement between the supplier and its affiliate and the dealer to occupy or lease a facility, but does not include any agreement that meets the definition of a franchise under chapter 80C.

Subd. 7. [PERSON.] "Person" means a natural person, corporation, partnership, trust, or other legal entity.

Subd. 8. [SUPPLIER.] "Supplier" means a person other than a refiner who supplies motor vehicle fuel to a dealer pursuant to a marketing agreement.

Sec. 7. [80F.02] [REQUIRED DISCLOSURES.]

Subdivision 1. [FORM OF DISCLOSURES.] The disclosures required by this section must be made in writing by the supplier or its affiliate to the dealer, and must be made either prior to the execution of any marketing agreement or as part of the marketing agreement itself.

Subd. 2. [CONTENT OF DISCLOSURES.] The supplier or its affiliate must disclose the following information to the extent it is known to the supplier or affiliate:

(1) the prior three year motor vehicle fuel gallonage history of the premises, unless previously operated by the same dealer;

(2) the interest, by ownership, lease, or other means of control, of the supplier, an affiliate of the supplier, or any other person, in the facility;

(3) any plans for condemnation, roadway alteration, or other government action that would materially impact the dealer's occupation of the facility or the marketing of motor vehicle fuel from the facility;

(4) any agreements the supplier or affiliate may have to alter, sell, or otherwise dispose of the facility; and

(5) the name, current address, and current telephone number of all dealers who have occupied the facility in the three-year period before the disclosure is made.

Sec. 8. [80F.03] [SURVIVORSHIP.]

Subdivision 1. [DESIGNATED FAMILY MEMBER.] For purposes of this section, "designated family member" means the spouse, child, grandchild, parent, brother or sister of the operator.

Subd. 2. [RIGHT TO SUCCEED TO AGREEMENT.] Any designated family member of a deceased or incapacitated dealer may succeed to the marketing agreement if (1) the designated family member gives the supplier written notice of the intention to succeed to the agreement within 60 days of the dealer's death; (2) the designated family member agrees to be bound by the terms and conditions of a written existing marketing agreement; and (3) the designated family member is a person who meets the supplier's reasonable standards. At the request of the supplier, the designated family member must provide any personal and financial data that is reasonably necessary to determine whether the designated family member meets the reasonable standards of the supplier.

Subd. 3. [STANDARDS.] Reasonable standards used by a supplier may include, but are not limited to, consideration of the designated family member's ability and potential to operate the facility at the same level as the former operator, and of the designated family member's gasoline marketing experience, education, creditworthiness, and management experience.

Subd. 4. [WRITTEN AGREEMENT TO BE OFFERED.] If the marketing agreement under which the deceased or incapacitated dealer operated the facility was oral, the supplier shall offer a reasonable written agreement to the designated family member within 30 days of the designated family member's notification to the supplier of intent to succeed to the agreement. If the designated family member does not, within 30 days after receiving the written agreement from the supplier, either accept the terms of the offered agreement or object to the terms as unreasonable, the designated family member shall be deemed to have waived the right of succession.

Subd. 5. [REFUSAL TO ALLOW SUCCESSION.] If a supplier believes in good faith that the designated family member does not meet the supplier's reasonable standards, the supplier shall notify the designated family member of the refusal to allow succession and intent to terminate the marketing agreement. This notice must be provided no more than 90 days after the supplier receives all personal and financial data requested from the designated family member. The agreement must not be terminated less than 90 days after notice is served on the designated family member.

Subd. 6. [DISPUTE REGARDING RIGHT OF SUCCESSION; BURDEN OF PROOF.] In determining whether a designated family member failed to meet a supplier's reasonable standards, the supplier has the burden of proving that the standards used are reasonable, and the designated family member has the burden of proving that those standards that are reasonable have been met.

Subd. 7. [PERMISSIBLE CONDITION ON SUCCESSION.] As a condition of succession, the supplier may require that reasonable arrangements be entered into for the payment of rent or product payment during the interim period from the date of the dealer's death or incapacity until succession is completed or the right to succession is terminated.

Sec. 9. [80F.04] [ELIMINATION OF SERVICE BAYS PROHIBITED.]

Subdivision 1. [SERVICE BAYS.] For the purposes of this section, "service bay" means an enclosed area where automobile repairs are performed, including, but not limited to, lubrication, oil change, tire repair, battery charge, replacement of fan belts, hoses, and wiper blades.

Subd. 2. [PROVISION FOR ELIMINATION OF SERVICE BAYS.] A marketing agreement that includes a lease of the facility to the dealer must provide that if the supplier eliminates one or more service bays during the term of the marketing agreement, the supplier must first pay to the dealer in cash an amount that fairly and adequately compensates the dealer for the loss of the service and repair business.

Subd. 3. [WAIVER.] The provision required by subdivision 2 may not be waived or modified except in a writing signed by the dealer executed at least 30 days after the execution of the marketing agreement. The writing must be separate and independent from the marketing agreement, and shall eliminate the payment provisions of subdivision 2.

Subd. 4. [LIMITATIONS.] Nothing in this subdivision prohibits a supplier from altering, modifying, or remodeling a full-service station, without payment to the dealer, following the expiration of the franchise relationship based upon termination or nonrenewal of the franchise relationship in accordance with United States Code, title 15, section 2802(b)(3)(D).

Sec. 10. [80F.05] [HOURS OF OPERATION.]

A supplier may set forth in a marketing agreement the required number of hours per day and days per week that the dealer must maintain the retail outlet open for business. However, the supplier shall not unreasonably withhold consent to a modification of such requirements where the dealer can demonstrate that the modification is reasonable based on a change of circumstances, including economic conditions.

Sec. 11. [80F.06] [OTHER BUSINESSES ON THE PREMISES.]

The supplier may set forth in the marketing agreement any prohibitions and limitation on the conduct of any other businesses at the facility, including a charge for additional rent where another business is permitted and conducted. However, the supplier shall not unreasonably withhold consent to the performance of another business, impose unreasonable limitations on the dealer's ability to perform any other business, or charge an unreasonable rent for the conduct of another business, considering the fair rental value of the site and any imposition upon the supplier's business.

Sec. 12. [80F.07] [PRICE CONTROLS.]

The price at which the dealer sells products shall not be fixed, established, or regulated by the supplier or the marketing agreement.

Sec. 13. [80F.08] [PROMOTIONAL REQUIREMENTS.]

No dealer or supplier shall be required to use any promotion, premium, coupon, giveaway, or rebate. Except as otherwise provided by law, nothing herein shall be construed to prohibit voluntary participation in a promotion, premium, coupon, giveaway, or rebate.

Sec. 14. [80F.09] [DISPOSITION OF PRODUCT.]

In the event of termination or nonrenewal of the marketing agreement, whether by mutual agreement or otherwise, the supplier shall purchase from the dealer products that were available for sale to the public at the facility and were purchased from the supplier, provided that the products are tendered by the dealer no later than 30 days from the date of the termination or nonrenewal of the marketing agreement. The payment for the products shall be the then current wholesale price of the products, minus a reasonable restocking fee for products moved by the supplier. The payment shall be reduced by any amount of indebtedness owed by the dealer to the supplier. If the dealer has in its possession on the date of termination any products which were supplied by the supplier which have not been paid for in full, the dealer at its expense shall, within 30 days of the termination or nonrenewal of the marketing agreement, transfer to the supplier all of such products in a merchantable condition. The provisions of this section are subject to valid liens against the products by or on behalf of other creditors of the dealer.

Sec. 15. [80F.10] [FREE ASSOCIATION.]

No supplier shall restrict or prohibit, directly or indirectly, the right of free association among dealers for any lawful purpose. No dealer shall restrict or prohibit, directly or indirectly, the right of free association among suppliers for any lawful purpose.

Sec. 16. [80F.11] [RELEASE AND WAIVER.]

No party to a marketing agreement shall require as a condition of entering into the marketing agreement that the other party assent to a release or waiver of any rights provided by this chapter, or include in a marketing agreement a release of claims. Any such waiver or release is void. The right of either party to the interposition of counterclaims or crossclaims shall not be waived by the marketing agreement, and any such provision is void.

Sec. 17. [80F.12] [SECURITY DEPOSIT.]

A security deposit shall not be required except for the purpose of securing against loss of or damage to real or personal property or payment of money due supplier or credit extended to the dealer. Any security deposit required of the dealer may be satisfied by a letter of credit or the deposit of cash or a pledge of a savings account or its equivalent in a banking institution located in Minnesota. In the event that the security deposit is made by the dealer by depositing cash with the supplier, the deposit shall earn interest at the rate of six percent per year which shall accrue to the benefit of the dealer and be payable to the dealer upon termination of the security deposit, less any charges to which the supplier is entitled to collect from the security deposit or interest earned on it. In the event that the security deposit is made by the pledge of a savings account, a savings account shall be opened in the joint name of the supplier and the dealer and neither party shall be entitled to withdraw the funds without the consent of the other party; upon termination of the security deposit arrangement, the principal deposit together with accrued interest at the rate paid for the account shall be payable to the dealer after deduction of any charges to which the supplier may be entitled.

Sec. 18. [80F.13] [VIOLATION OF LAW.]

No party to a marketing agreement shall require or encourage any other party to the marketing agreement to violate or conspire to violate any state, federal, or local laws.

Sec. 19. [80F.14] [ASSIGNMENT.]

Subdivision 1. [LEASE ARRANGEMENTS.] If a dealer leases a facility under a marketing agreement with the supplier or its affiliate, the provisions of this subdivision apply. A supplier shall not unreasonably withhold or delay its consent to any assignment or transfer of a marketing agreement. The dealer may assign the marketing agreement to another person that meets the reasonable standards of the supplier. A dealer who intends to assign the marketing agreement shall give the other party notice of the proposed assignment and shall identify the proposed assignee. At the time of serving notice of assignment, a dealer shall promptly provide, at the request of the other party, personal and financial data that is reasonably necessary to determine whether the assignment should be honored. If the supplier who is requested to approve the assignment believes in good faith that reasonable cause exists for refusing to honor the assignment, that person shall inform the dealer of the denial and the reasons for denial within 60 days of receiving the notice of assignment. A supplier may condition assignment upon the agreement of the dealer who intends to assign and the other assignee to be bound by all terms and conditions of the existing marketing agreement.

Subd. 2. [NONLEASE ARRANGEMENTS.] If a marketing agreement does not involve the lease of the facility by the dealer from the supplier, the agreement shall be freely assignable by the dealer or the supplier, provided that such assignment does not increase the burdens or obligations of the other party. A supplier may require an assignee to make reasonable and adequate credit arrangements for the payment of product delivered. If the assigning dealer has an incentive obligation to the supplier, the assigning dealer either shall obtain the consent of the supplier to the proposed assignment, which consent shall not be unreasonably withheld, or shall provide reasonable and adequate security for the benefit of the supplier to assure that the assignor's incentive obligation to the supplier is met by the assignee dealer.

Sec. 20. [80F.15] [ASSIGNMENT OF FACILITY LEASE OPTION.]

A supplier or an affiliate of a supplier who has an option to purchase, or an option to lease or extend the lease of a facility occupied by a dealer, who determines not to exercise the option, shall offer to assign or otherwise transfer the option to the dealer. The supplier may charge the dealer a reasonable legal and administrative cost for transfer of the option. Options to purchase, or lease or extend the lease of a facility created after the effective date of this section are assignable to the dealer who occupies the facility. If the dealer exercises the option, the supplier or affiliate is not liable for the performance of the dealer pursuant to the option or the underlying lease after the option is exercised.

Sec. 21. [80F.16] [DEALER NOTICE OF TERMINATION.]

A dealer may only terminate a marketing agreement if the dealer provides 90 days written notice of termination to the supplier. On or before the termination date, the dealer shall repay to the supplier any incentive money that is required to be repaid to the supplier upon termination pursuant to the terms of the marketing agreement. The giving of notice of termination shall not eliminate a claim by the supplier for damages for breach of contract.

Sec. 22. [80F.17] [ENFORCEMENT.]

Any person aggrieved by a violation of this chapter may obtain injunctive relief, damages, rescission, or other relief. It is not a defense to an action for injunctive relief that an aggrieved person may have adequate remedies at law. A party shall submit the dispute to binding arbitration in accordance with the commercial rules of the Minnesota American Arbitration Association. Injunctive relief shall remain available in a court of competent jurisdiction where arbitration cannot provide complete relief to vindicate the rights of either party or where appropriate to secure rights after arbitration. The court or arbitrator shall have the discretion to award to the prevailing party its costs and disbursements. No action may be commenced under this chapter more than three years after the cause of action accrued. If the marketing agreement provides for the right of the supplier to recover attorney fees as the prevailing party in a suit between the parties, then the dealer shall have the right to recover attorney fees as the prevailing party in an action under this marketing agreement or under this chapter.

Sec. 23. [80F.18] [CHOICE OF LAW AND JURISDICTION.]

The laws of the state of Minnesota shall govern any marketing agreement whereby the dealer is or will be marketing motor vehicle fuel in Minnesota and venue for all actions shall be the state of Minnesota. Any condition, stipulation or provision, including any choice of law provision or any choice of venue provision, purporting to bind any person who is acquiring a marketing agreement to be operated in this state to waive compliance with any provisions of this chapter is void.

Sec. 24. [80F.19] [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment and apply to franchises entered into, amended, or renewed on or after that date. Any franchise in existence on the effective date of this act that has no expiration date is considered to be renewed August 1, 2000, for purposes of the application of sections 1 and 2.

Sections 4 to 24 are effective on the day following final enactment for existing written marketing agreements to the extent allowable by law. Sections 4 to 24 are effective one year after final enactment for existing oral marketing agreements, except that sections 8, 12, and 21 are effective the day following final enactment for existing oral marketing agreements.

Sections 4 to 24 are effective the day following final enactment for agreements entered into, modified, renewed, or extended on or after that date. A marketing agreement with an indefinite term or no expiration date shall be deemed to be extended for the purposes of this section if continued after August 1, 2000."

Delete the title and insert:

"A bill for an act relating to motor vehicles; regulating motor vehicle fuel franchises and marketing agreements; amending Minnesota Statutes 1998, section 80C.01, subdivision 4, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 80C; proposing coding for new law as Minnesota Statutes, chapter 80F."

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

The report was adopted.

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

H. F. No. 1787, A bill for an act relating to children; providing visitation by foster siblings of children formerly in foster care; amending Minnesota Statutes 1998, section 257.022, subdivision 3, and by adding a subdivision.

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

The report was adopted.

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

H. F. No. 2173, A bill for an act relating to employee relations; reclassifying certain positions as classified positions; amending Minnesota Statutes 1998, section 43A.08, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1999 Supplement, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

- (1) chosen by election or appointed to fill an elective office;
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the office of strategic and long-range planning;
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;
- (7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, customized trainers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich center for arts education and the Minnesota state colleges and universities, but not the custodial, clerical, or maintenance employees, or any professional employee under the unit described in section 179A.10, subdivision 2, clause (15), other than a customized trainer, or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the national guard;

(11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(13) members of the state patrol; provided that selection and appointment of state patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) chaplains employed by the state;

(15) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(16) student workers;

(17) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(18) employees unclassified pursuant to other statutory authority;

(19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation; and

(20) the administrators and the deputy administrators at the state academies for the deaf and the blind.

Sec. 2. Minnesota Statutes 1998, section 354B.21, is amended by adding a subdivision to read:

Subd. 1a. [PROFESSIONAL UNIT.] This subdivision applies to a person who is a member of the individual retirement account plan before the effective date of this section and whose position is changed from the unclassified to the classified service by section 43A.08, subdivision 1. Such a person remains in the individual retirement account plan while employed in the position that is changed from the unclassified to the classified service by section 43A.08, subdivision 1, unless the person elects within 90 days of the effective date of this section not to remain in the plan. The election must be made in a manner determined by the Minnesota state colleges and universities system. The Minnesota state colleges and universities system must notify affected employees of their rights under this section. The election is irrevocable.

Sec. 3. Minnesota Statutes 1999 Supplement, section 354C.11, subdivision 3, is amended to read:

Subd. 3. [CONTINUING ELIGIBILITY AUTHORIZATION.] Once a person qualifies for participation in the supplemental retirement plan, all subsequent service by the person as an unclassified employee of the board of trustees in a position or employment classification listed in subdivision 2, paragraph (b), is covered by the supplemental retirement plan. A person who qualifies for participation in the supplemental retirement plan before the effective date of this section is covered by the supplemental retirement plan while employed in a position that is changed from the unclassified to the classified service by section 1."

Delete the title and insert:

"A bill for an act relating to state government; reclassifying certain Minnesota state colleges and universities positions as classified; providing continued pension coverage for certain employees; amending Minnesota Statutes 1998, section 354B.21, by adding a subdivision; Minnesota Statutes 1999 Supplement, sections 43A.08, subdivision 1; and 354C.11, subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2411, A bill for an act relating to tax increment financing; requiring county approval of certain tax increment financing decisions; amending Minnesota Statutes 1998, section 469.175, subdivision 4, and by adding a subdivision.

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

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 2464, A bill for an act relating to insurance; prohibiting certain discriminatory charges; proposing coding for new law in Minnesota Statutes, chapters 62J; and 62Q.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE TASK FORCE.]

(a) The legislative task force on health care pricing consists of three members of each of the following committees:

(1) house committees on commerce, health and human services policy, and health and human services finance; and

(2) senate committees on commerce, health and family security policy, and health and family security budget division.

Three task force members shall be designated by the chair of each committee.

(b) The task force shall evaluate the pricing in the current health care and health insurance systems, both public and private, in terms of its fairness, effects on behavior, and the extent to which it shifts costs in a variety of ways.

(c) As a guide to the issues, the task force shall analyze 1999 H. F. No. 2464, as introduced.

(d) The task force shall make recommendations to the legislature regarding how market competition may be restored and regarding affordability and access to health care and health coverage."

Delete the title and insert:

"A bill for an act relating to insurance; establishing a legislative task force on health care pricing; requiring recommendations."

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

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 2496, A bill for an act relating to state government; abolishing department of public service and transferring responsibilities; amending Minnesota Statutes 1998, sections 13.68, subdivision 1; 13.692; 116C.03, subdivision 2; 116C.04, subdivision 1; 169.073; 181.30; 216A.01; 216A.02, by adding a subdivision; 216A.036; 216A.05, subdivision 1; 216A.07, subdivisions 1, 3, 4, 5, and 6; 216A.085; 216A.095; 216B.026, subdivision 2; 216B.12, subdivision 1; 216B.16, subdivision 2; 216B.241, subdivision 1c; 216C.01, subdivisions 2 and 3; 216C.09; 237.075, subdivision 2; 237.11; 237.55; 237.63, subdivision 3; 237.70, subdivision 7; 237.763; 237.768; and 237.773, subdivisions 3 and 4; Minnesota Statutes 1999 Supplement, section 216B.241, subdivisions 1, 1a, 1b, 2, 2a, and 2b; proposing coding for new law in Minnesota Statutes, chapters 4A; and 216A; repealing Minnesota Statutes 1998, sections 216A.06; 216A.07, subdivision 2; 216B.02, subdivision 8; 216B.163, subdivision 8; and 237.69, subdivision 3.

Reported the same back with the following amendments:

Page 2, line 17, delete "7" and insert "8"

Page 2, line 22, after "service" insert "other than responsibilities of the division relating to petroleum products, including inspecting and testing petroleum product measuring equipment and providing petroleum quality assurance tests, and responsibilities relating to ammonia, motor oil, and batteries"

Page 3, after line 2, insert:

"Subd. 8. [DEPARTMENT OF COMMERCE.] The responsibilities of the division of weights and measures of the department of public service that are not transferred under subdivision 4 are transferred to the department of commerce."

Page 3, line 3, delete "8" and insert "9"

Page 30, after line 4, insert:

"Sec. 35. Minnesota Statutes 1998, section 237.16, subdivision 12, is amended to read:

Subd. 12. [EXTENSION OF INTEREXCHANGE FACILITY.] In order to promote the development of competitive interexchange services and facilities, any interexchange facility that is owned by a certified telephone company, independent telephone company, telecommunications carrier or an affiliate and that is used to provide

service to customers located in areas for which it has been previously certified to provide service may be extended to meet and interconnect with the facility of another telephone company, small telephone company, or telecommunications carrier, whether at a point inside or outside of its territories, without further proceeding, order, or determination of current or future public convenience and necessity, upon mutual consent with the other telephone company, small telephone company, or telecommunications carrier whose facilities will be met and interconnected. Written notice of the extension and interconnection must be provided to the public utilities commission ~~and department of public safety~~ within 30 days after completion. The written notice must be served on all local exchange companies certified before January 1, 1988, in all areas where the facilities are located."

Page 38, after line 25, insert:

"Sec. 43. Minnesota Statutes 1998, section 239.101, subdivision 2, is amended to read:

Subd. 2. [WEIGHTS AND MEASURES FEES.] The ~~director~~ commissioner of the department of agriculture shall charge a fee to the owner for inspecting and testing weights and measures other than petroleum product measuring equipment, and for providing metrology services and consultation, and providing petroleum quality assurance tests at the request of a licensed distributor. Money collected by the ~~director~~ commissioner must be paid into the state treasury and credited to the ~~state general fund.~~ weights and measures fee account created in subdivision 2a. Money credited to the weights and measures fee account is annually appropriated to the department of agriculture for the costs associated with inspecting and testing weights and measures other than petroleum product measuring equipment, providing metrology services and consultation, and inspecting packaged foods and nonpackaged food commodities.

Sec. 44. Minnesota Statutes 1998, section 326.243, is amended to read:

326.243 [SAFETY STANDARDS.]

All electrical wiring, apparatus and equipment for electric light, heat and power, alarm and communication systems shall comply with the rules of the ~~department of public service~~ commissioner of administration, the commissioner of public safety, the commissioner of commerce, or the department of labor and industry, as applicable, and be installed in conformity with accepted standards of construction for safety to life and property. For the purposes of this chapter, the rules and safety standards stated at the time the work is done in the then most recently published edition of the National Electrical Code as adopted by the National Fire Protection Association, Inc. and approved by the American National Standards Institute, and the National Electrical Safety Code as published by the Institute of Electrical and Electronics Engineers, Inc. and approved by the American National Standards Institute, shall be prima facie evidence of accepted standards of construction for safety to life and property; provided further, that in the event a Minnesota Building Code is formulated pursuant to section 16B.61, containing approved methods of electrical construction for safety to life and property, compliance with said methods of electrical construction of said Minnesota Building Code shall also constitute compliance with this section, and provided further, that nothing herein contained shall prohibit any political subdivision from making and enforcing more stringent requirements than set forth herein and such requirements shall be complied with by all licensed electricians working within the jurisdiction of such political subdivisions."

Page 39, line 10, delete "326.243;"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "making technical and conforming changes; appropriating money;"

Page 1, line 12, after the fourth semicolon, insert "237.16, subdivision 12;"

Page 1, line 14, delete the first "and" and after "4;" insert "239.101, subdivision 2; and 326.243;"

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

The report was adopted.

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

H. F. No. 2582, A bill for an act relating to capital improvements; authorizing an additional purpose for certain trail expenditures; amending Laws 1998, chapter 404, section 7, subdivision 23, as amended.

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

The report was adopted.

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

H. F. No. 2635, A bill for an act relating to drivers' licenses; allowing applicant for driver's license to donate \$1 for public information and education about anatomical gifts; requiring a report to the legislature; amending Minnesota Statutes 1998, section 171.06, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 9, delete everything after the period

Page 2, line 10, delete everything before "grants" and insert "Amounts donated under this paragraph are appropriated to the commissioner for"

Amend the title as follows:

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

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2673, A bill for an act relating to local government; establishing standards for the creation of corporations by political subdivisions; providing for the continuation of existing corporations created by political subdivisions; amending Minnesota Statutes 1998, section 238.08, subdivision 3; proposing coding for new law in Minnesota Statutes 1998, chapter 465; repealing Minnesota Statutes 1998, section 465.715, subdivisions 1, 2, and 3; Minnesota Statutes 1999 Supplement, section 465.715, subdivision 1a.

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

The report was adopted.

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

H. F. No. 2745, A bill for an act relating to crimes; imposing felony penalty on person convicted of fourth impaired driving offense within ten-year period; requiring offender to be sentenced to both incarceration and to probation supervision; amending Minnesota Statutes 1998, sections 169.121, subdivision 3b; 169.129, by adding a subdivision; and 609.135, by adding a subdivision; Minnesota Statutes 1999 Supplement, sections 169.121, subdivisions 3, 3d, and 3f; 169.1217, subdivision 7; 169.129, subdivision 1; and 609.135, subdivision 2.

Reported the same back with the following amendments:

Page 14, after line 1, insert:

"Sec. 11. [PLAN FOR PLACEMENT OF DWI OFFENDERS SENTENCED TO PRISON.]

The commissioner of corrections, in consultation with the commissioner of human services, shall develop a plan for the placement and management of felony-level DWI offenders who are committed to the commissioner's custody. The plan shall identify the facilities in which these offenders will be confined and may include state-owned or state-operated residential facilities that currently are not part of the state correctional system. The commissioner shall submit the plan to the chairs and ranking minority members of the house and senate committees with jurisdiction over criminal justice policy and funding by November 1, 2000.

Sec. 12. [STUDY OF COMMUNITY CORRECTIONS IMPACTS OF FELONY DWI.]

The commissioner of corrections shall study and report to the legislature on the likely community corrections impacts of the felony penalty created by this act. In conducting the study, the commissioner shall obtain relevant information from counties within each of the three probation services delivery systems in order to answer the following questions:

- (1) How many felony-level DWI offenders will be on probation each year?
- (2) What conditions of probation will these offenders be required to observe?
- (3) How many offenders are expected to successfully complete probation and how many are expected to violate probation and serve their stayed prison sentence?

The commissioner shall submit the report to the chairs and ranking minority members of the house and senate committees with jurisdiction over criminal justice policy and funding by November 1, 2000."

Page 14, line 2, delete "11" and insert "13"

Page 14, line 3, delete "August 1, 2000" and insert "January 1, 2001"

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring a plan, a study, and legislative reports;"

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

The report was adopted.

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

H. F. No. 2761, A bill for an act relating to state lands; authorizing public and private sales of certain tax-forfeited lands that border public water in Isanti county.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; AITKIN COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Aitkin county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282. If the lands described in paragraph (c), clauses (1) and (3), meet the requirements of Minnesota Statutes, section 282.01, subdivision 7a, the county may use the alternative sale procedure described under that section.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be sold is located in Aitkin county and is described as:

(1) Lot 3, less the North 60 feet, Plat of Bridge Park;

(2) all that part of the SW 1/4 of the NE 1/4 lying northeast of the creek, Section 28, Township 52 North, Range 23 West; and

(3) all that part of the SE 1/4 of the NE 1/4 of the SE 1/4 lying south and east of the Snake river, Section 9, Township 43 North, Range 23 West.

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

Sec. 2. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ISANTI COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Isanti county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be sold is located in Isanti county and is described as:

Lot 1, Block 1, River Ridge Second Addition (02.065.0020).

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

Sec. 3. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ISANTI COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Isanti county may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for the fair market value as determined by the Isanti county board of commissioners.

(c) The land to be sold is located in Isanti county and is described as:

(1) Lot A, Block 17, Third Francis Lake Shores (02.055.1110);

(2) that part of Government Lot 2, Section 21, Township 35, Range 24 described as follows:

Commencing at the southwest corner of said Lot 2; thence North along the west line thereof 147.73 feet; thence East at right angles with the west line of said Government Lot 2 to the shore of Lake Francis; thence southerly along the shore line of Lake Francis to its intersection with the south line of Government Lot 2; thence West along the south line of Government Lot 2 to the point of beginning and there to terminate. Subject to an easement for road purposes over the West 33 feet thereof (02.021.2100);

(3) Lot 19, Block 1, River Ridge (02.064.0150);

(4) Lot 5, Block 1, River Ridge Second Addition (02.065.0060);

(5) Lot 6, Block 1, River Ridge Second Addition (02.065.0070);

(6) Lot 7, Block 1, River Ridge Second Addition (02.065.0080);

(7) that part of Government Lot 2, Section 21, Township 34, Range 22, described as follows:

Beginning at the northeast corner of said Section 21; thence South, along the east line thereof, 1,380 feet; thence South 66 degrees 26 minutes West for 570 feet; thence South 5 degrees 4 minutes West for 560 feet; thence South 50 degrees 35 minutes West for 240 feet; thence South 35 degrees 11 minutes West for 181 feet to the point of beginning of the tract hereby described; thence South 69 degrees 17 minutes East for 112.48 feet to a point near the top of the bank adjacent to the shore of Typo Lake; thence South 35 degrees 11 minutes West, along or near said bank, for 59 feet; thence North 83 degrees 49 minutes West for 124.4 feet; thence North 35 degrees 11 minutes East for 91 feet to the point of beginning (08.021.1900);

(8) the East half of the Northeast Quarter of the Northeast Quarter, Section 10, Township 34, Range 25 (12.010.1900); and

(9) the Northwest Quarter of the Northwest Quarter, Section 11, Township 34, Range 25 (12.011.1900).

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

Sec. 4. Laws 1999, chapter 161, section 30, is amended to read:

Sec. 30. [~~PRIVATE CONVEYANCE OF COUNTY LAND; ITASCA COUNTY.~~]

(a) Notwithstanding Minnesota Statutes, ~~section sections 282.018, subdivision 1, and 373.01, subdivision 1, clause (4), Itasca county may privately and the public sale provisions of Minnesota Statutes, chapter 282, the commissioner of revenue shall~~ convey the land described in paragraph (b) as tax-forfeited to the former owner for no consideration.

(b) The land to be conveyed is described as:

That portion of Government Lot 2 lying and being North of the Ball Club river in Section 31, Township 145, Range 25, according to the government survey thereof on file and of record with the county recorder of and for said county and state.

Subject to reservations, restrictions, and easements as they appear of record.

(c) The land described in paragraph (b) was donated to Itasca county to develop a park. Itasca county has chosen not to develop a park and has determined that the land should be returned to the donor.

Sec. 5. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; LAKE COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Lake county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be sold is located in Lake county and is described as:

(1) an undivided 1/200 interest in Government Lot 7, North of CSAH 16, Section 30, Township 63 North, Range 11 West;

(2) an undivided 24 percent interest in Government Lot 8, Section 30, Township 63 North, Range 11 West; and

(3) a 1/200 interest in the NE 1/4 of the SW 1/4, Section 30, Township 63 North, Range 11 West.

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

Sec. 6. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; MARTIN COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Martin county may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be sold is located in Martin county and is described as:

(1) Parcel No. 23-164-0010, Lot 001, Block 001, Lake Park Addition, city of Fairmont;

(2) Parcel No. 23-164-0380, Lot 021, Block 002, Lake Park Addition, city of Fairmont;

(3) Parcel No. 23-164-0400, Lot 025, Block 002, Lake Park Addition, city of Fairmont; and

(4) Parcel No. 23-164-0450, Lot 004, Block 003, Lake Park Addition, city of Fairmont.

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

Sec. 7. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; NORMAN COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Norman county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be sold is located in Norman county and is described as:

(1) Section 12, Township 146, Range 49, commencing at a point 369.13 feet North and 2318.07 feet West of the southeast corner of Section 12-146-49; East 363.3 feet, North 514.71 feet, northwest and westerly 1193.15 feet, South 290.6 feet, to the center of Marsh river, southerly along the river center line to the south line of Section 12 (Parcel 18-7034000); and

(2) Section 13, Township 146, Range 49, that part of the S 1/2 of the SW 1/4 of the NE 1/4, south of river (Parcel 18-7049000).

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

Sec. 8. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; NORMAN COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Norman county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The sale must be in a form approved by the attorney general.

(c) The land to be sold is located in Norman county and is described as: 2.73 acres beginning at a point 26 rods North of the northwest corner of the Southwest Quarter of the Southwest Quarter; North 44 rods; East 19 rods; Southwest 48 rods to beginning, Section 20, Township 146 North, Range 48 West.

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

Sec. 9. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; POLK COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Polk county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be sold is located in Polk county and is described as:

Lots 1 to 8, Block 1, Park Addition to Erskine.

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

Sec. 10. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; RAMSEY COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Ramsey county may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The sale must be in a form approved by the attorney general.

(c) The land to be sold is located in Ramsey county and is described as:

(1) that part of Government Lot 1 lying within the Southwest Quarter of the Northwest Quarter and southerly of North Owasso Boulevard, subject to easements, Section 36, Township 30, Range 23 (PIN: 36-30-23-23-0015-2); and

(2) the North 41-6/10 feet of part of Government Lot 1 lying within the Southwest Quarter, except that part West of the extended westerly line of Lot 1, Lake Owasso Heights, subject to roads and easements, Section 36, Township 30, Range 23 (PIN: 36-30-23-32-0001-5).

(d) The county has determined that the county's land management interests would best be served if the land was sold to the Ramsey county department of public works to install a permanent water aeration system for Lake Owasso.

Sec. 11. [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 land described in paragraph (c) may be sold by private sale to the iron range resources and rehabilitation board for economic development. The sale must be in a form approved by the attorney general for the appraised value of the land.

(c) The land to be sold is located in St. Louis county, consists of approximately 40 acres, and is described as: the Northeast Quarter of the Southwest Quarter, Section 5, Township 58 North, Range 15 West.

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

Sec. 12. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WASHINGTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Washington county may sell by private sale for not less than the appraised value the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be sold is located in Washington county and is described as: Lot 1, Block 1, Holiday Beach.

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

Delete the title and insert:

"A bill for an act relating to state lands; authorizing public and private sales of certain tax-forfeited lands; amending Laws 1999, chapter 161, section 30."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2819, A bill for an act relating to state lands; authorizing conveyance of certain surplus state land in Stearns county.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CONVEYANCE OF SURPLUS STATE LAND; STEARNS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of administration shall convey to the city of Sauk Centre for no consideration the surplus land that is described in paragraph (e).

(b) Prior to implementing plans for the property, the city of Sauk Centre shall conduct a property reuse study to determine the highest and best use of the property. The report shall be submitted to the commissioner of administration.

(c) The deed to convey the property must contain a clause that if any portion of the property ceases to be used for a public purpose, that portion may, at the option of the commissioner of administration, revert to the state.

(d) The conveyance shall be in a form approved by the attorney general. The attorney general may make changes to the legal description to correct errors, deficiencies, or ambiguities.

(e) The land to be conveyed is located in Stearns county, consists of approximately 280 acres, and is the grounds and buildings of the former Sauk Centre Home School.

(f) The city of Sauk Centre shall consult with the state historic preservation office before demolishing or altering contributing buildings, or conducting new construction on the campus.

(g) The commissioner has determined that the land is no longer needed for any state purpose and that the state's land management interests would best be served if the land was conveyed to and used by the city of Sauk Centre.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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

The report was adopted.

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

H. F. No. 2883, A bill for an act relating to trade regulations; regulating certain prescription drug discounts; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Page 2, line 29, delete everything after the period

Page 2, delete lines 30 to 35

Page 3, lines 17 and 18, delete "health care service contractor" and insert "nonprofit health service plan corporation"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2940, A bill for an act relating to the environment; modifying the drycleaner environmental response and reimbursement law; amending Minnesota Statutes 1998, section 115B.49, subdivision 4, as amended, and by adding a subdivision.

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

The report was adopted.

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

H. F. No. 2945, A bill for an act relating to child protection; providing for immunity and anonymity when leaving an unharmed newborn at a hospital emergency room; providing for procedures to be followed by hospitals, local welfare agencies, and law enforcement; amending Minnesota Statutes 1998, section 609.378, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 609.378, subdivision 2, is amended to read:

Subd. 2. [DEFENSES.] (a) It is a defense to a prosecution under subdivision 1, paragraph (a), clause (2), or paragraph (b), that at the time of the neglect or endangerment there was a reasonable apprehension in the mind of the defendant that acting to stop or prevent the neglect or endangerment would result in substantial bodily harm to the defendant or the child in retaliation.

(b) It is a defense to prosecution under subdivision 1, paragraph (a) or (b), that the defendant voluntarily left a newborn child, unharmed, at a hospital emergency room under section 626.5564.

Sec. 2. [626.5564] [SAFE PLACE FOR NEWBORNS.]

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

(a) "Hospital" means a facility licensed under sections 144.50 to 144.56.

(b) "Newborn" means a child between birth and 72 hours old, as determined within a reasonable degree of medical certainty.

Subd. 2. [LEAVING A NEWBORN.] A mother of a newborn may leave a newborn at any hospital emergency room. A person other than the mother may also leave a newborn at a hospital emergency room with the mother's consent. A newborn left at a hospital under this subdivision is an abandoned child, but the mother or the person leaving the newborn will receive the benefit of the protections granted under this section and section 609.378, subdivision 2, paragraph (b).

Subd. 3. [HOSPITAL PROCEDURES.] A hospital must accept a newborn left under this section. A hospital may ask the mother or the person leaving the newborn about the mother's and the newborn's medical history. However, the mother or the person leaving the newborn is not required to provide any information, including the name of the mother or the person leaving the newborn. The hospital may provide the mother or person leaving the newborn with a numbered identification bracelet to aid in linking the mother or person leaving the newborn to the newborn at a later date, if reunification is sought. Such a bracelet is an identification aid only and does not permit the person possessing the bracelet to take custody of the newborn on demand. The hospital may provide the mother or person leaving the newborn with any relevant information, including:

(1) information about the safe place for newborns program;

(2) information about adoption and counseling services, including information that confidential adoption services are available and information about the benefits of engaging in a regular, voluntary adoption process;

(3) brochures or telephone numbers for public or private agencies that provide counseling or adoption services; and

(4) information about who to contact if reunification is sought.

Subd. 4. [REPORTING.] Within 24 hours of receiving a newborn under this section, the hospital must inform the local welfare agency that a newborn has been left at the hospital, but must not do so before the mother or the person leaving the newborn leaves the hospital.

Subd. 5. [HOSPITAL IMMUNITY.] A hospital and its agents are immune from any criminal or civil liability for accepting a newborn under this section.

Subd. 6. [LOCAL WELFARE AGENCY RESPONSE.] Upon receiving a report of a newborn left at a hospital under this section, if it appears that the newborn was not abused or neglected, the local welfare agency must proceed under section 626.556 and chapter 260C except that they must not attempt to identify, contact, or investigate the mother or person who left the newborn at the hospital. However, if it appears that the newborn was abused or neglected, the agency must fully investigate the matter as required by law.

Subd. 7. [PROCEDURE IF REUNIFICATION IS REQUESTED.] (a) If a person claiming to be the mother, father, or person who left the newborn at the hospital contacts the agency and requests to be reunited with the newborn, the agency may proceed to identify, contact, and investigate the person as required under section 626.556, chapter 260C, and all other applicable laws.

(b) If a person contacts the agency seeking information only, the agency must not attempt to identify or investigate the person. In that case, the agency may provide public information to the person and may otherwise advise the person regarding the procedures in such a case.

Subd. 8. [BRACELET; EFFECT.] If a person possesses a bracelet linking the person to a newborn left at a hospital under this section and parental rights have not already been terminated, possession of the bracelet creates a presumption that the person has standing to participate in a child in need of protection or services action brought under chapter 260C. Possession of the bracelet does not create a presumption of maternity, paternity, or custody.

Sec. 3. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to child protection; providing for immunity and anonymity when leaving an unharmed newborn at a hospital emergency room; providing for procedures to be followed by hospitals, and local welfare agencies; amending Minnesota Statutes 1998, section 609.378, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626."

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

The report was adopted.

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

H. F. No. 2949, A bill for an act relating to waste management; creating a separate account for revenue from solid waste management taxes; providing for an excess revenue adjustment; amending Minnesota Statutes 1998, sections 115A.554; 115A.918, subdivision 1; and 297H.13, subdivisions 1, 2, and 4; repealing Minnesota Statutes 1998, sections 115A.929; 115A.981; and 297H.13, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 115A.554, is amended to read:

115A.554 [AUTHORITY OF SANITARY DISTRICTS.]

A sanitary district has the authorities and duties of counties within the district's boundary for purposes of sections 115A.0716; 115A.46, subdivisions 4 and 5; 115A.48; 115A.551; 115A.552; 115A.553; 115A.919; ~~115A.929~~; 115A.93; 115A.96, subdivision 6; 115A.961; 116.072; 375.18, subdivision 14; 400.08; 400.16; and 400.161.

Sec. 2. Minnesota Statutes 1998, section 115A.918, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] The definitions in this section apply to this section and sections 115A.919 to ~~115A.929~~ 115A.923.

Sec. 3. Minnesota Statutes 1998, section 297H.02, subdivision 2, is amended to read:

Subd. 2. [RATES.] The rate of tax under this section is ~~9.75~~ 8.5 percent.

Sec. 4. Minnesota Statutes 1998, section 297H.03, subdivision 2, is amended to read:

Subd. 2. [RATE.] The rate of the tax under this section is ~~17~~ 15.0 percent.

Sec. 5. Minnesota Statutes 1998, section 297H.04, subdivision 2, is amended to read:

Subd. 2. [RATE.] (a) Commercial generators that generate non-mixed-municipal solid waste shall pay a solid waste management tax of ~~60~~ 53 cents per noncompacted cubic yard of periodic waste collection capacity purchased by the generator, based on the size of the container for the non-mixed-municipal solid waste, the actual volume, or

the weight-to-volume conversion schedule in paragraph (c). However, the tax must be calculated by the waste management service provider using the same method for calculating the waste management service fee so that both are calculated according to container capacity, actual volume, or weight.

(b) Notwithstanding section 297H.02, a residential generator that generates non-mixed-municipal solid waste shall pay a solid waste management tax in the same manner as provided in paragraph (a).

(c) The weight-to-volume conversion schedule for:

(1) construction debris as defined in section 115A.03, subdivision 7, is one ton equals 3.33 cubic yards, or ~~\$2~~ \$1.75 per ton;

(2) industrial waste as defined in section 115A.03, subdivision 13a, is equal to ~~60~~ 53 cents per cubic yard. The commissioner of revenue after consultation with the commissioner of the pollution control agency, shall determine, and may publish by notice, a conversion schedule for various industrial wastes; and

(3) infectious waste as defined in section 116.76, subdivision 12, and pathological waste as defined in section 116.76, subdivision 14, is 150 pounds equals one cubic yard, or ~~60~~ 53 cents per 150 pounds.

Sec. 6. Minnesota Statutes 1998, section 297H.13, is amended by adding a subdivision to read:

Subd. 7. [NOTICE OF RATE CHANGE.] Waste management service providers shall provide notice to each customer of the rate decreases provided in this section no later than 30 days after the rate decreases take effect.

Sec. 7. [REPEALER.]

Minnesota Statutes 1998, sections 115A.929; 115A.981; and 297H.13, subdivisions 3, 4, and 6, are repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1, 2, and 7 are effective the day following final enactment. Sections 3 to 6 are effective July 1, 2000, and apply to services provided after that date."

Delete the title and insert:

"A bill for an act relating to waste management; decreasing the non-mixed-municipal solid waste tax; repealing certain accounting and recordkeeping requirements; amending Minnesota Statutes 1998, sections 115A.554; 115A.918, subdivision 1; 297H.02, subdivision 2; 297H.03, subdivision 2; 297H.04, subdivision 2; and 297H.13, by adding a subdivision; repealing Minnesota Statutes 1998, sections 115A.929; 115A.981; and 297H.13, subdivisions 3, 4, and 6."

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

The report was adopted.

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

H. F. No. 2952, A bill for an act relating to transportation; providing for advertising and receiving highway construction and maintenance bids over the Internet; allowing interest on repayment of money advanced to department of transportation for interregional transportation corridor development; modifying provisions for speed limits in highway work zones; transferring responsibility for distributing certain funds for highway safety to

commissioner of public safety; transferring responsibilities from transportation regulation board to commissioner of transportation; making technical and clarifying changes; modifying provisions relating to statewide communications system; providing for fees; amending Minnesota Statutes 1998, sections 161.32, subdivisions 1, 1a, 1b, and 1e; 169.14, subdivision 5d; 174.02, subdivisions 4 and 5; 174.10, subdivisions 1, 3, and 4; 174A.02, subdivisions 1 and 2; 174A.04; 219.402; Minnesota Statutes 1999 Supplement, sections 171.29, subdivision 2; 174.70, subdivisions 2 and 3; 174A.02, subdivision 4; 174A.06; 221.031, subdivision 1; amending Laws 1999, chapter 238, article 1, section 2, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1998, sections 174A.01; 174A.02, subdivision 5; 174A.03; 174A.05; 219.383; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.97; 222.633; Minnesota Statutes 1999 Supplement, section 174.70, subdivision 1; Minnesota Rules, part 8850.6900.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 161.24, subdivision 4, is amended to read:

Subd. 4. [ACCESS TO ISOLATED PROPERTY.] When the establishment, construction, or reconstruction of a trunk highway closes off any other highway or street, including a city ~~streets~~ street, private road, or entrance at the boundary of ~~such the~~ trunk highway, the commissioner may, in mitigation of damages; or in the interest of safety and convenient public travel, construct a road either within ~~the limits of the trunk highway~~, or ~~without~~ outside the limits of the trunk highway, connecting the ~~closed-off~~ closed-off highway, street, private road, or entrance with another public highway. In determining whether to build the road within or ~~without~~ outside the limits of the trunk highway, the commissioner may take into consideration economy to the state and local traffic needs. The commissioner, in mitigation of damages, may connect the ~~closed-off~~ closed-off private road with the remaining portion of the private road or with another private road. All lands necessary ~~therefor~~ for that purpose may be acquired by purchase, gift, or condemnation. Notwithstanding section 161.43 or 161.44, the commissioner may convey and quitclaim a fee title or easement held or owned by the state in land used to connect with a private road to the property owners served by the road.

Sec. 2. [161.362] [ADVANCE FUNDING FOR INTERREGIONAL CORRIDOR DEVELOPMENT.]

Subdivision 1. [CORRIDOR DEVELOPMENT.] By agreement with the commissioner, a road authority other than the commissioner or two or more road authorities that have entered into a joint powers agreement under section 471.59 may make advances from any available funds to the commissioner to expedite development of an interregional transportation corridor, including funds for design consultants, purchasing right-of-way, construction, or other related expenditures.

Subd. 2. [REPAYMENT.] Subject to the availability of state money, the commissioner shall repay the amount advanced under this section, up to the state's share of costs, under terms of the agreement. The agreement may provide for payment of interest on the amount of advanced funds. The maximum interest rate that may be paid is the rate earned by the state on invested treasurer's cash for the month before the date the agreement is executed or the actual interest paid by the road authority in borrowing for the amount advanced, whichever rate is less. The total amount of annual repayment to road authorities under this section must never exceed the amount stated in the department's debt management policy or \$10,000,000, whichever is less.

Sec. 3. Minnesota Statutes 1998, section 169.14, subdivision 5d, is amended to read:

Subd. 5d. [SPEED ZONING IN WORK ZONE; SURCHARGE.] (a) The commissioner, on trunk highways and temporary trunk highways, and local authorities, on streets and highways under their jurisdiction, may authorize the use of reduced maximum speed limits in highway work zones. The commissioner or local authority is not required to conduct an engineering and traffic investigation before authorizing a reduced speed limit in a highway work zone.

(b) The minimum highway work zone speed limit is 20 miles per hour. The work zone speed limit must not reduce the established speed limit on the affected street or highway by more than 15 miles per hour, except that the highway work zone speed limit shall not exceed 40 miles per hour. The commissioner or local authority shall post the limits of the work zone. Highway work zone speed limits are effective on erection of appropriate regulatory speed limit signs. The signs must be removed or covered when they are not required. A speed greater than the posted highway work zone speed limit is unlawful.

(c) Notwithstanding paragraph (b), on divided highways, the commissioner or local authority may establish a highway work zone speed limit that does not exceed 55 miles per hour.

~~(c)~~ (d) For purposes of this subdivision, "highway work zone" means a segment of highway or street where a road authority or its agent is constructing, reconstructing, or maintaining the physical structure of the roadway, its shoulders, or features adjacent to the roadway, including underground and overhead utilities and highway appurtenances, when workers are present.

~~(c)~~ (e) Notwithstanding section 609.0331 or 609.101 or other law to the contrary, a person who violates a speed limit established under paragraph (b) or (c), or who violates any other provision of this section while in a highway work zone, is assessed an additional surcharge equal to the amount of the fine imposed for the speed violation, but not less than \$25.

Sec. 4. Minnesota Statutes 1998, section 171.02, subdivision 2, is amended to read:

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle, school bus, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed.

There shall be four general classes of licenses as follows:

(a) Class D; valid for:

(1) operating all farm trucks if operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) operating fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) operating recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; ~~and~~

(4) operating all single unit vehicles except vehicles with a gross vehicle weight of more than 26,000 pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials;

(5) with a school bus endorsement operating a school bus designed to transport 15 or fewer passengers including the driver, provided that before issuing a school bus endorsement the commissioner shall conduct a background check under section 171.321, subdivision 3, and have proof that drug and alcohol testing under Code of Federal Regulations, title 49, parts 4-0 and 382 have been completed; and

(6) without a school bus endorsement, operating a school bus designed to transport 15 or fewer passengers including the driver, if:

(i) the operator is an employee of the entity that owns, leases, or contracts for the school bus;

(ii) the operator drives the school bus only from a single point of loading to a single point of unloading;

(iii) the employer has adopted and implemented a policy that provides for (A) training of the operator in vehicle operation, pupil management, transporting persons with disabilities, and emergency situations, (B) conducting a background check of the operator that meets the requirements of section 171.321, subdivision 3, and (C) annual verification of the status of the operator's driver's license; and

(iv) pupils riding in the vehicle have been given training required under section 123B.90, subdivision 2.

The holder of a class D license may also tow vehicles if the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.

(b) Class C; valid for:

(1) operating class D vehicles; and

(2) with a hazardous materials endorsement, transporting hazardous materials in class D vehicles; ~~and~~

~~(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.~~

(c) Class B; valid for operating all class C and class D vehicles in class C, class D; and all other single unit vehicles including, with a passenger endorsement, buses. The holder of a class B license may tow only vehicles with a gross vehicle weight of 10,000 pounds or less.

(d) Class A; valid for operating any vehicle or combination thereof.

Sec. 5. Minnesota Statutes 1999 Supplement, section 171.29, subdivision 2, is amended to read:

Subd. 2. [FEES, ALLOCATION.] (a) A person whose driver's license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the driver's license is reinstated.

(b) A person whose driver's license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$250 fee plus a \$40 surcharge before the driver's license is reinstated. The \$250 fee is to be credited as follows:

(1) Twenty percent ~~shall~~ must be credited to the trunk highway fund.

(2) Fifty-five percent ~~shall~~ must be credited to the general fund.

(3) Eight percent ~~shall~~ must be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and the appropriated amount ~~shall~~ must be apportioned 80 percent for laboratory costs and 20 percent for carrying out the provisions of section 299C.065.

(4) Twelve percent ~~shall~~ must be credited to a separate account to be known as the alcohol-impaired driver education account. Money in the account is appropriated as follows:

(i) The first \$200,000 in a fiscal year ~~is~~ to the commissioner of children, families, and learning for programs for elementary and secondary school students; and

(ii) The remainder credited in a fiscal year ~~is appropriated~~ to the commissioner of ~~transportation~~ public safety to be spent as grants to the Minnesota highway safety center at St. Cloud State University for programs relating to alcohol and highway safety education in elementary and secondary schools.

(5) Five percent ~~shall~~ must be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. The money in the account is annually appropriated to the commissioner of health to be used as follows: 35 percent for a contract with a qualified community-based organization to provide information, resources, and support to assist persons with traumatic brain injury and their families to access services, and 65 percent to maintain the traumatic brain injury and spinal cord injury registry created in section 144.662. For the purposes of this clause, a "qualified community-based organization" is a private, not-for-profit organization of consumers of traumatic brain injury services and their family members. The organization must be registered with the United States Internal Revenue Service under the provisions of section 501(c)(3) as a tax-exempt organization and must have as its purposes:

(i) the promotion of public, family, survivor, and professional awareness of the incidence and consequences of traumatic brain injury;

(ii) the provision of a network of support for persons with traumatic brain injury, their families, and friends;

(iii) the development and support of programs and services to prevent traumatic brain injury;

(iv) the establishment of education programs for persons with traumatic brain injury; and

(v) the empowerment of persons with traumatic brain injury through participation in its governance.

No patient's name, identifying information or identifiable medical data will be disclosed to the organization without the informed voluntary written consent of the patient or patient's guardian, or if the patient is a minor, of the parent or guardian of the patient.

(c) The \$40 surcharge ~~shall~~ must be credited to a separate account to be known as the remote electronic alcohol monitoring program account. The commissioner shall transfer the balance of this account to the commissioner of finance on a monthly basis for deposit in the general fund.

(d) When these fees are collected by a county-operated office of deputy registrar, a handling charge is imposed in the amount specified under section 168.33, subdivision 7. The handling charge must be deposited in the treasury of the place for which the deputy registrar was appointed and the reinstatement fees and surcharge must be deposited in an approved state depository as directed under section 168.33, subdivision 2.

Sec. 6. Minnesota Statutes 1998, section 171.321, subdivision 2, is amended to read:

Subd. 2. [RULES.] (a) The commissioner of public safety shall prescribe rules governing the physical qualifications of school bus drivers and tests required to obtain a school bus endorsement.

Subd. 2a. [PHYSICAL QUALIFICATIONS; MEDICAL EXAMINATION.] ~~The rules must provide that~~ Notwithstanding any rule to the contrary, an applicant for a school bus endorsement or renewal is exempt from the physical qualifications and medical examination required to operate a school bus upon providing evidence of being medically examined and certified within the preceding 24 months as physically qualified to operate a commercial motor vehicle, pursuant to Code of Federal Regulations, title 49, part 391, subpart E, or rules of the commissioner of transportation incorporating those federal regulations. As evidence of being medically examined and certified, the applicant must submit to the commissioner a copy of the commercial motor vehicle carrier physical examination form or the certificate of the medical examiner, as defined in Code of Federal Regulations, title 49, part 390.5.

(b) Subd. 2b. [HEAD START DRIVERS.] The commissioner of public safety, in conjunction with the commissioner of economic security, shall adopt rules prescribing a training program for Head Start bus drivers. The program must provide for initial classroom and behind-the-wheel training, and annual in-service training. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a Head Start agency, the Head Start grantee, a licensed driver training school, or by another person or entity approved by both commissioners.

Sec. 7. Minnesota Statutes 1998, section 174.02, subdivision 4, is amended to read:

Subd. 4. [APPEARANCES ON PUBLIC TRANSPORTATION MATTERS.] The commissioner may appear as a party on behalf of the public in any proceeding or matter before the ~~interstate commerce commission, the civil aeronautics surface transportation~~ board or any other agency or instrumentality of government ~~which that~~ regulates public services or rates relating to transportation or other matters related to the powers and responsibilities of the commissioner as prescribed by law. The commissioner shall appear as a party on behalf of the public in proceedings ~~before the transportation regulation board~~ as provided by law on matters ~~which that~~ directly relate to the powers and duties of the commissioner or ~~which~~ substantially affect the statewide transportation plan. ~~On all other transportation matters the commissioner may appear before the transportation regulation board.~~

Sec. 8. Minnesota Statutes 1998, section 174.02, subdivision 5, is amended to read:

Subd. 5. [COOPERATION.] To facilitate the development of a unified and coordinated intrastate and interstate transportation system:

(a) The commissioner shall maintain close liaison, coordination and cooperation with the private sectors of transportation, the upper great lakes seaway development commission corporation, and any multistate organization involved in transportation issues affecting the state;

(b) The commissioner shall participate in the planning, regulation and development of the port authorities of the state; ~~and.~~

(c) The commissioner or the commissioner's designee ~~shall be~~ is a nonvoting, ~~ex officio~~ member of the metropolitan airports commission, as organized and established under sections 473.601 to 473.679.

(d) The commissioner shall cooperate with all federal agencies for the purpose of harmonizing state and federal regulations within the state to the extent and in the manner deemed advisable.

(e) The commissioner may conduct joint hearings with any federal agency within or outside the state and, to the extent allowed under federal law or regulation, may approve and establish freight rates and charges that depart from the distance principle required by any state law.

(f) The commissioner may nominate members to any joint board as provided by federal acts.

Sec. 9. Minnesota Statutes 1998, section 174.10, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF CONTESTED CASE; FEE.] The commissioner in any contested case ~~before the transportation regulation board that involves a motor carrier or common carrier by rail as a party~~ shall give reasonable notice to representatives of associations or other interested groups or persons who have registered their names with the ~~board commissioner~~ for that purpose, to all parties and to cities and municipalities ~~which that the board commissioner~~ deems to be interested in the proceeding. The commissioner may prescribe an annual fee ~~to be credited to the general fund, which fee shall be~~ as a charge to all registered groups or persons. The fee must be credited to the general fund. This charge is to cover the out-of-pocket costs involved in ~~giving such providing~~ the notice.

Sec. 10. Minnesota Statutes 1998, section 174.10, subdivision 3, is amended to read:

Subd. 3. [PROSECUTION.] In proceedings ~~which that~~ involve a ~~hearing before the transportation regulation board motor carrier or common carrier by rail as a party,~~ the matter shall must be investigated and prosecuted ~~before the board heard~~ by the commissioner ~~of transportation representing the interests of the people of this state as authorized by law.~~

Sec. 11. Minnesota Statutes 1998, section 174.10, subdivision 4, is amended to read:

Subd. 4. [~~WHEN BOARD LACKS LACK OF JURISDICTION.~~] If, in any proceeding ~~before the transportation regulation board relating to or involving the reasonableness of rates, fares, charges, or classifications,~~ the board commissioner decides that it the department does not have jurisdiction ~~because the traffic covered by the rates, fares, charges, or classifications is interstate commerce,~~ the transportation regulation board commissioner shall issue an order dismissing the proceeding and stating the ground of the dismissal, ~~which order may be appealed from in like manner as other appealable orders.~~

Sec. 12. Minnesota Statutes 1999 Supplement, section 174.70, subdivision 2, is amended to read:

Subd. 2. [IMPLEMENTATION.] In order to facilitate construction of ~~the initial backbone of the a~~ statewide communications system ~~described in subdivision 1 and to reduce the proliferation of communications towers,~~ the commissioner ~~shall may~~, by purchase, lease, gift, exchange, or other means, obtain sites for the erection of towers and the location of equipment and ~~shall may~~ construct buildings and structures needed for developing the communications system. The commissioner may negotiate with commercial wireless service providers and telecommunication infrastructure developers to obtain sites, towers, and equipment. Notwithstanding sections 161.433, 161.434, 161.45, and 161.46, the commissioner may by agreement allow commercial wireless service providers to install privately owned equipment on state-owned lands, buildings, and other structures under the jurisdiction of the commissioner when it is practical and feasible to do so. The commissioner shall charge a site use fee for the value of the property or structure made available. In lieu of a site use fee, the commissioner may make agreements with commercial wireless service providers to place state equipment on privately owned towers and may accept (1) improvements to state-owned public safety communications system facilities or real or personal property, or (2) services provided by a commercial wireless service provider.

Sec. 13. Minnesota Statutes 1999 Supplement, section 174.70, subdivision 3, is amended to read:

Subd. 3. [DEPOSIT OF FEES; APPROPRIATION.] Fees collected under subdivision 2 must be deposited in the trunk highway fund. The fees ~~so~~ collected are appropriated to the commissioner to pay for ~~the commissioner's share and state patrol's share of the costs of constructing~~ developing and maintaining the communication communications system sites.

Sec. 14. Minnesota Statutes 1998, section 174A.02, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER'S POWERS GENERALLY.] Some of the functions of the ~~transportation regulation board shall be legislative and commissioner of transportation, related to motor carriers and common carriers by rail, are~~ quasi-judicial in nature. ~~It~~ The commissioner may make ~~such~~ investigations and determinations, hold ~~such~~ hearings, prescribe ~~such~~ rules, and issue ~~such~~ orders with respect to the control and conduct of the carrier businesses coming within its the commissioner's jurisdiction as ~~the legislature itself might make but only as it shall from time to time authorize~~ authorized by law.

Sec. 15. Minnesota Statutes 1998, section 174A.02, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC FUNCTIONS AND POWERS.] (a) To the extent allowed under federal law or regulation, the ~~board commissioner~~ shall further hold hearings and issue orders in cases brought ~~before it by either the commissioner on the commissioner's own motion~~ or by a third party in the following areas:

(a) (1) adequacy of services ~~which that~~ carriers are providing to the public, including the continuation, termination or modification of services and facilities;

- (b) ~~The~~ (2) reasonableness of tariffs of rates, fares, and charges, or a part or classification thereof of a tariff; and
- (3) issuing permits.

(b) For purposes of paragraph (a), clause (2), the ~~board~~ commissioner may authorize common carriers by rail and motor ~~carrier~~ carriers for hire to file tariffs of rates, fares, and charges individually or by group. Carriers participating in group rate making have the free and unrestrained right to take independent action either before or after a determination arrived at through ~~such~~ that procedure.

- (c) ~~The issuing of franchises, permits, or certificates of convenience and necessity.~~

Sec. 16. Minnesota Statutes 1999 Supplement, section 174A.02, subdivision 4, is amended to read:

Subd. 4. [HEARINGS; NOTICE.] With respect to those matters within ~~its~~ the commissioner's jurisdiction, the ~~board~~ commissioner shall receive, hear, and determine all petitions filed with ~~it~~ the commissioner in accordance with the procedures established by law and may hold hearings and make determinations upon ~~its~~ the commissioner's own motion to the same extent, and in every instance, in which ~~it~~ the commissioner may do so upon petition. Upon receiving petitions filed pursuant to sections 221.121, subdivision 1, 221.151, ~~221.296~~, and 221.55, the ~~board~~ commissioner shall give notice of the filing of the petition to representatives of associations or other interested groups or persons who have registered their names with the ~~board~~ commissioner for that purpose and to whomever the ~~board~~ commissioner deems to be interested in the petition. The ~~board~~ commissioner may grant or deny the request of the petition 30 days after notice of the filing has been fully given. If the ~~board~~ commissioner receives a written objection and notice of intent to appear at a hearing to object to the petition from any person within 20 days of the notice having been fully given, the request of the petition ~~shall~~ must be granted or denied only after a contested case hearing has been conducted on the petition, unless the objection is withdrawn ~~prior to~~ before the hearing. The ~~board~~ commissioner may elect to hold a contested case hearing if no objections to the petition are received. If a timely objection is not received, or if received and withdrawn, and the request of the petition is denied without hearing, the petitioner may request within 30 days of receiving the notice of denial, and ~~shall~~ must be granted, a contested case hearing on the petition.

Sec. 17. Minnesota Statutes 1998, section 174A.04, is amended to read:

174A.04 [HEARINGS AND APPEALS.]

Subdivision 1. [HEARINGS.] All hearings related to common carriers by rail or motor carriers and required to be conducted by the commissioner of transportation ~~regulation board~~ shall must be conducted pursuant to sections 14.001 to 14.69.

Subd. 2. [APPEALS.] An appeal from an order of the commissioner must be in accordance with chapter 14.

Sec. 18. Minnesota Statutes 1999 Supplement, section 174A.06, is amended to read:

174A.06 [CONTINUATION OF RULES.]

(a) Orders and directives in force, issued, or promulgated under authority of chapters 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed, modified, or superseded by duly authorized orders or directives of the commissioner of transportation. To the extent allowed under federal law or regulation, rules adopted under authority of the following sections are transferred to the commissioner of transportation and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the commissioner:

(1) ~~section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;~~

(2) (1) section 219.40;

~~(3)~~ (2) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits or certificates of convenience and necessity under section 221.031, subdivision 1;

~~(4)~~ (3) rules relating to the sale, assignment, pledge, or other transfer of a stock interest in a corporation holding authority to operate as a permit carrier as prescribed in section 221.151, subdivision 1, ~~or a local cartage carrier under section 221.296, subdivision 8;~~

~~(5)~~ (4) rules relating to rates, charges, and practices under section 221.161, subdivision 4; and

~~(6)~~ (5) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under sections 221.121; and 221.151; ~~and 221.296.~~

(b) The commissioner shall review the transferred rules, orders, and directives and, when appropriate, develop and adopt new rules, orders, or directives.

Sec. 19. Minnesota Statutes 1998, section 218.031, subdivision 2, is amended to read:

Subd. 2. [INFORMATION FURNISHED COMMISSIONER.] Every common carrier shall furnish to the commissioner:

~~(1) All schedules of rates, fares and charges, every part and classification thereof, together with minimum weights and rules with respect thereto, and any and all amendments, modifications or changes therein.~~

~~(2) All information duly required in blanks and forms furnished by the commissioner.~~

~~(3) A copy of all annual reports and valuation data furnished to the Interstate Commerce Commission not later than June 30th, covering the preceding calendar year, together with any additional information regarding valuation of its properties requested by the commissioner.~~

~~(4) a report of accidents, wrecks and casualties occurring in this state in such manner and form and at such times as prescribed by the commissioner. All such reports administered by the department of public safety shall be received and administered in accordance with the provisions of section 169.09, subdivision 13. All other reports shall be open to public inspection but shall not be admissible in evidence in any suit or action for damages growing out of such accident, wreck or casualty.~~

~~(5) All tariff agreements or arrangements with other carriers.~~

~~(6) All joint schedules of rates, fares or classifications.~~

Sec. 20. Minnesota Statutes 1998, section 218.041, subdivision 4, is amended to read:

Subd. 4. [COMMISSIONER DUTIES UPON PETITION.] The commissioner shall, upon petition:

~~(1) At all points of intersection and crossings of different railroads, or where two railroads are not more than one-half mile apart, and at all terminals, prescribe ample facilities by track connection, joint use of tracks, freight platforms and depots, warehouses, docks over which general merchandise is handled and forwarded, and other necessary appliances and conveniences for the transfer, forwarding and handling of general merchandise and parcel freight between such railroads and between such railroads and such docks, warehouses and vessels at such docks.~~

~~(2) Determine the proportionate share of each company in the cost of providing connecting and transfer facilities in the event the companies fail to agree.~~

~~(3) Direct construction, maintenance and operation at any points prescribed by law of all side tracks and reasonable facilities connecting any road with any grain warehouse or mill, dock, wharf, coal yard, quarry, brick or lime kiln, sand or gravel pit, crushed rock or concrete plant, or manufactory adjacent thereto, and prescribe the terms therefor.~~

~~(4) Prescribe reasonable rules for handling property, passenger, baggage, express and mail, partly over privately owned rights-of-way and partly over highways, so that reasonable and adequate accommodations and service may be afforded.~~

~~(5) Prescribe the extent to which any designated carrier, upon its petition, may be relieved from the operation of the principles established by section 218.021, subdivision 1, clauses (5), (6) and (7).~~

~~(6)~~ direct the repair, reconstruction or replacement of any inadequate or unsafe trackage, structure or facility.

Upon receipt of a petition for action pursuant to this subdivision the commissioner shall give notice to all persons known to it to have an interest in the matter and publish notice of the petition in the State Register. The commissioner may grant the petition 30 days' after notice has been fully made. If the commissioner receives a written objection to the petition from any person within 20 days after the notice of filing has been fully made, the exemption shall be granted or denied only after a contested case hearing has been held on the matter. The commissioner may elect to hold a contested case hearing if no objections to the petition or application are received. If a timely objection is not received and the commissioner declines to act without hearing, the petitioner may request within 30 days of receiving a notice of denial, and shall be granted, a contested case hearing on the application.

Sec. 21. Minnesota Statutes 1998, section 218.041, subdivision 5, is amended to read:

Subd. 5. [INVESTIGATIVE AND ENFORCEMENT DUTIES.] The commissioner shall:

(1) investigate and determine whether any common carriers are granting rebates or, in any other particular, failing to comply with laws or with orders, rules or directives of the commissioner; and

~~(2) appear and press before the Interstate Commerce Commission any petition, whether filed by a resident of the state or otherwise, charging any common carrier doing business in this state with any violation of the Interstate Commerce Act of the United States, whenever the department deems the matter to be one of public interest;~~

~~(3)~~ institute and prosecute all actions and proceedings in the appropriate courts for the enforcement of the provisions of this chapter, the orders, rules and directives of the commissioner issued thereunder and any violations thereof.

Sec. 22. Minnesota Statutes 1998, section 218.041, subdivision 6, is amended to read:

Subd. 6. [INVESTIGATIVE, ADMINISTRATIVE, AND RULEMAKING POWERS.] In the exercise of powers granted in this chapter, the commissioner may:

(1) subpoena books, papers or accounts kept by any regulated business within or without the state, or compel production of verified copies;

(2) prepare all forms or blanks for the purpose of obtaining information which the commissioner may deem necessary or useful for the proper exercise of the authority and duties of the commissioner in connection with regulated businesses, and prescribe the time and manner within which the blanks and forms shall be completed and filed;

(3) inspect, at all reasonable times, and copy the books, records, memoranda, correspondence or other documents and records of any business under the commissioner's jurisdiction; and

(4) examine, under oath, any officer, agent or employee of a business under the commissioner's jurisdiction concerning ~~its business and affairs; and~~

~~(5) prescribe rules, duly promulgated in accordance with chapter 14, relating to rates, care in handling and other livestock transportation matters any matter within the commissioner's jurisdiction.~~

Sec. 23. Minnesota Statutes 1999 Supplement, section 219.074, subdivision 2, is amended to read:

Subd. 2. [CROSSING VACATION PROGRAM.] On or before July 1, 1992, and on or before July 1 of each of the next four years, and as necessary afterward, the commissioner shall develop a list of grade crossings proposed to be vacated. The list must be developed by applying the standards set forth in the rules adopted under section 219.073. Grade crossings that are part of an abandonment, closing, or removal ~~under section 219.741~~ may not be included in the list. The commissioner shall notify the public officials having the necessary authority and the railway companies operating the railroads of the proposed vacations. Either affected party may request a hearing. If requested, the commissioner shall hold a contested case hearing applying in its determination the rules developed under section 219.073. If after the hearing the commissioner determines that the vacation is consistent with the standards adopted under section 219.073, the commissioner may order the crossing vacated. If a request for a hearing on a particular crossing is not received within 30 days of the publication in the State Register, the commissioner shall order the crossing vacated.

Sec. 24. Minnesota Statutes 1998, section 219.384, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] A railroad company, road authority, or property owner that fails to comply with this section within 30 days after being notified in writing is subject to a fine of \$50 for each day that the condition is uncorrected. This penalty may be recovered ~~in the manner provided in section 219.97, subdivision 5~~ a civil action brought by the attorney general or by the county attorney of the county through or into which the railroad extends.

Sec. 25. Minnesota Statutes 1998, section 219.402, is amended to read:

219.402 [ADEQUATE CROSSING PROTECTION.]

Crossing warning devices or improvements installed or maintained under this chapter as approved by the commissioner or any predecessor, whether by order or otherwise, are adequate and appropriate warning for the crossing.

Sec. 26. Minnesota Statutes 1999 Supplement, section 221.031, subdivision 1, is amended to read:

Subdivision 1. [POWERS, DUTIES, REPORTS, LIMITATIONS.] (a) This subdivision applies to motor carriers engaged in intrastate commerce.

(b) The commissioner shall prescribe rules for the operation of motor carriers, including their facilities; accounts; leasing of vehicles and drivers; service; safe operation of vehicles; equipment, parts, and accessories; hours of service of drivers; driver qualifications; accident reporting; identification of vehicles; installation of safety devices; inspection, repair, and maintenance; and proper automatic speed regulators if, in the opinion of the commissioner, there is a need for the rules.

(c) The commissioner shall direct the repair and reconstruction or replacement of an inadequate or unsafe motor carrier vehicle or facility. The commissioner may require the construction and maintenance or furnishing of suitable and proper freight terminals, passenger depots, waiting rooms, and accommodations or shelters in a city in this state or at a point on the highway traversed ~~which that~~ the commissioner, after investigation by the department, may deem just and proper for the protection of passengers or property.

(d) The commissioner shall require holders of household goods mover permits to file annual and other reports including annual accounts of motor carriers, schedules of rates and charges, or other data by motor carriers, regulate motor carriers in matters affecting the relationship between them and the traveling and shipping public, and prescribe other rules as may be necessary to carry out ~~the provisions of~~ this chapter.

(e) A motor carrier subject to paragraph (d) but having gross revenues from for-hire transportation in a calendar year of less than \$200,000 may, at the discretion of the commissioner, be exempted from the filing of an annual report; if, instead, the motor carrier files an abbreviated annual report, in a form as may be prescribed by the commissioner, attesting that the motor carrier's gross revenues did not exceed \$200,000 in the previous calendar year. Motor carrier gross revenues from for-hire transportation, for the purposes of this subdivision only, do not include gross revenues received from the operation of school buses as defined in section 169.01, subdivision 6.

(f) The commissioner shall enforce sections 169.781 to 169.783.

Sec. 27. Minnesota Statutes 1998, section 446A.085, as amended by Laws 1999, chapter 230, sections 34 and 35, is amended to read:

446A.085 [TRANSPORTATION REVOLVING LOAN FUND.]

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

(a) [ACT.] "Act" means the National Highway System Designation Act of 1995, Public Law Number 104-59, as amended.

(b) [BORROWER.] "Borrower" means the state, counties, cities, and other governmental entities eligible under the act and state law to apply for and receive loans from the transportation revolving loan fund, ~~the trunk highway revolving loan account, the county state-aid highway revolving loan account, and the municipal state-aid street revolving loan account.~~

(c) [DEPARTMENT.] "Department" means the department of transportation.

(d) [LOAN.] "Loan" means financial assistance provided for all or part of the cost of a project including money disbursed in anticipation of reimbursement or repayment, loan guarantees, lines of credit, credit enhancements, equipment financing leases, bond insurance, or other forms of financial assistance.

(e) [TRANSPORTATION COMMITTEE.] "Transportation committee" means a committee of the Minnesota public facilities authority, acting on behalf of the Minnesota public facilities authority, consisting of the commissioner of the department of trade and economic development, the commissioner of finance, and the commissioner of transportation.

Subd. 2. [PURPOSE.] The purpose of the transportation revolving loan fund, ~~the trunk highway revolving loan account, the county state-aid highway revolving loan account, and the municipal state-aid street revolving loan account~~ is to provide loans ~~and matching money~~ for public transportation projects eligible for financing or aid under any federal act or program, or state law, including, without limitation, the study of the feasibility of construction, reconstruction, resurfacing, restoring, rehabilitation, or replacement of transportation facilities; acquisition of right-of-way; and maintenance, repair, improvement, or construction of city, town, county, or state highways, roads, streets, rights-of-way, bridges, tunnels, railroad-highway crossings, drainage structures, signs, maintenance and operation facilities, guardrails, and protective structures used in connection with highways or transit projects. Enhancement items, including without limitation bicycle paths, ornamental lighting, and landscaping, are eligible for financing provided they are an integral part of overall project design and construction of a federal-aid highway. Money in the fund may not be used for any toll facilities project or congestion-pricing project.

Subd. 3. [ESTABLISHMENT OF FUND.] A transportation revolving loan fund is established to make loans for the purposes described in subdivision 2. A highway account is established in the fund for highway projects eligible under United States Code, title 23. A transit account is established in the fund for transit capital projects eligible under United States Code, title 49. A state funds general loan account is established in the fund for transportation projects eligible under state law but not under United States Code, title 23. Other accounts may be established in the fund as necessary for its management and administration. The transportation revolving loan fund shall receive federal money under the act and money from any source. Money received under this section must be paid to the state treasurer and credited to the transportation revolving loan fund. Money in the fund is annually appropriated to the ~~commissioner~~ authority and does not lapse. The fund must be credited with investment income, and with repayments of principal and interest, except for servicing fees assessed under sections 446A.04, subdivision 5, and 446A.11, subdivision 8.

Subd. 4. [MANAGEMENT OF FUND AND ACCOUNTS.] The authority shall manage and administer the transportation revolving loan fund, ~~the trunk highway revolving loan account, the county state-aid highway revolving loan account, and the municipal state-aid street revolving loan account~~ and individual accounts in the fund. For those purposes, the authority may exercise all powers provided in this chapter.

Subd. 5. [TRANSFER OF MONEY.] With the consent of the transportation committee, the commissioner of transportation may transfer money from the trunk highway revolving loan account to the trunk highway fund, from the county state-aid highway revolving loan account to the county state-aid highway fund, and from the municipal state-aid street revolving loan account to the municipal state-aid street fund.

Subd. 6. [TRANSPORTATION COMMITTEE.] The transportation committee may authorize the making of loans to borrowers by the authority for transportation purposes authorized by the act or this section, without further action by the authority. The authority may not make loans for transportation purposes without the approval of the transportation committee. Each project must be certified by the commissioner of transportation before its consideration by the transportation committee.

Subd. 7. [APPLICATIONS.] Applicants for loans must submit an application to the transportation committee on forms prescribed by the transportation committee. The applicant must provide the following information:

- (1) the estimated cost of the project and the amount of the loan sought;
- (2) other possible sources of funding in addition to loans sought from the transportation revolving loan fund, ~~the trunk highway revolving loan account, the county state-aid highway revolving loan account, or the municipal state-aid street revolving loan account~~;
- (3) the proposed methods and sources of funds to be used for repayment of loans received; and
- (4) information showing the financial status and ability of the borrower to repay loans.

Subd. 8. [CERTIFICATION OF PROJECTS.] The commissioner of transportation shall consider the following information when evaluating projects to certify for funding to the transportation committee:

- (1) a description of the nature and purpose of the proposed transportation project including an explanation of the need for the project and the reasons why it is in the public interest;
- (2) the relationship of the project to the area transportation improvement program, the approved statewide transportation improvement program, and to any ~~other~~ transportation plans required under state or federal law;
- (3) the estimated cost of the project and the amount of loans sought;

(4) proposed sources of funding in addition to loans sought from the transportation revolving loan fund, ~~the trunk highway revolving loan account, the county state-aid highway revolving loan account, or municipal state-aid street revolving loan account;~~

(5) ~~the need for the project as part of the overall transportation system;~~

~~(6) the overall economic impact of the project; and~~

~~(7) (6) the extent to which completion of the project will improve the movement of people and freight.~~

Subd. 9. [LOAN CONDITIONS.] When making loans from the transportation revolving loan fund, ~~the trunk highway revolving loan account, the county state-aid highway revolving loan account, or the municipal state-aid street revolving loan account,~~ the transportation committee shall comply with the ~~conditions~~ applicable provisions of the act and state law. In addition, a loan made under this section must:

(1) bear interest at or below market rates or as otherwise specified in federal law;

(2) have a repayment term not longer than 30 years;

(3) be fully amortized no later than 30 years after project completion;

(4) be subject to repayment of principal and interest beginning not later than five years after the facility financed with a loan has been completed, or in the case of a highway project, five years after the facility has opened to traffic; and

(5) ~~be made disbursed for specific project elements only after all federal environmental requirements applicable to the project have been complied with and all federal environmental requirements have been met.~~

Subd. 10. [LOANS IN ANTICIPATION OF FUTURE APPORTIONMENTS.] A loan may be made to a county, or to a statutory or home rule charter city having a population of 5,000 or more, in anticipation of repayment of the loan from sums that will be apportioned to a county from the county state-aid highway fund under section 162.07 or to a city from the municipal state-aid street fund under section 162.14.

Subd. 11. [PAYMENT BY COUNTY OR CITY.] Notwithstanding the allocation provisions of section 162.08 for counties, and the apportionment provisions of section 162.14 for cities, sums apportioned under section 162.13 to a statutory or home rule charter city, or under section 162.07 to a county, that has loan repayments due to the transportation revolving loan fund, ~~the trunk highway revolving loan account, the county state-aid highway revolving loan account, or the municipal state-aid street revolving loan account~~ shall be paid by the commissioner of transportation to the appropriate loan fund or account to offset the loan repayments that are due.

Subd. 12. [RULES OF TRANSPORTATION COMMITTEE AND AUTHORITY.] The commissioner of the department of trade and economic development shall adopt administrative rules specifying the procedures that will be used for the administration of the duties of the transportation committee and authority. The rules must include criteria, standards, and procedures that will be used for making loans, determining interest rates to be charged on loans, the amount of project financing to be provided, the collateral that will be required, the requirements for dedicated sources of revenue or income streams to ensure repayment of loans, and the length of repayment terms.

Subd. 13. [AUTHORITY AND RULES OF DEPARTMENT.] The commissioner of transportation shall establish, adopt rules for, and implement a program to identify, assist with the development of, and certify projects eligible for loans under the act to the transportation committee. Until rules are adopted by the commissioner of transportation, the commissioner of transportation may certify to the transportation committee any project that has been reviewed through an approved planning process that qualifies the project to be included in the statewide transportation program or amended into the statewide transportation improvement program.

Subd. 14. [JOINT RULES.] The commissioner of the department of trade and economic development and the commissioner of transportation may adopt a single set of rules.

Sec. 28. Laws 1999, chapter 238, article 1, section 2, subdivision 7, is amended to read:

Subd. 7. State Roads	912,625,000	923,769,000
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Summary by Fund

General	59,000	9,000
Trunk Highway	912,566,000	923,760,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) State Road Construction

516,684,000	521,707,000
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It is estimated that these appropriations will be funded as follows:

Federal Highway Aid

275,000,000	275,000,000
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Highway User Taxes

241,684,000	246,707,000
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The commissioner of transportation shall notify the chair of the transportation budget division of the senate and chair of the transportation finance committee of the house of representatives quarterly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

The commissioner may transfer up to \$15,000,000 each year to the trunk highway revolving loan account.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

(b) Highway Debt Service

13,949,000	13,175,000
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\$3,949,000 the first year and \$3,175,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on state government finance of the senate and the committee on ways and means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

(c) Research and Investment Management

12,450,000	12,597,000
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\$600,000 the first year and \$600,000 the second year are available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available to (1) regional development commissions, and (2) in regions where no regional development commission is functioning, joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission, and (3) in regions where no regional development commission or joint powers board is functioning, the department's district office for that region.

\$216,000 the first year and \$216,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$75,000 the first year and \$25,000 the second year are for transportation planning relating to the 2000 census. This appropriation may not be added to the agency's budget base.

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) Central Engineering Services

68,563,000	70,940,000
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(e) Design and Construction Engineering

80,592,000	83,246,000
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\$1,000,000 the first year and \$500,000 the second year are for transportation planning relating to the 2000 census. This appropriation may not be added to the agency's budget base.

(f) State Road Operations

214,703,000	216,561,000
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\$1,000,000 each year are for enhancements to the freeway operations program in the metropolitan area.

\$1,000,000 the first year and \$1,000,000 the second year are for maintenance services including rest area maintenance, vehicle insurance, ditch assessments, and tort claims.

\$3,000,000 the first year and \$1,000,000 the second year are for improved highway striping.

\$500,000 the first year and \$500,000 the second year are for safety technology applications.

\$150,000 the first year and \$150,000 the second year are for statewide asset preservation and repair.

\$750,000 the first year and \$750,000 the second year are for the implementation of the transportation worker concept.

The commissioner shall establish a task force to study seasonal road restrictions and report to the legislature its findings and any recommendations for legislative action. The commissioner shall appoint members representing:

- (1) aggregate and ready-mix producers;
- (2) solid waste haulers;
- (3) liquid waste haulers;
- (4) the logging industry;
- (5) the construction industry; and
- (6) agricultural interests.

The task force shall report to the legislature by February 1, 2000, on its findings and recommendations.

(g) Electronic Communications

5,684,000	5,543,000
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Summary by Fund

General	59,000	9,000
Trunk Highway	5,625,000	5,534,000

\$9,000 the first year and \$9,000 the second year are from the general fund for equipment and operation of the Roosevelt signal tower for Lake of the Woods weather broadcasting.

\$50,000 the first year from the general fund is for purchase of equipment for the 800 MHz public safety radio system.

\$200,000 the first year is from the trunk highway fund for costs resulting from the termination of agreements made under article 2, sections 31 and 89, and Minnesota Statutes, section 174.70, subdivision 2. This appropriation does not cancel but is available until spent.

In each year of the biennium the commissioner shall request the commissioner of administration to request bids for the purchase of digital mobile and portable radios to be used on the metropolitan regional public safety radio communications system.

Sec. 29. [PUBLIC SAFETY RADIO SYSTEM STUDY.]

Subdivision 1. [PLANNING COMMITTEE.] The commissioners of administration, transportation, and public safety shall convene a planning committee to report to the legislature on a plan for development of an 800 megahertz statewide shared public safety radio system. The planning committee must provide a means for inclusion of input from representatives of local governments and major system user groups.

Subd. 2. [REPORT CONTENTS.] The committee shall review:

- (1) current and future needs and capacities of radio systems in outstate areas;
- (2) the potential for implementation of a multiagency and multijurisdictional shared radio system;
- (3) potential guidelines for governance and system participation by state and local units of government; and
- (4) statutory changes required to implement a statewide 800 megahertz shared public safety radio system.

Subd. 3. [REVIEW CONSIDERATIONS.] In performing the duties under this section, the planning committee may consider:

- (1) assessment of current uses, needs, and capacities, including growth and expansion capacities, by local government and by each major user group;
- (2) estimates of future needs by each local government and by each major user group;
- (3) estimates by local government and by major user group of the anticipated level and timeline for utilization of the radio system;
- (4) analysis of the expected costs of implementation of the radio system; and
- (5) proposed funding mechanisms, including options for allocation of costs among local governments and user groups.

Subd. 4. [PUBLIC MEETINGS.] After completing its duties under subdivisions 2 and 3, the planning committee shall prepare a draft report to local governments and major user groups in all outstate areas. The draft report must also be made available to the public. After preparing and disseminating the draft report and before presenting the final report to the legislature, the planning committee shall meet with representatives of local governments and user groups in each department of public safety radio communication district to explain the report and seek comment.

Subd. 5. [REPORT.] By February 1, 2001, the commissioner of administration shall report to the legislature on the findings and recommendations of the planning committee. The report must also identify any changes in statutory authority and funding options necessary to provide for implementation of the statewide 800 megahertz share public safety radio system.

Sec. 30. [TRANSFERRING CARRIER REGULATORY RESPONSIBILITIES.]

(a) Responsibilities, as defined in Minnesota Statutes, section 15.039, subdivision 1, held by the transportation regulation board including, but not limited to, responsibilities relating to administration, regulation, recordkeeping, operating authority, permitting, rate making, rulemaking, and enforcement of transportation laws, rules, and regulations relating to motor carriers and common carriers by rail under Minnesota Statutes, chapters 218, 219, 221, and 222, are transferred to the commissioner of the Minnesota department of transportation under Minnesota Statutes, section 15.039.

(b) The legislative and quasi-judicial functions and powers conferred on the board under Minnesota Statutes, chapter 174A, are also transferred to the commissioner.

(c) The position of transportation regulation board member and the transportation regulation board as previously constituted are abolished.

Sec. 31. [INSTRUCTIONS TO REVISOR.]

(a) Except when used in the phrases to be changed by the revisor under paragraph (b), the revisor of statutes is directed to change the word "board" or "board's," or similar term or phrase, when it refers to the transportation regulation board, to the term "commissioner," "commissioner's," or "commissioner of transportation," as appropriate, where it appears in:

(1) Minnesota Statutes, sections 174A.02, subdivision 3; 221.025; 221.101; 221.121, subdivisions 1, 2, 3, 4, 5, 6, and 6a; 221.122, subdivisions 1 and 3; 221.123; 221.151; 221.161, subdivisions 2, 3, and 4; 221.165; 221.171, subdivision 1; 221.185, subdivisions 2 and 3a; 221.221, subdivision 2; 221.291, subdivision 5; 221.293; 221.296, subdivisions 3, 4, and 8; and 221.55; and

(2) Minnesota Rules, chapters 7800; 8900; 8910; and 8920.

(b) The revisor of statutes is directed to change the phrases "board or commissioner," "commissioner or board," "board or the commissioner," "commissioner or the board," "commissioner and the board," "commissioner and board," "board and the commissioner," "board and commissioner," "department and board," "board or department," and "board and the department," when the word "board" refers to the transportation regulation board, to the term "commissioner," or "commissioner of transportation," as appropriate, where it appears in:

(1) Minnesota Statutes, sections 221.011, subdivision 15; 221.031, subdivision 5; 221.121, subdivisions 1 and 5; 221.122, subdivision 1; 221.151, subdivision 2; 221.221, subdivisions 1 and 3; 221.261; 221.271; 221.291, subdivisions 1 and 3; 221.293; 221.295; 221.296, subdivisions 3 and 4; and 221.68; and

(2) Minnesota Rules, chapter 8850.

(c) Except when amended accordingly in sections 1 to 30, the revisor of statutes is directed to change the words "transportation regulation board" to "commissioner of transportation" wherever they appear in Minnesota Statutes and Minnesota Rules.

(d) In Minnesota Statutes, the revisor of statutes shall renumber sections 174A.02 as 174.64; 174A.04 as 174.65; and 174A.06 as 174.66.

(e) In Minnesota Rules, chapters 7800 and 8830, the revisor of statutes shall change the term "commission" to "commissioner of transportation" or "commissioner," as appropriate.

(f) The revisor of statutes shall make other changes in chapter titles; section, subdivision, part, and subpart headnotes; and in other terminology necessary as a result of this act.

Sec. 32. [REPEALER.]

Minnesota Statutes 1998, sections 174A.01; 174A.02, subdivision 5; 174A.03; 174A.05; 218.021; 218.025; 218.031, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and 10; 218.041, subdivisions 1, 2, 7, and 8; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; and 219.97, are repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 3 and 6 are effective the day following final enactment. Sections 12; 13; 28; and 32 are effective July 1, 2000."

Delete the title and insert:

"A bill for an act relating to transportation; allowing the commissioner of transportation to convey interest in certain land to property owners; allowing interest on repayment of money advanced to department of transportation for interregional transportation corridor development; regulating drivers licenses; modifying provisions for speed limits in highway work zones; transferring responsibility for distributing certain funds for highway safety to commissioner of public safety; transferring responsibilities from transportation regulation board to commissioner of transportation; modifying transportation revolving loan fund provisions; making technical and clarifying changes; modifying provisions relating to statewide communications system; requiring a public safety system radio study; amending Minnesota Statutes 1998, sections 161.24, subdivision 4; 169.14, subdivision 5d; 171.02, subdivision 2; 171.321, subdivision 2; 174.02, subdivisions 4 and 5; 174.10, subdivisions 1, 3, and 4; 174A.02, subdivisions 1 and 2; 174A.04; 218.031, subdivision 2; 218.041, subdivisions 4, 5, and 6; 219.384, subdivision 2; 219.402; and 446A.085, as amended; Minnesota Statutes 1999 Supplement, sections 171.29, subdivision 2; 174.70, subdivisions 2 and 3; 174A.02, subdivision 4; 174A.06; 219.074, subdivision 2; and 221.031, subdivision 1; Laws 1999, chapter 238, article 1, section 2, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1998, sections 174A.01; 174A.02, subdivision 5; 174A.03; 174A.05; 218.021; 218.025; 218.031, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and 10; 218.041, subdivisions 1, 2, 7, and 8; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; and 219.97."

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

The report was adopted.

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

H. F. No. 2968, A bill for an act relating to veterans homes; providing sales tax rebates are not income for the support test for residents; amending Minnesota Statutes 1998, section 198.03, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 20, insert:

"Sec. 2. [198.37] [TRANSITIONAL HOUSING.]

The board may establish programs to assist homeless or disabled veterans on the campuses of the veterans homes. The board may use federal grant money for the Hastings veterans home to purchase a single-family dwelling, make necessary repairs and improvements with the help of the department of administration, and operate the program. Continuation of these programs will be contingent on the availability of federal funds."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for programs to assist homeless or disabled veterans;"

Page 1, line 5, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 198"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2994, A bill for an act relating to health; modifying ambulance service and EMT requirements; amending Minnesota Statutes 1999 Supplement, sections 144E.101, subdivision 9; 144E.28, subdivisions 5 and 7; 144E.285, subdivisions 1 and 4; 144E.29; 144E.305, subdivisions 1 and 2; and 144E.50, subdivision 6; repealing Minnesota Rules, parts 4690.0100, subpart 28; 4690.3500; 4690.7900, subpart 2; and 4735.5100.

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

The report was adopted.

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

H. F. No. 2995, A bill for an act relating to crime prevention; recodifying the driving while impaired crimes and related provisions; making numerous clarifying, technical, and substantive changes in the pursuit of simplification; amending Minnesota Statutes 1998, section 629.471; Minnesota Statutes 1999 Supplement, sections 260B.171, subdivision 7; 260B.225, subdivision 4; and 609.035, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 169A; repealing Minnesota Statutes 1998, sections 168.042; 169.01, subdivisions 61, 68, 82, 83, 86, 87, 88, and 89; 169.121, subdivisions 1, 1a, 1b, 1d, 2, 3b, 3c, 5, 5a, 5b, 6, 7, 8, 9, 10, 10a, 11, and 12; 169.1211; 169.1215; 169.1216; 169.1217, subdivisions 2, 3, 4, 5, 6, and 8; 169.1218; 169.1219; 169.122, subdivisions 1, 2, 3, and 4; 169.123, subdivisions 2, 2a, 2b, 2c, 3, 4, 5, 5a, 5b, 6, 7, 8, and 10; 169.124; 169.125;

169.126; 169.1261; 169.1265; 169.128; and 169.129, subdivision 3; Minnesota Statutes 1999 Supplement, sections 169.121, subdivisions 1c, 3, 3d, 3f, and 4; 169.1217, subdivisions 1, 7, 7a, and 9; 169.122, subdivision 5; 169.123, subdivisions 1 and 5c; and 169.129, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 35, delete "15" and insert "ten"

Page 8, line 5, delete "15" and insert "ten"

Page 9, line 36, delete "15" and insert "ten"

Page 11, lines 6 and 24, delete "15" and insert "ten"

Page 12, lines 5 and 31, delete "15" and insert "ten"

Page 13, line 2, delete "15" and insert "ten"

Page 14, line 9, delete "15" and insert "ten"

Page 15, line 6, delete "15" and insert "ten"

Page 18, line 4, delete "15" and insert "ten"

Page 24, line 32, delete "15" and insert "ten"

Page 25, line 24, delete "15" and insert "ten"

Page 33, line 22, delete "15" and insert "ten"

Page 39, lines 14, 26, and 31, delete "15" and insert "ten"

Page 43, line 35, delete "15" and insert "ten"

Page 44, line 3, delete "15" and insert "ten"

Page 51, line 25, delete "15" and insert "ten"

Page 66, line 26, delete "15" and insert "ten"

Page 67, line 9, delete "15" and insert "ten"

Page 67, line 32, delete "15" and reinstate the stricken "ten"

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

The report was adopted.

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

H. F. No. 3016, A bill for an act relating to hospital districts; authorizing the annexation of a city or town that is contiguous to a contiguous city or town; amending Minnesota Statutes 1998, section 447.36.

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

The report was adopted.

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

H. F. No. 3053, A bill for an act relating to motor vehicles; allowing collector vehicles to display a blue light as part of brake light; amending Minnesota Statutes 1999 Supplement, section 169.64, subdivision 4.

Reported the same back with the following amendments:

Page 1, after line 22, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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

The report was adopted.

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

H. F. No. 3091, A bill for an act relating to traffic regulations; clarifying provision requiring vehicles to be driven in right-hand lane except under certain circumstances; appropriating money; amending Minnesota Statutes 1998, section 169.18, subdivision 10.

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

The report was adopted.

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

H. F. No. 3103, A bill for an act relating to health and human services; establishing the right to seek licensure for excluded adult foster care providers; changing requirements to background studies for licensed programs; establishing tribal licensing agency access to criminal history data; clarifying tort liability licensing exception for county agencies; amending Minnesota Statutes 1998, sections 245A.03, subdivision 2, and by adding a subdivision; 245A.04, subdivisions 3 and 3b; and 466.03, subdivision 6d; Minnesota Statutes 1999 Supplement, section 245A.04, subdivision 3d.

Reported the same back with the following amendments:

Page 15, line 13, after the comma, insert "a felony offense under 609.324, subdivision 1 (other prohibited acts), a felony offense under 609.378 (neglect or endangerment of a child)."

Page 22, after line 6, insert:

"Sec. 8. [EFFECTIVE DATES.]

Sections 1 to 7 are effective the day following final enactment. Section 6 applies to actions commenced on or after the effective date."

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

The report was adopted.

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

H. F. No. 3124, A bill for an act relating to family law; providing for visitation enforcement; allowing court to impose certain penalties for contempt of court; amending Minnesota Statutes 1998, section 518.175, subdivision 6.

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

The report was adopted.

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

H. F. No. 3128, A bill for an act relating to human services; modifying sanctions and program eligibility requirements for noncompliant MFIP recipients; amending Minnesota Statutes 1998, section 256J.15, by adding a subdivision; and 256.46, by adding a subdivision; Minnesota Statutes 1999 Supplement, section 256J.46, subdivisions 1, 2, and 2a; repealing Minnesota Statutes 1998, section 256J.46, subdivision 1a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

TANF INITIATIVES TO PROMOTE SELF-SUFFICIENCY

Section 1. Minnesota Statutes 1999 Supplement, section 119B.011, subdivision 15, is amended to read:

Subd. 15. [INCOME.] "Income" means earned or unearned income received by all family members, including public assistance cash benefits and at-home infant care subsidy payments, unless specifically excluded and child support and maintenance distributed to the family under section 256.741, subdivision 15. The following are excluded from income: funds used to pay for health insurance premiums for family members, Supplemental Security Income, scholarships, work-study income, and grants that cover costs or reimbursement for tuition, fees, books, and educational supplies; student loans for tuition, fees, books, supplies, and living expenses; state and federal earned income tax credits; in-kind income such as food stamps, energy assistance, foster care assistance, medical assistance, child care assistance, and housing subsidies; earned income of full or part-time students, who have not earned a high school diploma or GED high school equivalency diploma including earnings from summer employment; grant awards under the family subsidy program; nonrecurring lump sum income only to the extent that it is earmarked and used for the purpose for which it is paid; and any income assigned to the public authority according to section 256.74 or 256.741.

Sec. 2. Minnesota Statutes 1998, section 256.741, is amended by adding a subdivision to read:

Subd. 15. [CHILD SUPPORT DISTRIBUTION.] The state shall distribute current child support and maintenance received by the state to an individual who assigns the right to that support under subdivision 2, paragraph (a).

Sec. 3. Minnesota Statutes 1999 Supplement, section 256J.02, subdivision 2, is amended to read:

Subd. 2. [USE OF MONEY.] State money appropriated for purposes of this section and TANF block grant money must be used for:

- (1) financial assistance to or on behalf of any minor child who is a resident of this state under section 256J.12;
- (2) employment and training services under this chapter or chapter 256K;
- (3) emergency financial assistance and services under section 256J.48;
- (4) diversionary assistance under section 256J.47;
- (5) the health care and human services training and retention program under chapter 116L, for costs associated with families with children with incomes below 200 percent of the federal poverty guidelines;
- (6) the pathways program under section 116L.04, subdivision 1a;
- (7) welfare-to-work extended employment services for MFIP participants with severe impairment to employment as defined in section 268A.15, subdivision 1a;
- (8) the family homeless prevention and assistance program under section 462A.204;
- (9) the rent assistance for family stabilization demonstration project under section 462A.205; ~~and~~
- (10) reimbursements for the federal share of child support collections passed through to the custodial parent;
- (11) programs and pilot projects under chapter 256K; and
- (12) program administration under this chapter.

Sec. 4. Minnesota Statutes 1999 Supplement, section 256J.08, subdivision 86, is amended to read:

Subd. 86. [UNEARNED INCOME.] "Unearned income" means income received by a person that does not meet the definition of earned income. Unearned income includes income from a contract for deed, interest, dividends, reemployment compensation, disability insurance payments, veterans benefits, pension payments, return on capital investment, insurance payments or settlements, severance payments, child support and maintenance payments, and payments for illness or disability whether the premium payments are made in whole or in part by an employer or participant.

Sec. 5. Minnesota Statutes 1998, section 256J.15, is amended by adding a subdivision to read:

Subd. 3. [ELIGIBILITY AFTER DISQUALIFICATION DUE TO NONCOMPLIANCE.] (a) An applicant who is a member of an assistance unit that was disqualified from receiving MFIP under either section 256J.26, subdivision 1, paragraph (a), clause (2), item (ii), or 256J.46, subdivision 1, paragraph (b), clause (3), and who applies for MFIP assistance within six months of the date of the disqualification is considered to be a new applicant unit for purposes of the property limitations under section 256J.20 and the payment of assistance provisions under section 256J.24, subdivision 8. The county agency must also use the initial income test under section 256J.21, subdivision 3, in determining the applicant's eligibility for assistance.

(b) Notwithstanding section 256J.24, subdivisions 5 to 7 and 9, for an applicant who is eligible for MFIP under this subdivision, for each of the first three months on MFIP the assistance unit's grant shall be reduced by ten percent of the applicable MFIP standard of need for an assistance unit of the same size, with the residual amount of the grant paid to the assistance unit.

Sec. 6. Minnesota Statutes 1999 Supplement, section 256J.26, subdivision 1, is amended to read:

Subdivision 1. [PERSON CONVICTED OF DRUG OFFENSES.] (a) Applicants or participants who have been convicted of a drug offense committed after July 1, 1997, may, if otherwise eligible, receive MFIP benefits subject to the following conditions:

(1) Benefits for the entire assistance unit must be paid in vendor form for shelter and utilities during any time the applicant is part of the assistance unit.

(2) The convicted applicant or participant shall be subject to random drug testing as a condition of continued eligibility and following any positive test for an illegal controlled substance is subject to the following sanctions:

~~(i) for failing a drug test the first time, the participant's grant shall be reduced by ten percent of the MFIP standard of need, prior to making vendor payments for shelter and utility costs; or~~

~~(ii) for failing a drug test two or more times, the residual amount of the participant's grant after making vendor payments for shelter and utility costs, if any, must be reduced by an amount equal to 30 percent of the MFIP standard of need; or~~

(ii) for failing a drug test two times, the assistance unit is disqualified from receiving MFIP assistance, both the cash and food portions. This disqualification must be in effect for a minimum of one month. A county may not impose a disqualification under this provision unless the participant first receives a face-to-face meeting under section 256J.46, subdivision 1, paragraph (e).

(3) A participant who fails ~~an initial~~ a drug test the first time and is under a sanction due to other MFIP program requirements is considered to have more than one occurrence of noncompliance, and is subject to the applicable level of sanction in clause (2)(ii) as specified under section 256J.46, subdivision 1, paragraph (b).

(b) Applicants requesting only food stamps or participants receiving only food stamps, who have been convicted of a drug offense that occurred after July 1, 1997, may, if otherwise eligible, receive food stamps if the convicted applicant or participant is subject to random drug testing as a condition of continued eligibility. Following a positive test for an illegal controlled substance, the applicant is subject to the following sanctions:

(1) for failing a drug test the first time, food stamps shall be reduced by ten percent of the applicable food stamp allotment; and

(2) for failing a drug test two or more times, food stamps shall be reduced by an amount equal to 30 percent of the applicable food stamp allotment.

(c) For the purposes of this subdivision, "drug offense" means an offense that occurred after July 1, 1997, of sections 152.021 to 152.025, 152.0261, or 152.096. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the offense occurred after July 1, 1997, and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor.

Sec. 7. Minnesota Statutes 1999 Supplement, section 256J.33, subdivision 4, is amended to read:

Subd. 4. [MONTHLY INCOME TEST.] A county agency must apply the monthly income test retrospectively for each month of MFIP eligibility. An assistance unit is not eligible when the countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit. The income applied against the monthly income test must include:

(1) gross earned income from employment, prior to mandatory payroll deductions, voluntary payroll deductions, wage authorizations, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36, unless the employment income is specifically excluded under section 256J.21, subdivision 2;

(2) gross earned income from self-employment less deductions for self-employment expenses in section 256J.37, subdivision 5, but prior to any reductions for personal or business state and federal income taxes, personal FICA, personal health and life insurance, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36;

(3) unearned income after deductions for allowable expenses in section 256J.37, subdivision 9, and allocations in section 256J.36, unless the income has been specifically excluded in section 256J.21, subdivision 2;

(4) gross earned income from employment as determined under clause (1) which is received by a member of an assistance unit who is a minor child or minor caregiver and less than a half-time student;

(5) child support and spousal support received ~~or anticipated to be received~~ by an assistance unit;

(6) the income of a parent when that parent is not included in the assistance unit;

(7) the income of an eligible relative and spouse who seek to be included in the assistance unit; and

(8) the unearned income of a minor child included in the assistance unit.

Sec. 8. Minnesota Statutes 1999 Supplement, section 256J.34, subdivision 1, is amended to read:

Subdivision 1. [PROSPECTIVE BUDGETING.] A county agency must use prospective budgeting to calculate the assistance payment amount for the first two months for an applicant who has not received assistance in this state for at least one payment month preceding the first month of payment under a current application. Notwithstanding subdivision 3, paragraph (a), clause (2), a county agency must use prospective budgeting for the first two months for a person who applies to be added to an assistance unit. Prospective budgeting is not subject to overpayments or underpayments unless fraud is determined under section 256.98.

(a) The county agency must apply the income received or anticipated in the first month of MFIP eligibility against the need of the first month. The county agency must apply the income received or anticipated in the second month against the need of the second month.

(b) When the assistance payment for any part of the first two months is based on anticipated income, the county agency must base the initial assistance payment amount on the information available at the time the initial assistance payment is made.

(c) The county agency must determine the assistance payment amount for the first two months of MFIP eligibility by budgeting both recurring and nonrecurring income for those two months.

~~(d) The county agency must budget the child support income received or anticipated to be received by an assistance unit to determine the assistance payment amount from the month of application through the date in which MFIP eligibility is determined and assistance is authorized. Child support income which has been budgeted to determine~~

~~the assistance payment in the initial two months is considered nonrecurring income. An assistance unit must forward any payment of child support to the child support enforcement unit of the county agency following the date in which assistance is authorized.~~

Sec. 9. Minnesota Statutes 1999 Supplement, section 256J.34, subdivision 4, is amended to read:

Subd. 4. [SIGNIFICANT CHANGE IN GROSS INCOME.] The county agency must recalculate the assistance payment when an assistance unit experiences a significant change, as defined in section 256J.08, resulting in a reduction in the gross income received in the payment month from the gross income received in the budget month. The county agency must issue a supplemental assistance payment based on the county agency's best estimate of the assistance unit's income and circumstances for the payment month. Supplemental assistance payments that result from significant changes are limited to two in a 12-month period regardless of the reason for the change. Notwithstanding any other statute or rule of law, supplementary assistance payments shall not be made when the significant change in income is the result of receipt of a lump sum, receipt of an extra paycheck, business fluctuation in self-employment income, or an assistance unit member's participation in a strike or other labor action. ~~Supplementary assistance payments due to a significant change in the amount of direct support received must not be made after the date the assistance unit is required to forward support to the child support enforcement unit under subdivision 1, paragraph (d).~~

Sec. 10. Minnesota Statutes 1998, section 256J.40, is amended to read:

256J.40 [FAIR HEARINGS.]

Subdivision 1. [FAIR HEARING PROCESS.] Caregivers receiving a notice of intent to sanction or a notice of adverse action that includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or termination of benefits may request a fair hearing. A request for a fair hearing must be submitted in writing to the county agency or to the commissioner and must be mailed within 30 days after a participant or former participant receives written notice of the agency's action or within 90 days when a participant or former participant shows good cause for not submitting the request within 30 days. A former participant who receives a notice of adverse action due to an overpayment may appeal the adverse action according to the requirements in this section. Issues that may be appealed are:

- (1) the amount of the assistance payment;
- (2) a suspension, reduction, denial, or termination of assistance;
- (3) the basis for an overpayment, the calculated amount of an overpayment, and the level of recoupment;
- (4) the eligibility for an assistance payment; and
- (5) the use of protective or vendor payments under section 256J.39, subdivision 2, clauses (1) to (3).

A county agency must not reduce, suspend, or terminate payment when an aggrieved participant requests a fair hearing prior to the effective date of the adverse action or within ten days of the mailing of the notice of adverse action, whichever is later, unless the participant requests in writing not to receive continued assistance pending a hearing decision. Assistance issued pending a fair hearing is subject to recovery under section 256J.38 when as a result of the fair hearing decision the participant is determined ineligible for assistance or the amount of the assistance received. A county agency may increase or reduce an assistance payment while an appeal is pending when the circumstances of the participant change and are not related to the issue on appeal. The commissioner's order is binding on a county agency. No additional notice is required to enforce the commissioner's order.

A county agency shall reimburse appellants for reasonable and necessary expenses of attendance at the hearing, such as child care and transportation costs and for the transportation expenses of the appellant's witnesses and representatives to and from the hearing. Reasonable and necessary expenses do not include legal fees. Fair hearings must be conducted at a reasonable time and date by an impartial referee employed by the department. The hearing may be conducted by telephone or at a site that is readily accessible to persons with disabilities.

The appellant may introduce new or additional evidence relevant to the issues on appeal. Recommendations of the appeals referee and decisions of the commissioner must be based on evidence in the hearing record and are not limited to a review of the county agency action.

Subd. 2. [EXCEPTION; AUTOMATIC HEARING.] No written request is required to initiate a fair hearing under subdivision 1 if the participant is otherwise subject to disqualification under section 256J.46, subdivision 1, paragraph (b), clause (3).

Sec. 11. Minnesota Statutes 1998, section 256J.45, subdivision 3, is amended to read:

Subd. 3. [GOOD CAUSE EXEMPTIONS FOR NOT ATTENDING ORIENTATION.] (a) The county agency shall not impose the sanction under section 256J.46 if it determines that the participant has good cause for failing to attend orientation. Good cause exists when:

(1) appropriate child care is not available;

(2) the participant is ill or injured;

(3) a family member is ill and needs care by the participant that prevents the participant from attending orientation. For a caregiver with a child in the household who has been certified as eligible for personal care services under section 256B.0627, good cause also exists when an interruption in the provision of those services occurs which prevents the participant from attending orientation;

(4) the caregiver is unable to secure necessary transportation;

(5) the caregiver is in an emergency situation that prevents orientation attendance;

(6) the orientation conflicts with the caregiver's work, training, or school schedule; or

(7) the caregiver documents other verifiable impediments to orientation attendance beyond the caregiver's control.

(b) Counties must work with clients to provide child care and transportation necessary to ensure a caregiver has every opportunity to attend orientation.

Sec. 12. Minnesota Statutes 1999 Supplement, section 256J.46, subdivision 1, is amended to read:

Subdivision 1. [SANCTIONS FOR PARTICIPANTS NOT COMPLYING WITH PROGRAM REQUIREMENTS.] (a) A participant who fails without good cause to comply with the requirements of this chapter, and who is not subject to a sanction under subdivision 2, shall be subject to a sanction as provided in this subdivision.

For purposes of this section, an occurrence of noncompliance means a failure by a participant, without good cause, to comply with the requirements of this chapter. Each month that a participant in an assistance unit fails to comply with a requirement of this chapter shall be considered a separate occurrence of noncompliance for which the assistance unit's grant must be sanctioned as provided in this section. In applying a sanction to a two-parent assistance unit, each occurrence of noncompliance by either participant shall be considered a separate occurrence of noncompliance for which the assistance unit is subject to sanction.

A sanction under this subdivision becomes effective the month following the month in which a required notice is given. A sanction must not be imposed when a participant comes into compliance with the requirements for orientation under section 256J.45 or third-party liability for medical services under section 256J.30, subdivision 10, prior to the effective date of the sanction. A sanction must not be imposed when a participant comes into compliance with the requirements for employment and training services under sections 256J.49 to 256J.72 ten days prior to the effective date of the sanction. ~~For purposes of this subdivision, each month that a participant fails to comply with a requirement of this chapter shall be considered a separate occurrence of noncompliance.~~ A participant who has had one or more sanctions imposed must remain in compliance with the provisions of this chapter for six months in order for a subsequent occurrence of noncompliance to be considered a first occurrence.

(b) Sanctions for noncompliance shall be imposed as follows:

(1) For the first occurrence of noncompliance by a participant in ~~a single-parent household or by one participant in a two-parent household~~ an assistance unit, the assistance unit's grant shall be reduced by ten percent of the MFIP standard of need for an assistance unit of the same size with the residual grant paid to the participant. The reduction in the grant amount must be in effect for a minimum of one month and shall be removed in the month following the month that the participant returns to compliance.

(2) For a second ~~or subsequent, third, fourth, or fifth~~ occurrence of noncompliance, ~~or when both participants in a two-parent household are out of compliance at the same time~~, the assistance unit's shelter costs shall be vendor paid up to the amount of the cash portion of the MFIP grant for which the ~~participant's~~ assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment of the assistance unit's shelter costs. The residual amount of the grant after vendor payment, if any, must be reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size before the residual grant is paid to the assistance unit. The reduction in the grant amount must be in effect for a minimum of one month and shall be removed in the month following the month that ~~a~~ the participant in a one-parent household assistance unit returns to compliance. In a two-parent ~~household~~ assistance unit, the grant reduction must be in effect for a minimum of one month and shall be removed in the month following the month both participants return to compliance. The vendor payment of shelter costs and, if applicable, utilities shall be removed six months after the month in which the participant or participants return to compliance.

(3) For a sixth occurrence of noncompliance, the assistance unit is disqualified from receiving MFIP assistance, both the cash and food portions. This disqualification must be in effect for a minimum of one full month. A county may not impose a disqualification under this clause before an automatic fair hearing is held as required by section 256J.40, subdivision 2. The hearing may only be waived in writing. If a participant waives the right to this hearing, or the participant or the participant's representative fails to appear at the hearing, the disqualification must be imposed.

(c) ~~No later than during the second month that~~ Before a sanction under paragraph (b), clause (2), ~~is in effect due to noncompliance with employment services (1), may be imposed~~, the participant's case file must be reviewed to determine if:

(i) the continued noncompliance can be explained and mitigated by providing a needed preemployment activity, as defined in section 256J.49, subdivision 13, clause (16);

(ii) the participant qualifies for a good cause exception under section 256J.57; or

(iii) the participant qualifies for an exemption under section 256J.56.

The case file review must be conducted by county staff or employment and training service provider staff other than the participant's current job counselor.

If the lack of an identified activity can explain the noncompliance, the county must work with the participant to provide the identified activity, and the county must restore the participant's grant amount to the full amount for which the assistance unit is eligible. The grant must be restored retroactively to the first day of the month in which the participant was found to lack preemployment activities or to qualify for an exemption or good cause exception.

If the participant is found to qualify for a good cause exception or an exemption, the county must restore the participant's grant to the full amount for which the assistance unit is eligible.

(d) At the county agency's option, the provisions of this paragraph may be followed in place of the provisions in paragraph (e). During the month that a sanction is in effect for a second occurrence of noncompliance, the participant may be offered a face-to-face intervention in the participant's home by a county representative who is knowledgeable about family intervention strategies. During this intervention the participant's needs and possible reasons for noncompliance must be assessed, and an identification of existing resources that could be used to assist the participant to return to compliance must be made. The information gathered during this intervention must be reported to the participant's job counselor, along with any recommendations for referrals to existing resources or modifications to the activities in the participant's approved plan under section 256J.52. The county representative who conducts the intervention required under this paragraph may be an existing county staff person, staff from a nonprofit agency, or a trained paraprofessional.

(e) Before a sanction may be imposed under paragraph (b), clause (2), for a second occurrence of noncompliance, the participant must first receive a face-to-face meeting with county staff or employment and training service provider staff. This meeting must be conducted by staff other than the participant's current job counselor. At this meeting the participant's plan and the continued noncompliance must be reviewed, and the staff must seek to determine:

(1) if the participant qualifies for a good cause exception under section 256J.57;

(2) if the participant qualifies for an exemption under section 256J.56; and

(3) the appropriateness of the activities in the participant's plan.

If the participant is found to qualify for a good cause exception or an exemption, the county must restore the participant's grant to the full amount for which the assistance unit is eligible. If one or more of the activities in the participant's plan is no longer appropriate, the plan must be revised to reflect that determination, and the sanction under paragraph (b), clause (2), may not be imposed.

Sec. 13. Minnesota Statutes 1999 Supplement, section 256J.46, subdivision 2, is amended to read:

Subd. 2. [SANCTIONS FOR REFUSAL TO COOPERATE WITH SUPPORT REQUIREMENTS.] The grant of an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement agency, with support requirements under section 256.741, shall be subject to sanction as specified in this subdivision. The assistance unit's grant must be reduced by 25 percent of the applicable MFIP standard of need. The residual amount of the grant, if any, must be paid to the caregiver. A sanction under this subdivision becomes effective the first month following the month in which a required notice is given. A sanction must not be imposed when a caregiver comes into compliance with the requirements under section 256.741 prior to the effective date of the sanction. The sanction shall be removed in the month following the month that the caregiver cooperates with the support requirements. Each month that an MFIP caregiver fails to comply with the requirements of section 256.741 must be considered a separate occurrence of noncompliance. An MFIP caregiver who has had one or more sanctions imposed under this subdivision must remain in compliance with the requirements of section 256.741 for six months in order for a subsequent sanction to be considered a first occurrence.

Sec. 14. Minnesota Statutes 1999 Supplement, section 256J.46, subdivision 2a, is amended to read:

Subd. 2a. [DUAL SANCTIONS.] (a) Notwithstanding the provisions of subdivisions 1 and 2, for a participant subject to a sanction for refusal to comply with child support requirements under subdivision 2 and subject to a concurrent sanction for refusal to cooperate with other program requirements under subdivision 1, sanctions shall be imposed in the manner prescribed in this subdivision.

A participant who has had one or more sanctions imposed under this subdivision must remain in compliance with the provisions of this chapter for six months in order for a subsequent occurrence of noncompliance to be considered a first occurrence. Any vendor payment of shelter costs or utilities under this subdivision must remain in effect for six months after the month in which the participant is no longer subject to sanction under subdivision 1.

(b) If the participant was subject to sanction for:

~~(i) noncompliance under subdivision 1 before being subject to sanction for noncooperation under subdivision 2;~~
or

~~(ii) noncooperation under subdivision 2 before being subject to sanction for noncompliance under subdivision 1;~~

under either subdivision 1 or 2 before being subject to sanction under the other of those subdivisions, the participant shall be sanctioned as provided in subdivision 1, paragraph (b), ~~clause clauses (2) and (3),~~ and the requirement that the county conduct a review as specified in subdivision 1, paragraph (c), remains in effect.

(c) A participant who first becomes subject to sanction under both subdivisions 1 and 2 in the same month is subject to sanction as follows:

(i) in the first month of noncompliance and noncooperation, the participant's grant must be reduced by 25 percent of the applicable MFIP standard of need, with any residual amount paid to the participant;

(ii) in the second and subsequent months of noncompliance and noncooperation, the participant shall be sanctioned as provided in subdivision 1, paragraph (b), ~~clause clauses (2) and (3).~~

The requirement that the county conduct a review as specified in subdivision 1, paragraph (c), remains in effect.

(d) A participant remains subject to sanction under subdivision 2 if the participant:

(i) returns to compliance and is no longer subject to sanction under subdivision 1; or

(ii) has the sanction under subdivision 1, paragraph (b), removed upon completion of the review under subdivision 1, paragraph (c).

A participant remains subject to sanction under subdivision 1, paragraph (b), if the participant cooperates and is no longer subject to sanction under subdivision 2.

Sec. 15. Minnesota Statutes 1998, section 256J.46, is amended by adding a subdivision to read:

Subd. 3. [SANCTION STATUS AFTER DISQUALIFICATION.] An applicant who is a member of an assistance unit that was disqualified from receiving MFIP under subdivision 1, paragraph (b), clause (3), who applies for MFIP assistance within six months of the date of the disqualification, and who is determined to be eligible for MFIP assistance, is considered to have a first occurrence of noncompliance. The applicant must remain in compliance with the provisions of this chapter in order for a subsequent occurrence of noncompliance to be considered a first occurrence.

Sec. 16. Minnesota Statutes 1998, section 256J.47, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A family is eligible to receive diversionary assistance once every ~~36~~ 12 months if:

(1) a family member has resided in this state for at least 30 days;

(2) the caregiver provides verification that the caregiver has either experienced an unexpected occurrence that makes it impossible to retain or obtain employment or the caregiver has a temporary loss of income, which is not due to refusing to accept or terminating suitable employment as defined in section 256J.49, without good cause under section 256J.57, resulting in an emergency;

(3) the caregiver is at risk of MFIP-S eligibility if diversionary assistance is not provided and household income is below ~~140~~ 200 percent of the federal poverty guidelines; and

(4) the diversionary assistance will resolve the emergency and divert the family from applying for MFIP-S.

For purposes of this section, diversionary assistance means a one-time lump-sum payment to an individual or third-party vendor to prevent long-term receipt of public assistance.

Sec. 17. Minnesota Statutes 1998, section 256J.49, subdivision 13, is amended to read:

Subd. 13. [WORK ACTIVITY.] "Work activity" means any activity in a participant's approved employment plan that is tied to the participant's employment goal. For purposes of the ~~MFIP-S~~ MFIP program, any activity that is included in a participant's approved employment plan meets the definition of work activity as counted under the federal participation standards. Work activity includes, but is not limited to:

(1) unsubsidized employment;

(2) subsidized private sector or public sector employment, including grant diversion as specified in section 256J.69;

(3) work experience, including CWEP as specified in section 256J.67, and including work associated with the refurbishing of publicly assisted housing if sufficient private sector employment is not available;

(4) on-the-job training as specified in section 256J.66;

(5) job search, either supervised or unsupervised;

(6) job readiness assistance;

(7) job clubs, including job search workshops;

(8) job placement;

(9) job development;

(10) job-related counseling;

(11) job coaching;

(12) job retention services;

(13) job-specific training or education;

(14) job skills training directly related to employment;

(15) the self-employment investment demonstration (SEID), as specified in section 256J.65;

(16) preemployment activities, based on availability and resources, such as volunteer work, literacy programs and related activities, citizenship ~~and classes~~, English as a second language (ESL) classes as limited by the provisions of section 256J.52, subdivisions 3, paragraph (d), and 5, paragraph (c), or participation in dislocated worker services, chemical dependency treatment, mental health services, peer group networks, displaced homemaker programs, strength-based resiliency training, parenting education, or other programs designed to help families reach their employment goals and enhance their ability to care for their children;

(17) community service programs;

(18) vocational educational training or educational programs that can reasonably be expected to lead to employment, as limited by the provisions of section 256J.53;

(19) apprenticeships;

(20) satisfactory attendance in general educational development diploma classes or an adult diploma program;

(21) satisfactory attendance at secondary school, if the participant has not received a high school diploma;

(22) adult basic education classes;

(23) internships;

(24) bilingual employment and training services;

(25) providing child care services to a participant who is working in a community service program; and

(26) activities included in a safety plan that is developed under section 256J.52, subdivision 6.

Sec. 18. Minnesota Statutes 1998, section 256J.50, subdivision 5, is amended to read:

Subd. 5. [PARTICIPATION REQUIREMENTS FOR ~~SINGLE-PARENT AND TWO-PARENT~~ ALL CASES.]

(a) ~~A county must establish a uniform schedule for requiring participation by single parents. Mandatory participation must be required within six months of eligibility for cash assistance.~~ For ~~two-parent~~ all cases, participation is required concurrent with the receipt of ~~MFIP-S~~ MFIP cash assistance.

(b) Beginning January 1, 1998, with the exception of caregivers required to attend high school under the provisions of section 256J.54, subdivision 5, MFIP caregivers, upon completion of the secondary assessment, must develop an employment plan and participate in work activities.

(c) Upon completion of the secondary assessment:

(1) In single-parent families with no children under six years of age, the job counselor and the caregiver must develop an employment plan that includes 20 to 35 hours per week of work activities for the period January 1, 1998, to September 30, 1998; 25 to 35 hours of work activities per week in federal fiscal year 1999; and 30 to 35 hours per week of work activities in federal fiscal year 2000 and thereafter.

(2) In single-parent families with a child under six years of age, the job counselor and the caregiver must develop an employment plan that includes 20 to 35 hours per week of work activities.

(3) In two-parent families, the job counselor and the caregivers must develop employment plans which result in a combined total of at least 55 hours per week of work activities.

Sec. 19. Minnesota Statutes 1999 Supplement, section 256J.52, subdivision 3, is amended to read:

Subd. 3. [JOB SEARCH; JOB SEARCH SUPPORT PLAN.] (a) If, after the initial assessment, the job counselor determines that the participant possesses sufficient skills that the participant is likely to succeed in obtaining suitable employment, the participant must conduct job search for a period of up to eight weeks, for at least 30 hours per week. The participant must accept any offer of suitable employment. Upon agreement by the job counselor and the participant, a job search support plan may limit a job search to jobs that are consistent with the participant's employment goal. The job counselor and participant must develop a job search support plan which specifies, at a minimum: whether the job search is to be supervised or unsupervised; support services that will be provided while the participant conducts job search activities; the courses necessary to obtain certification or licensure, if applicable, and after obtaining the license or certificate, the client must comply with subdivision 5; and how frequently the participant must report to the job counselor on the status of the participant's job search activities. The job search support plan may also specify that the participant fulfill ~~a specified portion~~ no more than half of the required hours of job search through attending adult basic education or English as a second language classes.

(b) During the eight-week job search period, either the job counselor or the participant may request a review of the participant's job search plan and progress towards obtaining suitable employment. If a review is requested by the participant, the job counselor must concur that the review is appropriate for the participant at that time. If a review is conducted, the job counselor may make a determination to conduct a secondary assessment prior to the conclusion of the job search.

(c) Failure to conduct the required job search, to accept any offer of suitable employment, to develop or comply with a job search support plan, or voluntarily quitting suitable employment without good cause results in the imposition of a sanction under section 256J.46. If at the end of eight weeks the participant has not obtained suitable employment, the job counselor must conduct a secondary assessment of the participant under subdivision 3.

(d) In order for an English as a second language (ESL) class to be an approved work activity, a participant must be below a spoken language proficiency level of SPL5 or its equivalent, as measured by a nationally recognized test. A participant may not be approved for more than a total of 24 months of ESL activities while participating in the employment and training services component of MFIP. In approving ESL as a work activity, the job counselor must give preference to enrollment in an intensive ESL program, if one is available, over a regular ESL program.

Sec. 20. Minnesota Statutes 1999 Supplement, section 256J.52, subdivision 5, is amended to read:

Subd. 5. [EMPLOYMENT PLAN; CONTENTS.] (a) Based on the secondary assessment under subdivision 4, the job counselor and the participant must develop an employment plan for the participant that includes specific activities that are tied to an employment goal and a plan for long-term self-sufficiency, and that is designed to move the participant along the most direct path to unsubsidized employment. The employment plan must list the specific steps that will be taken to obtain employment and a timetable for completion of each of the steps. Upon agreement by the job counselor and the participant, the employment plan may limit a job search to jobs that are consistent with the participant's employment goal.

(b) As part of the development of the participant's employment plan, the participant shall have the option of selecting from among the vendors or resources that the job counselor determines will be effective in supplying one or more of the services necessary to meet the employment goals specified in the participant's plan. In compiling the list of vendors and resources that the job counselor determines would be effective in meeting the participant's employment goals, the job counselor must determine that adequate financial resources are available for the vendors or resources ultimately selected by the participant.

(c) In order for an English as a second language (ESL) class to be an approved work activity, a participant must be below a spoken language proficiency level of SPL5 or its equivalent, as measured by a nationally recognized test. A participant may not be approved for more than a total of 24 months of ESL activities while participating in the employment and training services component of MFIP. In approving ESL as a work activity, the job counselor must give preference to enrollment in an intensive ESL program, if one is available, over a regular ESL program.

(d) The job counselor and the participant must sign the developed plan to indicate agreement between the job counselor and the participant on the contents of the plan.

Sec. 21. Minnesota Statutes 1998, section 256J.52, is amended by adding a subdivision to read:

Subd. 5b. [EMPLOYMENT ACTIVITIES REQUIRED.] The job counselor must ensure that, by the fourth month of participation in the employment and training services component, at least half of a participant's required hours of work activities are met through one or a combination of the activities listed in section 256J.49, subdivision 13, clause (1), (2), (3), (4), (19), or (23).

Sec. 22. Minnesota Statutes 1999 Supplement, section 256J.56, is amended to read:

256J.56 [EMPLOYMENT AND TRAINING SERVICES COMPONENT; EXEMPTIONS.]

(a) An MFIP caregiver is exempt from the requirements of sections 256J.52 to 256J.55 if the caregiver belongs to any of the following groups:

(1) individuals who are age 60 or older;

(2) individuals who are suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment. Persons in this category with a temporary illness, injury, or incapacity must be reevaluated at least quarterly;

(3) caregivers whose presence in the home is required because of the professionally certified illness or incapacity of another member in the assistance unit, a relative in the household, or a foster child in the household;

(4) women who are pregnant, if the pregnancy has resulted in a professionally certified incapacity that prevents the woman from obtaining or retaining employment;

(5) caregivers of a child under the age of one year who personally provide full-time care for the child. This exemption may be used for only 12 months in a lifetime. In two-parent households, only one parent or other relative may qualify for this exemption;

(6) individuals who are single parents, or one parent in a two-parent family, employed at least 35 hours per week;

(7) individuals experiencing a personal or family crisis that makes them incapable of participating in the program, as determined by the county agency. If the participant does not agree with the county agency's determination, the participant may seek professional certification, as defined in section 256J.08, that the participant is incapable of participating in the program.

Persons in this exemption category must be reevaluated every 60 days; ~~or~~

(8) second parents in two-parent families employed for 20 or more hours per week, provided the first parent is employed at least 35 hours per week; or

(9) caregivers with a child in the household who has been certified as eligible for personal care attendant services under section 256B.0627. Caregivers in this exemption category are presumed to be prevented from obtaining or retaining employment.

A caregiver who is exempt under clause (5) must enroll in and attend an early childhood and family education class, a parenting class, or some similar activity, if available, during the period of time the caregiver is exempt under this section. Notwithstanding section 256J.46, failure to attend the required activity shall not result in the imposition of a sanction.

(b) The county agency must provide employment and training services to MFIP caregivers who are exempt under this section, but who volunteer to participate. Exempt volunteers may request approval for any work activity under section 256J.49, subdivision 13. The hourly participation requirements for nonexempt caregivers under section 256J.50, subdivision 5, do not apply to exempt caregivers who volunteer to participate.

Sec. 23. Minnesota Statutes 1998, section 256J.62, is amended by adding a subdivision to read:

Subd. 2b. [LOCAL INTERVENTION GRANTS FOR SELF-SUFFICIENCY.] (a) The commissioner shall make grants under this subdivision to assist county and tribal TANF programs to more effectively serve hard-to-employ MFIP participants. Funds appropriated for local intervention grants for self-sufficiency must be allocated first in amounts equal to the guaranteed minimum in paragraph (b). Any remaining funds must be allocated according to the formula in paragraph (c).

(b) Each county or tribal program shall receive a guaranteed minimum annual allocation of \$25,000.

(c) Funds remaining after the allocation in paragraph (b) must be allocated as follows:

(1) 85 percent shall be allocated in proportion to each county's and tribal TANF program's one-parent MFIP cases that have received MFIP assistance for at least 25 months, as sampled on December 31 of the previous calendar year, excluding cases where all caregivers are age 60 or over.

(2) 15 percent shall be allocated to each county's and tribal TANF program's two-parent MFIP cases that have received MFIP assistance for at least 25 months, as sampled on December 31 of the previous calendar year, excluding cases where all caregivers are age 60 or over.

(d) A county or tribal program may use funds allocated under this subdivision to provide services to MFIP participants who are hard-to-employ and their families. Services provided must be intended to reduce the number of MFIP participants who are expected to reach the 60-month time limit under section 256J.42.

(e) Funds allocated under this subdivision may not be used to provide benefits that are defined as "assistance" in Code of Federal Regulations, title 45, section 260.31, to an assistance unit that is only receiving the food portion of MFIP benefits.

(f) This subdivision sunsets June 30, 2003.

Sec. 24. [256K.35] [AT-RISK YOUTH OUT-OF-WEDLOCK PREGNANCY PREVENTION GRANTS.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] The commissioner shall establish a statewide grant program to prevent or reduce the incidence of out-of-wedlock pregnancies among homeless, runaway, or thrown-away youth who are at risk of being prostituted or currently being used in prostitution. The goal of the shelter for the out-of-wedlock pregnancy prevention program is to significantly increase the number of existing short-term shelter beds for these youth in the state. By providing emergency shelter, transitional housing, and supportive services, the number of youth at risk of being sexually exploited or actually being sexually exploited, and thus at risk of experiencing an out-of-wedlock pregnancy, will be reduced.

Subd. 2. [GRANTS.] The commissioner shall make shelter for out-of-wedlock pregnancy prevention grants to nonprofit corporations or government agencies to provide emergency and transitional housing for at-risk children and teens. The commissioner shall consider the need for emergency and transitional centers throughout the state, and must give priority to applicants who offer 24-hour emergency facilities.

Subd. 3. [GRANT APPLICATION; ELIGIBILITY.] (a) A nonprofit corporation or government agency must submit an application to the commissioner in the form and manner the commissioner establishes. The application must describe how the applicant meets the eligibility criteria under paragraph (b). The commissioner may also require an applicant to provide additional information.

(b) To be eligible for a grant under this section, an applicant must meet the following criteria:

(1) the applicant must have a commitment to helping the community, children, and preventing juvenile prostitution. If the applicant does not have any past experience with youth involved in or at risk of being used in prostitution, the applicant must demonstrate knowledge of best practices in this area and develop a plan to follow those practices;

(2) the applicant must present a plan to communicate with local law enforcement officials, social services, and the commissioner consistent with state and federal law; and

(3) the applicant must present a plan to encourage homeless, runaway, or thrown-away youth to either reconnect with family or to transition into long-term housing.

Subd. 4. [USES OF GRANT FUNDS.] (a) Grant funds awarded under this section must be used to create and maintain shelters for homeless, runaway, and thrown-away youth. Grant funds may also be used to provide necessary supportive services to reduce the risk that youth being served by the program will experience out-of-wedlock pregnancy.

(b) Grant funds awarded under this section shall not be used to conduct general education or awareness programs unrelated to the operation of a shelter.

Sec. 25. [WORK GROUP ON SANCTION RECOMMENDATIONS.]

A legislative work group on MFIP sanction recommendations shall be established. The chairs of the house health and human services policy committee and the senate health and family security committee shall each appoint five legislators, two of whom must be members of the minority party, to be members of this work group. The work group must review the implementation of current MFIP sanction policy and make recommendations for any necessary improvements. The work group must submit a report on its review and recommendations to the legislature by January 1, 2001.

Sec. 26. [FEDERAL TANF FUNDS; APPROPRIATIONS.]

Subdivision 1. [ADDITIONAL TANF APPROPRIATIONS.] In addition to the federal Temporary Assistance to Needy Families (TANF) block grant funds appropriated to the commissioner of human services in Laws 1999, chapter 245, article 1, section 2, subdivision 10, the sums in this section are from the federal TANF funds awarded in federal fiscal years 2000 and 2001 and are appropriated to the commissioner of human services for the fiscal years designated.

Subd. 2. [LOCAL INTERVENTION GRANTS.] For local intervention grants under Minnesota Statutes, section 256J.62, subdivision 2b:

\$ 2001

For fiscal years 2002 and 2003, the commissioner of finance shall ensure that the base level funding for the local intervention grants program is \$ in fiscal year 2002 and \$ in fiscal year 2003.

Subd. 3. [DISTRIBUTION OF CHILD SUPPORT RECOVERIES.] To reimburse the federal government for the federal share of the child support recoveries distributed to custodial parents under Minnesota Statutes, section 256.741, subdivision 15:

\$ 2001

Subd. 4. [AT-RISK YOUTH OUT-OF-WEDLOCK PREGNANCY PREVENTION GRANTS.] For out-of-wedlock pregnancy prevention grants under Minnesota Statutes, section 256K.35:

\$5,000,000 2001

For fiscal years 2002 and 2003, the commissioner of finance shall ensure that the base level funding for this program is \$5,000,000 each year. These appropriations shall not become part of the base for the 2004-2005 biennium.

Subd. 5. [JOB COUNSELOR TRAINING.] For training job counselors about the MFIP program:

\$320,000 2001

For fiscal years 2002 and 2003, the commissioner of finance shall ensure that the base level funding for employment services includes \$320,000 each year for this activity. The appropriation in this subdivision shall not become part of the base for the 2004-2005 biennium.

Subd. 6. [INTENSIVE INTERVENTION GRANT.] For a grant to the Southeast Asian MFIP services collaborative to replicate in a second location an existing model of an intensive intervention transitional employment training project which moves refugee and immigrant welfare recipients into unsubsidized employment and leads to economic self-sufficiency:

\$500,000 2001

This is a one-time appropriation to cover start-up costs.

Sec. 27. [TANF MAINTENANCE OF EFFORT FUNDS.]

For fiscal years 2002 and 2003 only, the commissioner shall claim allowable state expenditures from the working family credit under Minnesota Statutes, section 290.0671, as TANF maintenance of effort in amounts equal to the state share of medical assistance costs attributable to the additional cases estimated to result from the child support distribution provision in section 2.

Sec. 28. [REPEALER.]

Minnesota Statutes 1998, section 256J.46, subdivision 1a, is repealed.

ARTICLE 2

MAINTENANCE OF EFFORT EXPENDITURE OVERSIGHT

Section 1. [3.3006] [STATE TANF MAINTENANCE OF EFFORT EXPENDITURES; EXPENDITURE REVIEW.]

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

(a) "TANF MOE" means the maintenance of effort for the TANF block grant specified under United States Code, title 42, section 609(a)(7).

(b) Unless otherwise specified, "commissioner" means the commissioner of human services.

Subd. 2. [STATE TANF MOE EXPENDITURES.] The state's TANF MOE expenditure requirements under section 256J.025 must be met unless the provisions of subdivisions 3 and 4 apply.

Subd. 3. [INTERIM PROCEDURES.] If the commissioner determines that state money appropriated for the programs under section 256J.025 are insufficient to meet TANF MOE expenditure requirements, and if the legislature is not or will not be in session to take timely action to avoid a federal penalty, the commissioner may report state expenditures from other allowable sources as TANF MOE expenditures after the requirements of subdivision 4 are met.

Subd. 4. [LEGISLATIVE ADVISORY COMMISSION REVIEW.] The commissioner may report state expenditures in addition to those specified under section 256J.025 as state TANF MOE expenditures, but only after the commissioner of finance has first submitted the commissioner's recommendations for additional allowable sources of state TANF MOE expenditures to the members of the legislative advisory commission for their review and recommendation for further review. If the legislative advisory commission does not act to request further review within ten days, no further review by the legislative advisory commission is required, and the commissioner of finance shall approve or disapprove the additional sources of state TANF MOE expenditures. If any member of the commission requests further review of the proposed TANF MOE expenditures, the governor shall submit the commissioner's recommendations to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.

Subd. 5. [FORECAST INCLUSION OF INTERIM CHANGES NOT ALLOWED.] The commissioner of finance shall not incorporate any changes in federal TANF expenditures or state expenditures for TANF MOE that may result from reporting additional allowable sources of state TANF MOE expenditures under the interim procedures in this section into the February or November forecasts required under section 16A.103, unless the commissioner of finance has approved the additional sources of expenditures under subdivision 4.

Sec. 2. Minnesota Statutes 1999 Supplement, section 119B.02, subdivision 1, is amended to read:

Subdivision 1. [CHILD CARE SERVICES.] The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. The rules shall provide that funds received as a lump sum payment of child support arrearages shall not be counted as income to a family in the month received but shall be prorated over the 12 months following receipt and added to the family income during those months. In the rules adopted under this section, county and human services boards shall be authorized to establish policies for payment of child care spaces for absent children, when the payment is required by the child's regular provider. The rules shall not set a maximum number of days for which absence payments can be made, but instead shall direct the county agency to set limits and pay for absences according to the prevailing market practice in the county. County policies for payment of absences shall be subject to the approval of the commissioner. The commissioner shall maximize the use of federal money under title I and title IV of VI, Public Law Number 104-193, ~~the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and other programs that provide federal or state reimbursement for child care services for low-income families who are in education, training, job search, or other activities allowed under those programs.~~ Money appropriated under this section must be coordinated with the programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under programs that provide federal reimbursement for child care services. The counties shall use the federal money to expand child care services. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.

Sec. 3. Minnesota Statutes 1999 Supplement, section 256.01, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(21) Have the authority to administer a drug rebate program for drugs purchased pursuant to the senior citizen drug program established under section 256.955 after the beneficiary's satisfaction of any deductible established in the program. The commissioner shall require a rebate agreement from all manufacturers of covered drugs as defined in section 256B.0625, subdivision 13. For each drug, the amount of the rebate shall be equal to the basic rebate as defined for purposes of the federal rebate program in United States Code, title 42, section 1396r-8(c)(1). This basic rebate shall be applied to single-source and multiple-source drugs. The manufacturers must provide full payment within 30 days of receipt of the state invoice for the rebate within the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act. The manufacturers must provide the commissioner with any information necessary to verify the rebate determined per drug. The rebate program shall utilize the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act.

(22) Operate the department's communication systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the programs the commissioner supervises. A communications account may also be established for each regional treatment center which operates communications systems. Each account must be used to manage shared communication costs necessary for the operations of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and other

costs as determined by the commissioner. Nonprofit organizations and state, county, and local government agencies involved in the operation of programs the commissioner supervises may participate in the use of the department's communications technology and share in the cost of operation. The commissioner may accept on behalf of the state any gift, bequest, devise or personal property of any kind, or money tendered to the state for any lawful purpose pertaining to the communication activities of the department. Any money received for this purpose must be deposited in the department's communication systems accounts. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

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

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

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

Sec. 4. Minnesota Statutes 1998, section 256.011, subdivision 3, is amended to read:

Subd. 3. The commissioner of human services shall negotiate with the federal government, or any agency, bureau, or department thereof, for the purpose of securing or obtaining any grants or aids. Any grants or aids thus secured or received are appropriated to the commissioner of human services and made available for the uses and purposes for which they were received but shall be used to reduce the direct appropriations provided by law unless:

(1) federal law prohibits such action;

(2) the grants or aids are federal TANF funds; or ~~unless~~

(3) the commissioner of human services obtains approval of the governor who shall seek the advice of the legislative advisory commission.

Sec. 5. Minnesota Statutes 1998, section 256.995, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHED.] In order to enhance the delivery of needed services to at-risk children and youth and maximize federal funds, other than federal TANF funds, available for that purpose, the commissioners of human services and children, families, and learning shall design a statewide program of collaboration between providers of health and social services for children and local school districts, to be financed, to the greatest extent possible, from federal sources. The commissioners of health and public safety shall assist the commissioners of human services and children, families, and learning in designing the program.

Sec. 6. [256J.025] [TANF MAINTENANCE OF EFFORT.]

Subdivision 1. [SOURCES OF STATE MONEY FOR TANF MOE.] In order to meet the basic maintenance of effort (MOE) requirements of the TANF block grant specified under United States Code, title 42, section 609(a)(7), the commissioner may only report state money appropriated for activities listed in the following clauses as TANF MOE expenditures:

(1) MFIP cash assistance benefits under this chapter;

(2) MFIP child care assistance under section 119B.05;

(3) state, county, and tribal MFIP administrative costs under this chapter;

(4) state, county, and tribal MFIP employment services activities under sections 256J.62 to 256J.67 and 256J.69; and

(5) for fiscal years 2002 and 2003 only, allowable state expenditures from the working family credit under section 290.0671 may be reported in amounts equal to the state share of medical assistance costs that are attributable to the additional cases estimated to result from section 256.741, subdivision 15.

Subd. 2. [SUFFICIENT QUALIFIED STATE EXPENDITURES REQUIRED ANNUALLY.] (a) The commissioner shall ensure that sufficient qualified state expenditures are made each year to meet the state's TANF MOE requirements. If state money appropriated for the programs and purposes listed in subdivision 1 are insufficient to meet the state's TANF MOE requirements, the commissioner shall recommend additional allowable sources of state expenditures to the legislature, if the legislature is or will be in session to take action to specify additional sources of state money for TANF MOE before a federal penalty is imposed. The commissioner shall otherwise provide recommendations to the legislative advisory commission under section 3.3006.

(b) If the commissioner uses authority granted under Laws 1999, chapter 245, article 1, section 10, or similar authority granted by a subsequent legislature, to meet the state's TANF MOE requirements in a reporting period, the commissioner shall inform the chairs of the appropriate legislative committees about all transfers made under that authority for this purpose.

Sec. 7. Minnesota Statutes 1998, section 256J.08, is amended by adding a subdivision to read:

Subd. 84a. [TANF MOE.] "TANF MOE" means the maintenance of effort for the TANF block grant specified under United States Code, title 42, section 609(a)(7).

Sec. 8. Laws 1999, chapter 245, article 1, section 2, subdivision 10, is amended to read:

Subd. 10. Economic Support Grants

General 142,037,000 124,758,000

[GIFTS.] Notwithstanding Minnesota Statutes, chapter 7, the commissioner may accept on behalf of the state additional funding from sources other than state funds for the purpose of financing the cost of assistance program grants or nongrant administration. All additional funding is appropriated to the commissioner for use as designated by the grantee of funding.

[CHILD SUPPORT PAYMENT CENTER RECOUPMENT ACCOUNT.] The child support payment center is authorized to establish an account to cover checks issued in error or in cases where insufficient funds are available to pay the checks. All recoupments against payments from the account must be deposited in the child support payment center recoupment account and are appropriated to the commissioner for the purposes of the account. Any unexpended balance in the account does not cancel, but is available until expended.

[FEDERAL TANF FUNDS.] (1) Federal Temporary Assistance for Needy Families block grant funds authorized under title I, Public Law Number 104-193, the Personal Responsibility and

Work Opportunity Reconciliation Act of 1996, and awarded in federal fiscal years 1997 to 2002 are appropriated to the commissioner in amounts up to \$256,265,000 in fiscal year 2000 and \$249,682,000 in fiscal year 2001. In addition to these funds, the commissioner may draw or transfer any other appropriations or transfers of federal TANF block grant funds that are enacted into state law.

(2) Of the amounts in clause (1), \$15,000,000 is transferred each year of the biennium to the state's federal Title XX block grant. Notwithstanding the provisions of Minnesota Statutes, section 256E.07, in each year of the biennium the commissioner shall allocate \$15,000,000 of the state's Title XX block grant funds based on the community social services aids formula in Minnesota Statutes, section 256E.06. The commissioner shall ensure that money allocated to counties under this provision is used according to the requirements of United States Code, title 42, section 604(d)(3)(B).

(3) Of the amounts in clause (1), \$10,990,000 is transferred each year from the state's federal TANF block grant to the state's federal Title XX block grant. In each year \$140,000 is for grants according to Minnesota Statutes, section 257.3571, subdivision 2a, to the Indian child welfare defense corporation to promote statewide compliance with the Indian Child Welfare Act of 1978; \$4,650,000 is for grants to counties for concurrent permanency planning; and \$6,200,000 is for the commissioner to distribute according to the formula in Minnesota Statutes, section 256E.07. The commissioner shall ensure that money allocated under this clause is used according to the requirements of United States Code, title 42, section 604(d)(3)(B). In fiscal years 2002 and 2003, \$140,000 per year is for grants according to Minnesota Statutes, section 257.3571, subdivision 2a, to the Indian child welfare defense corporation to promote statewide compliance with the Indian Child Welfare Act of 1978. Section 13, sunset of uncodified language, does not apply to this provision.

(4) Of the amounts in clause (1), \$13,360,000 each year is for increased employment and training efforts and shall be expended as follows:

(a) \$140,000 each year is for a grant to the new chance program. The new chance program shall provide comprehensive services through a private, nonprofit agency to young parents in Hennepin county who have dropped out of school and are receiving public assistance. The program administrator shall report annually to the commissioner on skills development, education, job training, and job placement outcomes for program participants. This appropriation is available for either year of the biennium.

(b) \$260,000 each year is for grants to counties to operate the parents fair share program to assist unemployed, noncustodial parents with job search and parenting skills.

(c) \$12,960,000 each year is to increase employment and training services grants for MFIP of which \$750,000 each year is to be transferred to the job skills partnership board for the health care and human services worker training and retention program.

(d) \$10,400,000 of these appropriations shall become part of the base for the 2002-2003 biennium.

(5) Of the amounts in clause (1), \$1,094,000 in fiscal year 2000 and \$1,676,000 in fiscal year 2001 is transferred from the state's federal TANF block grant to the state's federal child care and development fund block grant, and is appropriated to the commissioner of children, families, and learning for the purposes of Minnesota Statutes, section 119B.05.

(6) Of the amounts in clause (1), \$1,000,000 for the biennium is for the purposes of creating and expanding adult-supervised supportive living arrangement services under Minnesota Statutes, section 256J.14. The commissioner shall request proposals from interested parties that have knowledge and experience in the area of adult-supervised adolescent housing and supportive services, and award grants for the purpose of either expanding existing or creating new living arrangements and supportive services. Minor parents who are MFIP participants shall be given priority for housing, and excess living arrangements may be used by minor parents who are not MFIP participants.

(7) In order to maximize transfers from Minnesota's 1998 and 1999 federal TANF block grant awards, the commissioner may implement the transfers of TANF funds in clauses (2), (3), and (5) in the first year of the biennium. This must only be done to the extent allowed by federal law and to the extent that program funding requirements can be met in the second year of the biennium.

~~(8) The commissioner shall ensure that sufficient qualified state expenditures are made each year to meet the TANF basic maintenance of effort requirements. The commissioner may apply any allowable source of state expenditures toward these requirements, as necessary to meet minimum basic maintenance of effort requirements and to prevent the loss of federal funds.~~

[WORKER TRAINING AND RETENTION ELIGIBILITY PROCEDURES.] The commissioner shall develop eligibility procedures for TANF expenditures under Minnesota Statutes, section 256J.02, subdivision 2, clause (5).

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Assistance to Families Grants

General	64,870,000	66,117,000
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[EMPLOYMENT SERVICES CARRYOVER.] General fund and federal TANF block grant appropriations for employment services that remain unexpended subsequent to the reallocation process required in Minnesota Statutes, section 256J.62, do not cancel but are available for these purposes in fiscal year 2001.

(b) Work Grants

General	10,731,000	10,731,000
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(c) Aid to Families With Dependent Children and Other Assistance

General	1,053,000	374,000
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(d) Child Support Enforcement

General	5,359,000	5,359,000
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[CHILD SUPPORT PAYMENT CENTER.] Payments to the commissioner from other governmental units, private enterprises, and individuals for services performed by the child support payment center must be deposited in the state systems account authorized under Minnesota Statutes, section 256.014. These payments are appropriated to the commissioner for the operation of the child support payment center or system, according to Minnesota Statutes, section 256.014.

[CHILD SUPPORT EXPEDITED PROCESS.] Of this appropriation for child support enforcement, \$2,340,000 for the biennium shall be transferred to the state court administrator to fund the child support expedited process, in accordance with a cooperative agreement to be negotiated between the parties. State funds transferred for this purpose in fiscal year 2000 may exceed the base funding amount of \$1,170,000 to the extent that there is an increase in the number of orders issued in the expedited process, but may not exceed \$1,420,000 in any case. Unexpended expedited process appropriations in fiscal year 2000 may be transferred to fiscal year 2001 for this purpose. Base funding for this program is set at \$1,170,000 for each year of the 2002-2003 biennium. The commissioner shall include cost reimbursement claims from the state court administrator for the child support expedited process in the department of human services federal cost reimbursement claim process according to federal law. Federal dollars earned under these claims are appropriated to the commissioner and shall be disbursed to the state court administrator according to department procedures and schedules.

(e) General Assistance

General	33,927,000	14,973,000
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[TRANSFERS FROM STATE TANF RESERVE.] \$4,666,000 in fiscal year 2000 is transferred from the state TANF reserve account to the general fund.

[GENERAL ASSISTANCE STANDARD.] The commissioner shall set the monthly standard of assistance for general assistance units consisting of an adult recipient who is childless and unmarried or living apart from his or her parents or a legal guardian at \$203. The commissioner may reduce this amount in accordance with Laws 1997, chapter 85, article 3, section 54.

(f) Minnesota Supplemental Aid

General	25,767,000	26,874,000
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(g) Refugee Services

General	330,000	330,000
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Sec. 9. [UPPER LIMIT ON TANF MAINTENANCE OF EFFORT EXPENDITURES.]

Subdivision 1. [STATE APPROPRIATIONS USED TO MEET TANF MOE.] The amounts specified in this section apply to meeting the TANF maintenance of effort requirement under Minnesota Statutes, section 256J.025, and are for the fiscal years designated.

Subd. 2. [HUMAN SERVICES EXPENDITURES LIMITED.] Of the state appropriations made under Laws 1999, chapter 245, article 1, the commissioner of human services may only report up to the following amounts as TANF maintenance of effort expenditures:

(1) MFIP cash assistance:

<u>\$91,307,000</u>	.....	<u>2000</u>
<u>\$92,337,000</u>	.....	<u>2001</u>

(2) MFIP administrative costs:

<u>\$28,759,000</u>	.....	<u>2000</u>
<u>\$28,759,000</u>	.....	<u>2001</u>

(3) MFIP employment services:

<u>\$6,722,000</u>	.....	<u>2000</u>
<u>\$6,722,000</u>	.....	<u>2001</u>

Subd. 3. [CHILD CARE ASSISTANCE EXPENDITURES LIMITED.] Of the state appropriations made under Laws 1999, chapter 205, article 1, section 71, the commissioner of human services may only report up to the following amounts as TANF maintenance of effort expenditures:

(1) MFIP child care:

<u>\$64,350,000</u>	.....	<u>2000</u>
<u>\$63,320,000</u>	.....	<u>2001</u>

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; adding TANF initiatives to promote self-sufficiency and oversight of TANF maintenance of effort; appropriating money; amending Minnesota Statutes 1998, sections 256.011, subdivision 3; 256.741, by adding a subdivision; 256.995, subdivision 1; 256J.08, by adding a subdivision; 256J.15, by adding a subdivision; 256J.40; 256J.45, subdivision 3; 256J.46, by adding a subdivision; 256J.47, subdivision 1; 256J.49, subdivision 13; 256J.50, subdivision 5; 256J.52, by adding a subdivision; and 256J.62, by adding a subdivision; Minnesota Statutes 1999 Supplement, sections 119B.011, subdivision 15; 119B.02, subdivision 1; 256.01, subdivision 2; 256J.02, subdivision 2; 256J.08, subdivision 86; 256J.26, subdivision 1; 256J.33, subdivision 4; 256J.34, subdivisions 1 and 4; 256J.46, subdivisions 1, 2, and 2a; 256J.52, subdivisions 3 and 5; and 256J.56; Laws 1999, chapter 245, article 1, section 2, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 3; 256J; and 256K; repealing Minnesota Statutes 1998, section 256J.46, subdivision 1a."

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

The report was adopted.

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

H. F. No. 3137, A bill for an act relating to crime prevention; increasing the penalties for assaulting a peace officer; amending Minnesota Statutes 1998, section 609.2231, subdivision 1.

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

The report was adopted.

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

H. F. No. 3196, A bill for an act relating to human services; allowing a nursing facility's employee pension benefit costs to be treated as PERA contributions; amending Minnesota Statutes 1999 Supplement, section 256B.431, subdivision 28.

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

The report was adopted.

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

H. F. No. 3222, A bill for an act relating to state government; modifying reporting requirements for health-related boards; changing membership requirements for the health professionals services program committee; amending Minnesota Statutes 1998, sections 147.01, subdivision 4; 148B.04, subdivision 4; 148B.285, subdivision 3; 214.07; 214.10, subdivision 8; and 214.32, subdivision 1; Minnesota Statutes 1999 Supplement, section 148.691, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 147.01, subdivision 4, is amended to read:

Subd. 4. [DISCLOSURE.] Subject to the exceptions listed in this subdivision, all communications or information received by or disclosed to the board relating to any person or matter subject to its regulatory jurisdiction are confidential and privileged and any disciplinary hearing shall be closed to the public.

(a) Upon application of a party in a proceeding before the board under section 147.091, the board shall produce and permit the inspection and copying, by or on behalf of the moving party, of any designated documents or papers relevant to the proceedings, in accordance with the provisions of rule 34, Minnesota rules of civil procedure.

(b) If the board imposes disciplinary measures of any kind, whether by contested case or by settlement agreement, the name and business address of the licensee, the nature of the misconduct, and the action taken by the board are public data. If disciplinary action is taken by settlement agreement, the entire agreement is public data. The board shall decide disciplinary matters, whether by settlement or by contested case, by roll call vote. The votes are public data.

(c) The board shall exchange information with other licensing boards, agencies, or departments within the state, as required under section 214.10, subdivision 8, paragraph ~~(t)~~ (c), and may release information in the reports required under ~~sections~~ section 147.02, subdivision 6, ~~and 214.10, subdivision 8, paragraph (b)~~.

(d) The board shall upon request furnish to a person who made a complaint, or the alleged victim of a violation of section 147.091, subdivision 1, paragraph (t), or both, a description of the activities and actions of the board relating to that complaint, a summary of the results of an investigation of that complaint, and the reasons for actions taken by the board.

(e) A probable cause hearing held pursuant to section 147.092 shall be closed to the public, except for the notices of hearing made public by operation of section 147.092.

(f) Findings of fact, conclusions, and recommendations issued by the administrative law judge, and transcripts of oral arguments before the board pursuant to a contested case proceeding in which an administrative law judge found a violation of section 147.091, subdivision 1, paragraph (t), are public data.

Sec. 2. Minnesota Statutes 1999 Supplement, section 148.691, subdivision 3, is amended to read:

Subd. 3. [DISCLOSURE.] Subject to the exceptions listed in this subdivision, all communications or information received by or disclosed to the board relating to any person or matter subject to its regulatory jurisdiction are confidential and privileged and any disciplinary hearing shall be closed to the public.

(a) Upon application of a party in a proceeding before the board, the board shall produce and permit the inspection and copying, by or on behalf of the moving party, of any designated documents or papers relevant to the proceedings, in accordance with the provisions of rule 34, Minnesota Rules of Civil Procedure.

(b) If the board imposes disciplinary measures of any kind, whether by contested case or by settlement agreement, the name and business address of the licensee, the nature of the misconduct, and the action taken by the board are public data. If disciplinary action is taken by settlement agreement, the entire agreement is public data. The board shall decide disciplinary matters, whether by settlement or by contested case, by roll call vote. The votes are public data.

(c) The board shall exchange information with other licensing boards, agencies, or departments within the state, as required under section 214.10, subdivision 8, paragraph ~~(d)~~, and may release information in the reports required under section 214.10, subdivision 8, paragraph ~~(b)~~ (c).

(d) The board shall upon request furnish to a person who made a complaint, a description of the activities and actions of the board relating to that complaint, a summary of the results of an investigation of that complaint, and the reasons for actions taken by the board.

Sec. 3. Minnesota Statutes 1998, section 148B.04, subdivision 4, is amended to read:

Subd. 4. [EXCHANGE OF INFORMATION.] The board shall exchange information with other boards, agencies, or departments within the state, as required under section 214.10, subdivision 8, paragraph ~~(d)~~ (c).

Sec. 4. Minnesota Statutes 1998, section 148B.285, subdivision 3, is amended to read:

Subd. 3. [EXCHANGE OF INFORMATION.] The board shall exchange information with other boards, agencies, or departments within the state, as required under section 214.10, subdivision 8, paragraph ~~(d)~~ (c).

Sec. 5. Minnesota Statutes 1998, section 214.07, is amended to read:

214.07 [REPORTS.]

Subdivision 1. [NON-HEALTH-RELATED BOARD REPORTS.] The ~~health-related licensing boards and the non-health-related licensing boards~~ shall prepare reports according to this subdivision ~~and subdivision 1a~~ by October 1 of each even-numbered year. Copies of the reports shall be delivered to the governor. ~~Copies of the reports of the health-related licensing boards shall also be delivered to the commissioner of health.~~ The reports shall contain the following information relating to the two-year period ending the previous June 30:

- (a) a general statement of board activities;
- (b) the number of meetings and approximate total number of hours spent by all board members in meetings and on other board activities;
- (c) the receipts and disbursements of board funds;
- (d) the names of board members and their addresses, occupations, and dates of appointment and reappointment to the board;
- (e) the names and job classifications of board employees;
- (f) a brief summary of board rules proposed or adopted during the reporting period with appropriate citations to the State Register and published rules;
- (g) the number of persons having each type of license and registration issued by the board as of June 30 in the year of the report;
- (h) the locations and dates of the administration of examinations by the board;
- (i) the number of persons examined by the board with the persons subdivided into groups showing age categories, sex, and states of residency;
- (j) the number of persons licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;

(k) the number of persons not licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;

(l) the number of persons not taking the examinations referred to in clause (h) who were licensed or registered by the board or who were denied licensing or registration with the reasons for the licensing or registration or denial thereof and with the persons subdivided by age categories, sex, and states of residency;

(m) the number of persons previously licensed or registered by the board whose licenses or registrations were revoked, suspended, or otherwise altered in status with brief statements of the reasons for the revocation, suspension or alteration;

(n) the number of written and oral complaints and other communications received by the executive director or executive secretary of the board, a board member, or any other person performing services for the board (1) which allege or imply a violation of a statute or rule which the board is empowered to enforce and (2) which are forwarded to other agencies as required by section 214.10;

(o) a summary, by specific category, of the substance of the complaints and communications referred to in clause (n) and, for each specific category, the responses or dispositions thereof pursuant to section 214.10 or 214.11;

(p) any other objective information which the board members believe will be useful in reviewing board activities.

~~Subd. 1a. [REPORT REQUIREMENT FOR BOARD OF MEDICAL PRACTICE AND BOARD OF NURSING.] The board of medical practice and the board of nursing shall include in the report required under subdivision 1, clause (o), specific information regarding complaints and communications involving obstetrics, gynecology, prenatal care, and delivery, and the boards' responses or dispositions.~~

Subd. 1b. [HEALTH-RELATED LICENSING BOARD REPORTS.] Each health-related licensing board must prepare a report by October 15 of each even-numbered year. The report must be submitted to the administrative services unit serving the boards. The report must contain the following information for the two-year period ending the previous June 30: (1) the number and type of credentials issued or renewed; (2) the number of complaints received; (3) the number and age of complaints open at the end of the period; (4) receipts, disbursements, and major fees; and (5) such other information that the interests of health occupation regulation require. The report must also contain information showing historical trends. The reports must use a common format and consistent terminology and data.

~~Subd. 2. [SUMMARY OF BOARD REPORTS ADMINISTRATIVE SERVICES REPORT.] Not later than December 15 of each even-numbered year, the commissioner of health with respect to the health-related licensing boards shall prepare summary reports compiling the information required by subdivision 1, clauses (b) and (g) to (p), and contained in the reports submitted by the boards the preceding year pursuant to subdivision 1. The summary reports must also specify the staff and services provided by the department to each board. The summary reports must be distributed to the legislature under section 3.195 and to the governor. The administrative services unit serving the boards shall prepare a report by January 15 of each odd-numbered year. One copy of the administrative services report must be delivered to each of the following: the governor, the commissioner of health, and the chairs of the house and senate policy and appropriations committees with jurisdiction over health-related licensing boards. Six copies must be delivered to the legislative reference library. The administrative services report must contain the following information:~~

(1) a summary of the information contained in the reports submitted by the health-related licensing boards pursuant to subdivision 1b;

(2) a description of the health-related licensing boards' cooperative activities during the two-year period ending the previous June 30;

(3) a description of emerging issues relating to health occupation regulation that affect more than one board or more than one occupation; and

(4) a copy of each health-related licensing board report submitted to the administrative services unit pursuant to subdivision 1b.

Sec. 6. Minnesota Statutes 1998, section 214.10, subdivision 8, is amended to read:

Subd. 8. [SPECIAL REQUIREMENTS FOR HEALTH-RELATED LICENSING BOARDS.] In addition to the provisions of this section that apply to all examining and licensing boards, the requirements in this subdivision apply to all health-related licensing boards, except the board of veterinary medicine.

(a) If the executive director or consulted board member determines that a communication received alleges a violation of statute or rule that involves sexual contact with a patient or client, the communication shall be forwarded to the designee of the attorney general for an investigation of the facts alleged in the communication. If, after an investigation it is the opinion of the executive director or consulted board member that there is sufficient evidence to justify disciplinary action, the board shall conduct a disciplinary conference or hearing. If, after a hearing or disciplinary conference the board determines that misconduct involving sexual contact with a patient or client occurred, the board shall take disciplinary action. Notwithstanding subdivision 2, a board may not attempt to correct improper activities or redress grievances through education, conciliation, and persuasion, unless in the opinion of the executive director or consulted board member there is insufficient evidence to justify disciplinary action. The board may settle a case by stipulation prior to, or during, a hearing if the stipulation provides for disciplinary action.

~~(b) In addition to the information required under section 214.07, subdivision 1, each board shall include in its reports to the legislature summaries of each individual case that involved possible sexual contact with a patient or client. The summary must include a description of the alleged misconduct, the general results of the investigation, the nature of board activities relating to that case, the disposition of the case, and the reasons for board decisions concerning the disposition of the case. The information disclosed under this section must not include the name or specific identifying information about any person, agency, or organization.~~

~~(c)~~ A board member who has a direct current or former financial connection or professional relationship to a person who is the subject of board disciplinary activities must not participate in board activities relating to that case.

~~(d)~~ (c) Each health-related licensing board shall establish procedures for exchanging information with other Minnesota state boards, agencies, and departments responsible for regulating health-related occupations, facilities, and programs, and for coordinating investigations involving matters within the jurisdiction of more than one regulatory body. The procedures must provide for the forwarding to other regulatory bodies of all information and evidence, including the results of investigations, that are relevant to matters within that licensing body's regulatory jurisdiction. Each health-related licensing board shall have access to any data of the department of human services relating to a person subject to the jurisdiction of the licensing board. The data shall have the same classification under sections 13.01 to 13.88, the Minnesota Government Data Practices Act, in the hands of the agency receiving the data as it had in the hands of the department of human services.

~~(e)~~ (d) Each health-related licensing board shall establish procedures for exchanging information with other states regarding disciplinary actions against licensees. The procedures must provide for the collection of information from other states about disciplinary actions taken against persons who are licensed to practice in Minnesota or who have applied to be licensed in this state and the dissemination of information to other states regarding disciplinary actions taken in Minnesota. In addition to any authority in chapter 13 permitting the dissemination of data, the board may, in its discretion, disseminate data to other states regardless of its classification under chapter 13. Before transferring any data that is not public, the board shall obtain reasonable assurances from the receiving state that the data will not be made public.

Sec. 7. Minnesota Statutes 1998, section 214.31, is amended to read:

214.31 [AUTHORITY.]

Two or more of the health-related licensing boards listed in section 214.01, subdivision 2, may jointly conduct a health professionals services program to protect the public from persons regulated by the boards who are unable to practice with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition. The program does not affect a board's authority to discipline violations of a board's practice act. For purposes of sections 214.31 to 214.37, the emergency medical services regulatory board shall be included in the definition of a health-related licensing board under chapter 144E.

Sec. 8. Minnesota Statutes 1998, section 214.32, subdivision 1, is amended to read:

Subdivision 1. [MANAGEMENT.] (a) A health professionals services program committee is established, consisting of one person appointed by each participating board, with each participating board having one vote. The committee shall designate one board to provide administrative management of the program, set the program budget and the pro rata share of program expenses to be borne by each participating board, provide guidance on the general operation of the program, including hiring of program personnel, and ensure that the program's direction is in accord with its authority. ~~No more than half plus one of the members of the committee may be of one gender.~~ If the participating boards change which board is designated to provide administrative management of the program, any appropriation remaining for the program shall transfer to the newly designated board on the effective date of the change. The participating boards must inform the appropriate legislative committees and the commissioner of finance of any change in the administrative management of the program, and the amount of any appropriation transferred under this provision.

(b) The designated board, upon recommendation of the health professional services program committee, shall hire the program manager and employees and pay expenses of the program from funds appropriated for that purpose. The designated board may apply for grants to pay program expenses and may enter into contracts on behalf of the program to carry out the purposes of the program. The participating boards shall enter into written agreements with the designated board.

(c) An advisory committee is established to advise the program committee consisting of:

(1) one member appointed by each of the following: the Minnesota Academy of Physician Assistants, the Minnesota Dental Association, the Minnesota Chiropractic Association, the Minnesota Licensed Practical Nurse Association, the Minnesota Medical Association, the Minnesota Nurses Association, and the Minnesota Podiatric Medicine Association;

(2) one member appointed by each of the professional associations of the other professions regulated by a participating board not specified in clause (1); and

(3) two public members, as defined by section 214.02.

Members of the advisory committee shall be appointed for two years and members may be reappointed.

~~No more than half plus one of the members of the committee may be of one gender.~~

The advisory committee expires June 30, 2001."

Delete the title and insert:

"A bill for an act relating to state government; modifying reporting requirements for health-related boards; changing membership requirements for the health professionals services program committee; amending Minnesota Statutes 1998, sections 147.01, subdivision 4; 148B.04, subdivision 4; 148B.285, subdivision 3; 214.07; 214.10, subdivision 8; 214.31; and 214.32, subdivision 1; Minnesota Statutes 1999 Supplement, section 148.691, subdivision 3."

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

The report was adopted.

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

H. F. No. 3260, A bill for an act relating to lake improvement districts; modifying provisions relating to lake improvement districts; amending Minnesota Statutes 1998, sections 103B.521, subdivision 1; 103B.551, subdivision 1; and 103B.555, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 103B.535, is amended to read:

103B.535 [ORDER ESTABLISHING DISTRICT.]

An order by the county board or joint county authority establishing a district must state the:

- (1) name of the district;
- (2) boundaries of the district, which are encouraged to be as consistent as practical with natural hydrologic boundaries;
- (3) water and related land resources management programs and services to be undertaken;
- (4) manner of financing programs and services; and
- (5) number, qualifications, terms of office, and method of election, removal, and filling of vacancies of the board of directors, including a method for property owners not present at the annual meeting to participate in the election of the district board.

Sec. 2. Minnesota Statutes 1998, section 103B.545, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Twenty-six percent of the property owners within the lake improvement district ~~established~~ proposed by the board or a joint county authority on its own initiative under section 103B.515, by petition under section 103B.521, or by the commissioner on their authority under section 103B.531, may petition for a referendum on establishing the district before the effective date of its establishment. After receiving the petition, the county board or joint county authority must issue an order staying the establishment until a referendum vote is taken of all qualified voters and property owners within the proposed lake improvement district.

Sec. 3. Minnesota Statutes 1998, section 103B.551, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] After a lake improvement district is established, the county board or joint county authority shall appoint persons to serve as an initial board of directors for the district. Subsequent board members shall be elected by persons owning property in the district at the annual meeting of the district. The number, qualifications, terms of office, and method of election, removal, and filling of vacancies of directors shall be as provided in the order creating the board of directors. The initial and all subsequent boards of directors must include persons owning property within the district, and a majority of the directors must be residents of the district.

Sec. 4. Minnesota Statutes 1998, section 103B.555, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] The county board or joint county authority may undertake projects of improvement consistent with purposes of the district after seeking other sources of funding. To finance projects and services of the district, the county board or joint county authority may, only after seeking other sources of funding:

(1) assess the costs of the projects upon benefited property within the district in the manner provided under chapter 429;

(2) impose service charges on the users of lake improvement district services within the district;

(3) issue obligations as provided in section 429.091;

(4) levy an ad valorem tax solely on property within the lake improvement district, to be appropriated and expended solely on projects of special benefit to the district; or

(5) impose or issue any combination of service charges, special assessments, obligations, and taxes.

Sec. 5. Minnesota Statutes 1998, section 103B.571, subdivision 3, is amended to read:

Subd. 3. [AGENDA.] (a) At the annual meeting the district property owners present shall:

(1) elect one or more directors to fill any midterm vacancies in the board of directors;

(2) approve a budget for the fiscal year;

(3) approve or disapprove proposed projects by the district having a cost to the district in excess of \$5,000; and

(4) take up and consider other business that comes before them.

(b) At the annual meeting all district property owners, including absent members as provided in the order establishing the district, shall elect one or more directors for board positions with expiring terms."

Delete the title and insert:

"A bill for an act relating to lake improvement districts; modifying provisions relating to lake improvement districts; amending Minnesota Statutes 1998, sections 103B.535, 103B.545, subdivision 1; 103B.551, subdivision 1; 103B.555, subdivision 1; and 103B.571, subdivision 3."

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

The report was adopted.

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

H. F. No. 3274, A bill for an act relating to motor vehicles; exempting utility-owned vehicles from certain weight restrictions; amending Minnesota Statutes 1998, section 169.825, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 169.825, is amended by adding a subdivision to read:

Subd. 17. [APPLICATION TO UTILITY VEHICLE.] This section does not apply to a utility vehicle that does not exceed a weight of 20,000 pounds per axle and is owned by (1) a public utility, as defined in section 216B.02, (2) a municipality or municipal utility that operates the vehicle for its municipal electric, gas, or water system, or (3) a cooperative electric association organized under chapter 308A.

Sec. 2. Minnesota Statutes 1998, section 169.87, is amended by adding a subdivision to read:

Subd. 5. [UTILITY VEHICLES.] Weight restrictions imposed by the commissioner under subdivision 1 do not apply to a two-axle or three-axle utility vehicle that does not exceed a weight of 20,000 pounds per single axle and 36,000 pounds gross vehicle weight for a two-axle vehicle or 48,000 pounds gross vehicle weight for a three-axle vehicle, if the vehicle is owned by (1) a public utility as defined in section 216B.02, (2) a municipality or municipal utility that operates the vehicle for its municipal electric, gas, or water system, or (3) a cooperative electric association organized under chapter 308A. The exemption in this subdivision applies only when the vehicle is performing service restoration or other work necessary to prevent an imminent loss of service.

Sec. 3. Minnesota Statutes 1998, section 169.87, is amended by adding a subdivision to read:

Subd. 6. [RECYCLING VEHICLES.] Weight restrictions imposed under subdivisions 1 and 2 do not apply to a vehicle that does not exceed 20,000 pounds per single axle while engaged in recycling.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day after final enactment and are repealed June 1, 2003."

Delete the title and insert:

"A bill for an act relating to motor vehicles; exempting utility-owned vehicles from certain weight restrictions; amending Minnesota Statutes 1998, sections 169.825, by adding a subdivision; and 169.87, by adding subdivisions."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3281, A bill for an act relating to the State Building Code; transferring authority to develop the energy portions of the building code from the commissioner of public service to the commissioner of administration; repealing Minnesota Statutes 1998, section 216C.195, subdivisions 2 and 3; Minnesota Statutes 1999 Supplement, sections 216C.19, subdivision 8; and 216C.195, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 16B.61, subdivision 6, is amended to read:

Subd. 6. [ENERGY EFFICIENCY.] The code must provide for building new low-income housing in accordance with energy efficiency standards adopted under ~~section 216C.19, subdivision 8 1.~~ For purposes of this subdivision, low-income housing means residential housing built for low-income persons and families under a program of a housing and redevelopment authority, the Minnesota housing finance agency, or another entity receiving money from the state to construct such housing.

Sec. 2. Minnesota Statutes 1998, section 216C.20, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] The rules concerning heat loss, illumination, and climate control standards adopted pursuant to ~~section 216C.19, subdivision 8~~ 16B.61, subdivision 1, shall include standards for all existing buildings heated by oil, coal, gas, or electric units which are owned by the state, the university of Minnesota, any city, any county, or any school district. Compliance with standards adopted pursuant to this section shall not be mandatory for buildings owned by any city, county or school district, except as otherwise provided by this section.

Sec. 3. Minnesota Statutes 1998, section 216C.27, subdivision 8, is amended to read:

Subd. 8. [SEPARATE METERING FOR ELECTRIC SERVICE.] The standards concerning heat loss, illumination, and climate control adopted pursuant to ~~section 216C.19, subdivision 8~~ 16B.61, subdivision 1, shall require that electrical service to individual dwelling units in buildings containing two or more units be separately metered, with individual metering readily accessible to the individual occupants. The standards authorized by this subdivision shall only apply to buildings constructed after the effective date of the amended standards. Buildings intended for occupancy primarily by persons who are 62 years of age or older or handicapped, or which contain a majority of units not equipped with complete kitchen facilities, shall be exempt from the provisions of this subdivision.

Sec. 4. [TRANSFER.]

Development of the energy portion of the State Building Code is transferred from the commissioner of public service to the commissioner of administration in accordance with Minnesota Statutes, section 15.039. Responsibilities transferred under this section include all statutory responsibilities of the commissioner of public service for developing the energy portion of the State Building Code. In the case that responsibilities for developing the energy portion of the State Building Code have been delegated to the commissioner of commerce on or before the effective date of this act as a result of the commissioner of administration's reorganization order number 181, development of the Energy Code is transferred from the commissioner of commerce to the commissioner of administration.

Sec. 5. [REPEALER.]

Minnesota Statutes 1998, section 216C.195, subdivisions 2 and 3; and Minnesota Statutes 1999 Supplement, sections 216C.19, subdivision 8; and 216C.195, subdivision 1, are repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective July 1, 2000."

Delete the title and insert:

"A bill for an act relating to the State Building Code; amending Minnesota Statutes 1998, sections 16B.61, subdivision 6; 216C.20, subdivision 1; and 216C.27, subdivision 8; repealing Minnesota Statutes 1998, section 216C.195, subdivisions 2 and 3; Minnesota Statutes 1999 Supplement, sections 216C.19, subdivision 8; and 216C.195, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3300, A bill for an act relating to children; providing for data classification for the community action, Head Start, and foodshelf programs; modifying provisions of child care programs; modifying program plan submission requirement for learning readiness programs; amending Minnesota Statutes 1998, sections 119A.376, by adding a subdivision; 119A.44, by adding a subdivision; 119A.50; and 124D.16, subdivision 1; Minnesota Statutes 1999 Supplement, sections 119B.011, subdivision 15; and 119B.03, subdivision 4.

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

The report was adopted.

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

H. F. No. 3301, A bill for an act relating to human services; modifying provisions for family and adult self-sufficiency; amending Minnesota Statutes 1998, sections 256D.425, subdivision 1; 256J.39, subdivision 2; 256J.42, by adding a subdivision; 256J.48, by adding a subdivision; 256J.49, subdivisions 2, 13, and by adding a subdivision; 256J.50, subdivisions 5, 10, and 11; 256J.52, subdivisions 2 and 6; and 256K.03, subdivision 5; Minnesota Statutes 1999 Supplement, sections 256.019; 256.98, subdivision 8; 256J.08, subdivision 55a; 256J.21, subdivision 2; 256J.24, subdivision 2; 256J.32, subdivision 4; 256J.42, subdivision 1; 256J.45, subdivisions 1 and 2; 256J.46, subdivision 1; 256J.52, subdivision 5a; 256J.56; and 256J.62, subdivision 9; repealing Minnesota Statutes 1998, sections 256J.08, subdivision 50a; 256J.42, subdivision 3; and 256J.49, subdivision 11; Minnesota Statutes 1999 Supplement, sections 256J.42, subdivisions 4 and 5; and 256J.43.

Reported the same back with the following amendments:

Page 1, line 25, delete "(a)" and reinstate the stricken "an" and insert "assistance recovery" and reinstate the stricken "amount is"

Page 1, line 26, delete the new language

Page 1, line 27, delete "for assistance" and strike "given"

Page 1, line 29, strike everything after "including"

Page 1, line 30, strike the old language and delete the new language

Page 1, line 31, delete the new language and strike "MFIP,"

Page 1, line 32, strike "emergency assistance," and reinstate the stricken "and"

Page 1, line 33, delete the new language

Page 2, line 1, delete "that" and insert "the" and reinstate the stricken language

Page 2, lines 2 to 5, reinstate the stricken language

Page 2, delete lines 6 to 13

Page 2, line 14, delete "Subd. 2." and delete the headnote

Page 2, line 19, reinstate the stricken language

Page 2, line 20, reinstate the stricken "recoveries in the federal tax" and reinstate the stricken "offset program" and reinstate the stricken "only"

Page 2, lines 21 to 24, delete the new language and reinstate the stricken language

Page 2, after line 24, insert:

"Subd. 2. [RETENTION RATES FOR AFDC AND MFIP.] (a) When an assistance recovery amount is collected and posted by a county agency under the provisions governing the aid to families with dependent children program formerly codified in sections 256.72 to 256.87 or MFIP under chapter 256J, the commissioner shall reimburse the county agency from the proceeds of the recovery using the applicable rate specified in paragraph (b) or (c).

(b) For recoveries of overpayments made on or before September 30, 1996, from the aid to families with dependent children program including the emergency assistance program, the commissioner shall reimburse the county agency at a rate of one-quarter of the recovery made by any method other than recoupment.

(c) For recoveries of overpayments made after September 30, 1996, from the aid to families with dependent children including the emergency assistance program and programs funded in whole or in part by the temporary assistance to needy families program under section 256J.02, subdivision 2, and recoveries of nonfederally funded food assistance under section 256J.11, the commissioner shall reimburse the county agency at a rate of one-quarter of the recovery made by any method other than recoupment."

Page 4, after line 34, insert:

"Sec. 5. Minnesota Statutes 1998, section 256J.08, is amended by adding a subdivision to read:

Subd. 67a. [PERSON TRAINED IN DOMESTIC VIOLENCE.] "Person trained in domestic violence" means an individual who works for an organization that is designated by the Minnesota center for crime victims services or the department of public safety as providing services to victims of domestic violence."

Page 13, line 7, strike everything after "under"

Page 13, line 8, strike "(8)," and insert "clause (1) or (2)"

Page 14, line 18, after "(13)" insert "effective October 1, 2000," and delete everything after "about"

Page 14, line 19, delete everything before "and" and insert "time limit extensions and waivers of regular employment and training requirements for family violence victims"

Page 14, line 30, delete everything after "plan" and insert "must have the plan reviewed by a person trained in domestic violence to determine if activities contained in the plan are appropriate. If the activities are no longer appropriate, the plan must be revised with the assistance of a person trained in domestic violence. A sanction may be imposed only if a participant has not complied with a plan which, following review by a person trained in domestic violence, is determined to be appropriate and not in need of revision."

Page 14, delete lines 31 to 33

Page 17, line 11, delete "an employment" and insert "a" and after "that is" insert "based on an individualized assessment of need and which is" and after "developed" insert "and approved"

Page 17, line 12, delete "addresses" and insert "may address"

Page 17, line 13, delete the second "and" and insert "or"

Page 17, line 14, delete "feasible" and insert "it is consistent with ensuring safety"

Page 17, line 15, delete "must" and insert "may" and delete "work" and delete "as a key"

Page 17, line 16, delete "component." and insert "that are designed to lead to self-sufficiency. An alternative employment plan may not automatically include a provision that requires a participant to obtain an order for protection or to attend counseling."

Page 17, line 35, strike "MFIP-S" and insert "MFIP"

Page 20, line 13, strike "MFIP-S" and insert "MFIP"

Page 20, line 21, reinstate the stricken "are" and delete "may"

Page 20, line 22, delete "be"

Page 20, delete section 20 and insert:

"Sec. 21. Minnesota Statutes 1998, section 256J.50, is amended by adding a subdivision to read:

Subd. 12. [ACCESS TO PERSONS TRAINED IN DOMESTIC VIOLENCE.] In a county where there is no local organization with a staff person who is trained in domestic violence, as that term is defined in section 256J.08, subdivision 67a, the county must work with the nearest organization that is designated as providing services to victims of domestic violence to develop a process which ensures that domestic violence victims have access to a person trained in domestic violence.

Sec. 22. Minnesota Statutes 1999 Supplement, section 256J.515, is amended to read:

256J.515 [OVERVIEW OF EMPLOYMENT AND TRAINING SERVICES.]

During the first meeting with participants, job counselors must ensure that an overview of employment and training services is provided that:

- (1) stresses the necessity and opportunity of immediate employment;
- (2) outlines the job search resources offered;
- (3) outlines education or training opportunities available;

(4) describes the range of work activities, including activities under section 256J.49, subdivision 13, clause (18), that are allowable under MFIP to meet the individual needs of participants;

(5) explains the requirements to comply with an employment plan;

(6) explains the consequences for failing to comply; and

(7) explains the services that are available to support job search and work and education.

Failure to attend the overview of employment and training services without good cause results in the imposition of a sanction under section 256J.46.

Effective October 1, 2000, a participant who has an alternative employment plan under section 256J.52, subdivision 6, as defined in section 256J.49, subdivision 1a, or who is in the process of developing such a plan, is exempt from the requirement to attend the overview.

Page 21, delete line 36

Page 22, delete lines 1 to 3

Page 22, line 19, after "(f)" insert "Effective October 1, 2000," and after "developed" insert "and approved"

Page 22, line 20, delete "the time of the initial assessment" and insert "any time"

Page 22, line 21, delete everything after "violence" and insert a period

Page 22, delete lines 22 to 29 and insert:

"Sec. 24. Minnesota Statutes 1999 Supplement, section 256J.52, subdivision 3, is amended to read:

Subd. 3. [JOB SEARCH; JOB SEARCH SUPPORT PLAN.] (a) If, after the initial assessment, the job counselor determines that the participant possesses sufficient skills that the participant is likely to succeed in obtaining suitable employment, the participant must conduct job search for a period of up to eight weeks, for at least 30 hours per week. The participant must accept any offer of suitable employment. Upon agreement by the job counselor and the participant, a job search support plan may limit a job search to jobs that are consistent with the participant's employment goal. The job counselor and participant must develop a job search support plan which specifies, at a minimum: whether the job search is to be supervised or unsupervised; support services that will be provided while the participant conducts job search activities; the courses necessary to obtain certification or licensure, if applicable, and after obtaining the license or certificate, the client must comply with subdivision 5; and how frequently the participant must report to the job counselor on the status of the participant's job search activities. The job search support plan may also specify that the participant fulfill a specified portion of the required hours of job search through attending adult basic education or English as a second language classes.

(b) A participant with low skills in reading or mathematics who is proficient only at or below an eighth-grade level must be allowed to include basic education activities in a job search support plan.

(c) During the eight-week job search period, either the job counselor or the participant may request a review of the participant's job search plan and progress towards obtaining suitable employment. If a review is requested by the participant, the job counselor must concur that the review is appropriate for the participant at that time. If a review is conducted, the job counselor may make a determination to conduct a secondary assessment prior to the conclusion of the job search.

(c) (d) Failure to conduct the required job search, to accept any offer of suitable employment, to develop or comply with a job search support plan, or voluntarily quitting suitable employment without good cause results in the imposition of a sanction under section 256J.46. If at the end of eight weeks the participant has not obtained suitable employment, the job counselor must conduct a secondary assessment of the participant under subdivision 3 ~~4~~.

Sec. 25. Minnesota Statutes 1999 Supplement, section 256J.52, subdivision 5, is amended to read:

Subd. 5. [EMPLOYMENT PLAN; CONTENTS.] (a) Based on the secondary assessment under subdivision 4, the job counselor and the participant must develop an employment plan for the participant that includes specific activities that are tied to an employment goal and a plan for long-term self-sufficiency, and that is designed to move the participant along the most direct path to unsubsidized employment. The employment plan must list the specific steps that will be taken to obtain employment and a timetable for completion of each of the steps. Upon agreement by the job counselor and the participant, the employment plan may limit a job search to jobs that are consistent with the participant's employment goal.

(b) As part of the development of the participant's employment plan, the participant shall have the option of selecting from among the vendors or resources that the job counselor determines will be effective in supplying one or more of the services necessary to meet the employment goals specified in the participant's plan. In compiling the list of vendors and resources that the job counselor determines would be effective in meeting the participant's employment goals, the job counselor must determine that adequate financial resources are available for the vendors or resources ultimately selected by the participant.

(c) A participant with low skills in reading or mathematics who is proficient only at or below an eighth-grade level must be allowed to include basic education activities in an employment plan.

(d) The job counselor and the participant must sign the developed plan to indicate agreement between the job counselor and the participant on the contents of the plan."

Page 23, line 2, reinstate the stricken "three" and delete " six"

Page 23, line 13, after "reviewed" insert "and approved by a person trained in domestic violence" and delete "six" and insert "three"

Page 23, line 17, delete "can" and insert "must"

Page 23, line 18, delete everything after "are" and insert "no longer appropriate, the plan must be revised with the assistance of a person trained in domestic violence. If a plan under this subdivision is no longer needed, the participant must be referred for an initial assessment under subdivision 2."

Page 23, delete line 19

Page 24, line 19, delete the new language

Page 24, delete line 20

Page 25, line 10, before the period insert ", as long as the participant's household income is below 200 percent of the federal poverty guidelines"

Page 26, line 31, before "Minnesota" insert "(a)" and after the semicolon insert "and"

Page 26, line 32, delete "and 256J.49, subdivision 11;"

Page 26, line 34, delete "subdivisions 4 and" and insert "subdivision" and delete "and" and before the comma insert "; and 256J.52, subdivision 5a"

Page 26, after line 34, insert:

"(b) Minnesota Statutes 1998, sections 256J.42, subdivision 4; and 256J.49, subdivision 11, are repealed October 1, 2000.

Sec. 32. [EFFECTIVE DATE.]

Section 1 is effective January 1, 2001. Sections 5 (amending section 256J.08 by adding subdivision 67a), 8, 11, 14, 16, 17, 18, 20, 21 (amending section 256J.50 by adding subdivision 12), and 26, are effective October 1, 2000."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "256J.08, by adding a subdivision;"

Page 1, line 8, delete "11" and insert "by adding a subdivision"

Page 1, line 15, after the first semicolon, insert "256J.515;" and delete "subdivision 5a" and insert "subdivisions 3 and 5"

Page 1, line 18, delete "subdivision 3" and insert "subdivisions 3 and 4"

Page 1, line 20, delete "subdivisions 4 and" and insert "subdivision" and delete the second "and" and before the period insert "; and 256J.52, subdivision 5a"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3310, A bill for an act relating to health plans; regulating contract stacking; providing a remedy; amending Minnesota Statutes 1999 Supplement, section 62Q.74, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 17, strike "has the meaning"

Page 1, delete line 18, and insert "~~given in section 148.01~~ 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, and a dentist licensed under chapter 150A."

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

The report was adopted.

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

H. F. No. 3318, A bill for an act relating to children; providing for designation of standby and alternate custodians of children; proposing coding for new law as Minnesota Statutes, chapter 257B; repealing Minnesota Statutes 1998, sections 257A.01; 257A.02; 257A.03; 257A.04; 257A.05; 257A.06; 257A.07; 257A.08; 257A.09; and 257A.10.

Reported the same back with the following amendments:

Page 10, after line 27, insert:

"Sec. 10. [257B.10] [TRANSITION.]

If a designated caregiver agreement entered under chapter 257A before the effective date of this section would have become operative but for the operation of sections 1 to 11, the parent who executed the agreement, or if the parent is unable to act, the designated caregiver under the agreement may file a petition under section 257B.05 to request that the designated caregiver agreement be approved by the court as a standby custodian."

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3336, A bill for an act relating to local government; clarifying that the town of Silver may elect to join the Moose Lake area fire protection district in whole but not in part; authorizing issuance of equipment certificates by the fire protection district; amending Laws 1987, chapter 402, section 2, subdivisions 1, 4, and 5.

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

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 3340, A bill for an act relating to the environment; providing reimbursement for the removal of certain petroleum storage tanks used for agricultural purposes.

Reported the same back with the following amendments:

Page 1, line 6, before "STORAGE" insert "AGRICULTURAL"

Page 2, after line 1, insert:

"Sec. 2. [SMALL GASOLINE STORAGE TANK REMOVAL; REIMBURSEMENT.]

Notwithstanding Minnesota Statutes, section 115C.09, subdivision 3f, paragraph (a), a tank owner who (1) owned two locations in the state, and no locations in any other state, where motor fuel was dispensed to the public into motor vehicles, watercraft, or aircraft, and who dispensed motor fuel at that location, (2) operated the tanks simultaneously for six months or less in 1995, and (3) dispensed less than 200,000 gallons at both locations is a small gasoline retailer for purposes of Minnesota Statutes, section 115C.09, subdivision 3f, paragraph (c), and is eligible for reimbursement."

Amend the title as follows:

Page 1, line 4, delete "used for agricultural purposes"

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

The report was adopted.

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

H. F. No. 3345, A bill for an act relating to family law; changing certain child support enforcement provisions; amending Minnesota Statutes 1998, sections 256.979, by adding a subdivision; 518.64, subdivision 5; 552.03; and 552.04, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1998, section 552.05, subdivisions 1, 2, 3, 6, 7, 8, and 9; Minnesota Statutes 1999 Supplement, section 552.05, subdivisions 4, 5, and 10; Minnesota Rules, parts 9500.1800; 9500.1805; 9500.1810; 9500.1811; 9500.1812; 9500.1815; 9500.1817; 9500.1820; and 9500.1821.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1999 Supplement, section 13B.06, subdivision 1, is amended to read:

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

(a) "Account" means a demand deposit account, checking or negotiable withdraw order account, savings account, time deposit account, or money market mutual fund.

(b) "Account information" means the type of account, the account number, whether the account is singly or jointly owned, and in the case of jointly owned accounts the name and address of the nonobligor account owner if available.

(c) "Financial institution" means any of the following that do business within the state:

(1) federal or state commercial banks and federal or state savings banks, including savings and loan associations and cooperative banks;

(2) federal and state chartered credit unions;

(3) benefit associations;

(4) life insurance companies;

(5) safe deposit companies; and

(6) money market mutual funds.

(d) "Obligor" means an individual who is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments; ~~and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, a child support magistrate, or the public authority.~~

(e) "Public authority" means the public authority responsible for child support enforcement.

Sec. 2. Minnesota Statutes 1998, section 256.979, is amended by adding a subdivision to read:

Subd. 11. [FEDERAL CHILD SUPPORT INCENTIVES.] (a) The commissioner of human services shall distribute to the counties the earned federal child support incentive payments using the methodology specified in Title IV-D of the Social Security Act and applicable federal regulations for earning federal incentives by the states except for the paternity portion of the incentive. The commissioner shall distribute the federal paternity incentive earned using the IV-D paternity establishment percentage. The commissioner shall follow the federal transition plans in distributing the incentives to the counties. The commissioner shall distribute to the county child support agency estimated federal incentive payments within 60 days after the end of each calendar quarter. The commissioner shall issue actual federal incentive payments to the county agency within 60 days of receiving the final federal incentive grant award from the federal agency.

(b) The county child support agency shall reinvest incentive funds disbursed under this section in the county child support enforcement program. These funds may not be used by a county to reduce funding of the child support enforcement program by the amount of the incentive earned below the base amount allowed under the applicable federal regulations. The county agency shall maintain a record of incentives earned and expended according to a procedure approved by the commissioner. The county agency shall repay any incentive erroneously issued.

Sec. 3. Minnesota Statutes 1998, section 270A.10, is amended to read:

270A.10 [PRIORITY OF CLAIMS.]

If two or more debts, in a total amount exceeding the debtor's refund, are submitted for setoff, the priority of payment shall be as follows: First, ~~any delinquent tax obligations of the debtor which are owed to the department shall be satisfied the refund must be applied to debts for child support based on the order in time in which the commissioner received the debts.~~ Secondly, ~~the refund shall be applied to debts for child support based on the order in time in which the commissioner received the debts~~ any delinquent tax obligations of the debtor which are owed to the department must be satisfied. Thirdly, the refund shall be applied to payment of restitution obligations. Fourthly, the refund shall be applied to the remaining debts based on the order in time in which the commissioner received the debts.

Sec. 4. Minnesota Statutes 1998, section 518.64, subdivision 5, is amended to read:

~~Subd. 5. [FORM.] The department of human services state court administrator's office shall prepare and make available to courts court administrators, obligors and persons to whom child support is owed a form to be submitted by the obligor or the person to whom child support is owed in support of a motion for a modification of an order for support or maintenance or for contempt of court.~~

Sec. 5. Minnesota Statutes 1998, section 518.68, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The required notices must be substantially as follows:

IMPORTANT NOTICE

1. PAYMENTS TO PUBLIC AGENCY

According to Minnesota Statutes, section 518.551, subdivision 1, payments ordered for maintenance and support must be paid to the public agency responsible for child support enforcement as long as the person entitled to receive the payments is receiving or has applied for public assistance or has applied for support and maintenance collection services. MAIL PAYMENTS TO:

2. DEPRIVING ANOTHER OF CUSTODIAL OR PARENTAL RIGHTS -- A FELONY

A person may be charged with a felony who conceals a minor child or takes, obtains, retains, or fails to return a minor child from or to the child's parent (or person with custodial or visitation rights), according to Minnesota Statutes, section 609.26. A copy of that section is available from any district court clerk.

3. RULES OF SUPPORT, MAINTENANCE, VISITATION

(a) Payment of support or spousal maintenance is to be as ordered, and the giving of gifts or making purchases of food, clothing, and the like will not fulfill the obligation.

(b) Payment of support must be made as it becomes due, and failure to secure or denial of rights of visitation is NOT an excuse for nonpayment, but the aggrieved party must seek relief through a proper motion filed with the court.

(c) Nonpayment of support is not grounds to deny visitation. The party entitled to receive support may apply for support and collection services, file a contempt motion, or obtain a judgment as provided in Minnesota Statutes, section 548.091.

(d) The payment of support or spousal maintenance takes priority over payment of debts and other obligations.

(e) A party who accepts additional obligations of support does so with the full knowledge of the party's prior obligation under this proceeding.

(f) Child support or maintenance is based on annual income, and it is the responsibility of a person with seasonal employment to budget income so that payments are made throughout the year as ordered.

(g) If there the obligor is a layoff laid off from employment or receives a pay reduction, support may be reduced as of the time of the layoff or pay reduction, but only if a motion to reduce the support is served and filed with the court at that time, but. Any such reduction must be will take effect only if ordered by the court and may only relate back to the time that the motion is filed. If a motion is not filed, the support obligation will continue at the current level. The court is not permitted to reduce support retroactively, except as provided in Minnesota Statutes, section 518.64, subdivision 2, paragraph (c).

(h) Reasonable visitation guidelines are contained in Appendix B, which is available from the court administrator.

(i) The nonpayment of support may be enforced through the denial of student grants; interception of state and federal tax returns; suspension of driver's, recreational, and occupational licenses; referral to the department of revenue or private collection agencies; seizure of assets, including bank accounts and other assets held by financial institutions; reporting to credit bureaus; interest charging, income withholding, and contempt proceedings; and other enforcement methods allowed by law.

4. PARENTAL RIGHTS FROM MINNESOTA STATUTES, SECTION 518.17, SUBDIVISION 3

Unless otherwise provided by the Court:

(a) Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Each party has the right of access to information regarding health or dental insurance available to the minor children. Presentation of a copy of this order to the custodian of a record or other information about the minor children constitutes sufficient authorization for the release of the record or information to the requesting party.

(b) Each party shall keep the other informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress and status, and to attend school and parent teacher conferences. The school is not required to hold a separate conference for each party.

(c) In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

(d) Each party has the right of reasonable access and telephone contact with the minor children.

5. WAGE AND INCOME DEDUCTION OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be withheld from income, with or without notice to the person obligated to pay, when the conditions of Minnesota Statutes, section 518.6111 have been met. A copy of those sections is available from any district court clerk.

6. CHANGE OF ADDRESS OR RESIDENCE

Unless otherwise ordered, each party shall notify the other party, the court, and the public authority responsible for collection, if applicable, of the following information within ten days of any change: the residential and mailing address, telephone number, driver's license number, social security number, and name, address, and telephone number of the employer.

7. COST OF LIVING INCREASE OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be adjusted every two years based upon a change in the cost of living (using Department of Labor Consumer Price Index , unless otherwise specified in this order) when the conditions of Minnesota Statutes, section 518.641, are met. Cost of living increases are compounded. A copy of Minnesota Statutes, section 518.641, and forms necessary to request or contest a cost of living increase are available from any district court clerk.

8. JUDGMENTS FOR UNPAID SUPPORT

If a person fails to make a child support payment, the payment owed becomes a judgment against the person responsible to make the payment by operation of law on or after the date the payment is due, and the person entitled to receive the payment or the public agency may obtain entry and docketing of the judgment WITHOUT NOTICE to the person responsible to make the payment under Minnesota Statutes, section 548.091. Interest begins to accrue on a payment or installment of child support whenever the unpaid amount due is greater than the current support due, according to Minnesota Statutes, section 548.091, subdivision 1a.

9. JUDGMENTS FOR UNPAID MAINTENANCE

A judgment for unpaid spousal maintenance may be entered when the conditions of Minnesota Statutes, section 548.091, are met. A copy of that section is available from any district court clerk.

10. ATTORNEY FEES AND COLLECTION COSTS FOR ENFORCEMENT OF CHILD SUPPORT

A judgment for attorney fees and other collection costs incurred in enforcing a child support order will be entered against the person responsible to pay support when the conditions of section 518.14, subdivision 2, are met. A copy of section 518.14 and forms necessary to request or contest these attorney fees and collection costs are available from any district court clerk.

11. VISITATION EXPEDITOR PROCESS

On request of either party or on its own motion, the court may appoint a visitation expeditor to resolve visitation disputes under Minnesota Statutes, section 518.1751. A copy of that section and a description of the expeditor process is available from any district court clerk.

12. VISITATION REMEDIES AND PENALTIES

Remedies and penalties for the wrongful denial of visitation rights are available under Minnesota Statutes, section 518.175, subdivision 6. These include compensatory visitation; civil penalties; bond requirements; contempt; and reversal of custody. A copy of that subdivision and forms for requesting relief are available from any district court clerk.

Sec. 6. Minnesota Statutes 1998, section 552.01, subdivision 3, is amended to read:

Subd. 3. [JUDGMENT DEBTOR.] "Judgment debtor" means a party an obligor against whom the public authority has a judgment for the recovery of money owed pursuant to a support order as defined in section 518.54.

Sec. 7. Minnesota Statutes 1998, section 552.01, is amended by adding a subdivision to read:

Subd. 7. [JUDGMENT.] "Judgment" means a child support judgment by operation of law under section 548.091, subdivision 1a, or under a proceeding under section 548.091, subdivision 2a.

Sec. 8. Minnesota Statutes 1998, section 552.03, is amended to read:

552.03 [SCOPE OF GENERAL AND SPECIFIC PROVISIONS.]

General provisions relating to the public authority's summary execution as authorized in this chapter are set forth in section 552.04. Specific provisions relating to summary execution on funds at a financial institution are set forth in section 552.05. When the public authority levies against funds at a financial institution, the specific provisions of section 552.05 must be complied with in addition to the general provisions of section 552.04 that are not inconsistent with the specific provisions of section 552.05. Provisions contained in the statutory forms are incorporated in this chapter and have the same force of law as any other provisions in this chapter.

Sec. 9. Minnesota Statutes 1998, section 552.04, subdivision 4, is amended to read:

Subd. 4. [~~SERVICE OF THIRD PARTY LEVY; NOTICE AND DISCLOSURE FORMS.~~] When levying upon money owed to the judgment debtor by a third party, the public authority shall serve a copy of the notice of support judgment levy upon the third party either by registered or certified mail, by personal service, or by electronic transmission. Along with a copy of the notice of support judgment levy, the public authority shall serve upon the third party a notice of support judgment levy and disclosure form that must be substantially in the form set forth below.

~~OFFICE OF ADMINISTRATIVE HEARINGS~~ DISTRICT COURT

..... (Public authority)
against
..... (Judgment Debtor)
and
..... (Third Party)

File No.

NOTICE OF SUPPORT JUDGMENT
LEVY AND DISCLOSURE
(OTHER THAN EARNINGS)

PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, chapters 518 and ~~522~~ 552, the undersigned, as representative of the public authority responsible for child support enforcement, makes demand and levies execution upon all money due and owing by you to the judgment debtor for the amount of the judgment specified below. A copy of the notice of support judgment levy is enclosed. The unpaid judgment balance is \$.

In responding to this levy, you are to complete the attached disclosure form and mail it to the public authority, together with your check payable to the public authority, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits in chapter 552.

Public Authority
Address
(.)
Phone number

DISCLOSURE

On the . . . day of,, the time of service of the execution levy herein, there was due and owing the judgment debtor from the third party the following:

(1) Money. Enter on the line below any amounts due and owing the judgment debtor, except earnings, from the third party.

.....

(2) Setoff. Enter on the line below the amount of any setoff, defense, lien, or claim which the third party claims against the amount set forth on line (1). State the facts by which the setoff, defense, lien, or claim is claimed. (Any indebtedness to you incurred by the judgment debtor within ten days prior to the receipt of the first execution levy on a debt may not be claimed as a setoff, defense, lien, or claim against the amount set forth on line (1).)

.....

(3) Exemption. Financial Institutions shall not complete this line. Enter on the line below any amounts or property claimed by the judgment debtor to be exempt from execution.

.....

(4) Adverse Interest. Enter on the line below any amounts claimed by other persons by reason of ownership or interest in the judgment debtor's property.

.....

(5) Enter on the line below the total of lines (2), (3), and (4).

.....

(6) Enter on the line below the difference obtained (never less than zero when line (5) is subtracted from the amount on line (1)).

.....

(7) Enter on the line below 100 percent of the amount of the public authority's claim which remains unpaid.

.....

(8) Enter on the line below the lesser of line (6) and line (7). You are instructed to remit this amount only if it is \$10 or more.

.....

AFFIRMATION

I, (person signing Affirmation), am the third party or I am authorized by the third party to complete this nonearnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:

Signature

.....

Title

.....

Telephone Number

Sec. 10. Minnesota Statutes 1998, section 552.04, subdivision 6, is amended to read:

Subd. 6. [ORAL DISCLOSURE.] Before or after the service of a written disclosure by a third party under subdivision 5, upon a showing by affidavit upon information and belief that an oral examination of the third party would provide a complete disclosure of relevant facts, any party to the execution proceedings may obtain an ex parte order requiring the third party, or a representative of the third party designated by name or by title, to appear for oral examination before the court ~~or a referee appointed by the court~~. Notice of the examination must be given to all parties. This subdivision does not apply to financial institutions complying with section 552.06.

Sec. 11. Minnesota Statutes 1998, section 552.04, subdivision 11, is amended to read:

Subd. 11. [BAD FAITH CLAIM.] If, in a proceeding ~~brought under section 552.05, subdivision 9, or a similar proceeding under this chapter~~ to determine a claim of exemption, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the public authority shall be awarded actual damages, costs, reasonable attorney's fees resulting from the additional proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the public authority disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded actual damages, costs, reasonable attorney's fees resulting from the additional proceedings, and an amount not to exceed \$100. If the exemption claim of the judgment debtor is found to be in bad faith, the underlying judgment shall be modified to reflect assessment of damages, costs, and attorney's fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to that party's attorney for fees, the attorney's fee award shall be made directly to the attorney, and if not paid, an appropriate judgment in favor of the attorney shall be entered. Any action by a public authority made in bad faith and in violation of this chapter renders the execution levy void and the public authority liable to the judgment debtor named in the execution levy in the amount of \$100, actual damages, and reasonable attorney's fees and costs.

Sec. 12. Minnesota Statutes 1998, section 552.04, subdivision 16, is amended to read:

Subd. 16. [PRIORITY OF LEVY.] Notwithstanding section 52.12, a levy by the public authority made under this section on ~~an obligor's a judgment debtor's~~ funds on deposit in a financial institution located in this state has priority over any unexercised right of setoff of the financial institution to apply the levied funds toward the balance of an outstanding loan or loans owed by the ~~obligor judgment debtor~~ to the financial institution. A claim by the financial institution that it exercised its right to setoff prior to the levy by the public authority must be substantiated by evidence of the date of the setoff and must be verified by the sworn statement of a responsible corporate officer of the financial institution. For purposes of determining the priority of a levy made under this section, the levy must be treated as if it were an execution made under chapter 550.

Sec. 13. [552.06] [SUMMARY EXECUTION OF SUPPORT JUDGMENT UPON FUNDS AT A FINANCIAL INSTITUTION.]

Subdivision 1. [COMMENCEMENT OF SUMMARY EXECUTION.] (a) This section applies to a judgment debtor who is in arrears in court-ordered support payments in an amount equal to or greater than three times the judgment debtor's total support order.

(b) Section 518.5513 applies to this section, except if it conflicts with the specific provisions of this section, this section applies.

(c) Time frames set out in the rules of civil procedure that are inconsistent with this section do not apply to this section.

(d) The public authority may not proceed with a summary execution of support judgment proceeding until after the judgment has been submitted for federal or state tax intercept.

(e) Upon receipt of information under section 13B.06 that a judgment debtor holds an account at the financial institution, the public authority may send the financial institution a notice of support judgment levy.

(f) The support judgment levy and accompanying documentation must contain the name of the judgment debtor, the judgment debtor's social security number, any necessary verifying information, the amount of the judgment, and the procedures necessary for the financial institution to process the notice of support judgment levy and complete the disclosure form.

(g) Notice of support judgment levy under this section commences without notice to the judgment debtor and without the need for prior judicial notice or hearing.

(h) Within five calendar days after the public authority sends the notice of support judgment levy to the financial institution, the public authority shall send the judgment debtor a copy of the notice of support judgment levy by first class mail at the judgment debtor's last known address. In addition to the copy of the notice of support judgment levy, information must be provided that describes the exemptions a judgment debtor may claim and the form and procedure for claiming an exemption, the informal resolution process, the responsibilities of the judgment debtor, and the procedure and time frames to contest the levy.

Subd. 2. [RESPONSIBILITIES OF THE FINANCIAL INSTITUTION.] (a) Upon receipt by the financial institution of a notice of support judgment levy, the financial institution shall seize all funds up to and including the amount contained in the notice from the judgment debtor's account.

(b) Thirty days after receiving the levy, the financial institution shall complete the notice of support judgment levy and disclosure form and forward it together with the amount indicated on line 8 of the disclosure form, not to exceed the total amount seized, to the public authority at the address indicated in the notice of support judgment levy.

(c) If the judgment debtor and the public authority informally resolve a dispute under subdivision 3 and the public authority sends a notice of release to the financial institution, the financial institution shall release seized funds according to the notice of release.

(d) If the financial institution receives notice of a contest of the summary execution of support judgment, the financial institution shall continue to hold the funds during the period of contest inclusive of any applicable appeal period and, upon receipt of notice to release from the public authority, shall send the lesser of the amount indicated in the notice of release, or the amount indicated on line 8 of the notice of support judgment levy and disclosure form not to exceed the total amount seized.

(e) If a judgment debtor has multiple accounts within the financial institution, the financial institution shall seize funds in as many accounts of the judgment debtor as is necessary to equal the amount contained in the notice of support judgment levy.

(f) A financial institution that receives more than one notice of support judgment levy under this section shall withhold sufficient funds to satisfy all notices of support judgment levy, if possible.

(g) The Consumer Credit Protection Act, United States Code, title 15, section 1673(b), does not apply to funds withheld by a financial institution under this section.

(h) The public authority shall pay a fee of \$15 per levy to the financial institution. Financial institutions and the commissioner of human services shall establish procedures to automate the payment of this fee to the maximum extent possible. The fee may be recovered by the public authority from the judgment debtor as an allowable cost.

(i) No financial institution is liable for damages for complying with this section. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

Subd. 3. [INFORMAL RESOLUTIONS OF DISPUTES.] (a) After the judgment debtor receives a notice of support judgment levy, the judgment debtor may contact the public authority with information regarding a mistake of fact or claim of exemption. In the event the matter is resolved, the public authority shall contact the financial institution and forward to the financial institution a notice of release regarding the appropriate transfer of funds and send a copy to the judgment debtor.

(b) Contact by the judgment debtor under this subdivision does not constitute a contest to the levy under subdivision 5. The time frame to contest the support judgment levy under subdivision 5 is not stayed while the judgment debtor contacts the public authority. The judgment debtor may contest the levy under subdivision 5.

Subd. 4. [RESPONSIBILITIES OF THE PUBLIC AUTHORITY.] (a) If a judgment debtor serves the public authority with a notice of motion and motion under subdivision 5, the public authority shall immediately notify:

(1) the financial institution, directing the financial institution to continue holding the funds pending resolution of the matter; and

(2) the obligee, by mailing by first class mail a copy of the notice of motion and motion.

(b) Upon final resolution of the matter, including the applicable appeal times, the public authority shall forward to the financial institution a notice of release regarding the appropriate transfer of funds.

(c) Funds received by the public authority must be applied to the judgment identified in the support judgment levy notice in compliance with federal regulations.

(d) In the event that multiple notices result in an amount of seized funds that is insufficient to satisfy all of the support judgment levies, the public authority shall distribute funds to satisfy each support judgment levy in the order in which they were sent to the financial institution.

Subd. 5. [EXEMPTION AND CONTEST.] (a) [PROCESS TO CLAIM EXEMPTION.] If the judgment debtor elects to claim an exemption, the judgment debtor shall complete the applicable portion of the exemption form, sign it under penalty of perjury, and deliver one copy to the public authority within ten calendar days of the date postmarked on the correspondence mailed to the judgment debtor. Failure of the judgment debtor to deliver the executed exemption does not constitute a waiver of any claimed right to an exemption. Upon timely receipt of a claim of exemption by the public authority, funds not claimed to be exempt by the judgment debtor remain subject to the support judgment levy. If a claim of exemption is resolved informally, the public authority shall proceed according to section 552.05, subdivision 3.

(b) [PROCESS TO CONTEST.] (1) The judgment debtor may contest a support judgment levy on the limited grounds that the seizure or the amount seized is improper due to mistake of fact or that the funds held in the account are exempt from levy for child support purposes under state or federal law.

(2) If the judgment debtor chooses to contest the withholding, within 15 calendar days of notice of support judgment levy the judgment debtor shall:

(i) file a motion with the court administrator, including in the motion the alleged mistake of fact or the basis for any claim that the funds are exempt from withholding;

(ii) obtain a hearing date from the court administrator; and

(iii) serve the public authority, either personally or by fax, with a copy of the notice of motion and motion no later than two business days after obtaining a hearing date.

(c) [HEARING.] The hearing date shall be set at the earliest practicable time, but the matter must be heard no later than ten calendar days from the date a request for hearing is made. The court administrator shall schedule these matters to be heard in the expedited process before a child support magistrate, but may schedule these cases in district court if the availability of a child support magistrate does not permit a hearing to occur within the time frames of this section.

Subd. 6. [FORM.] The state court administrator's office shall prepare and make available to court administrators and judgment debtors a form to be submitted by the judgment debtor in support of a motion to contest the support judgment levy under this section.

Sec. 14. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall change references to section 552.05 to section 552.06.

Sec. 15. [REPEALER.]

(a) Minnesota Statutes 1998, section 552.05, subdivisions 1, 2, 3, 6, 7, 8, and 9, are repealed.

(b) Minnesota Statutes 1999 Supplement, section 552.05, subdivisions 4, 5, and 10, are repealed.

(c) Minnesota Rules, parts 9500.1800; 9500.1805; 9500.1810; 9500.1811; 9500.1812; 9500.1815; 9500.1817; 9500.1820; and 9500.1821, are repealed effective October 1, 2001."

Delete the title and insert:

"A bill for an act relating to family law; changing certain child support enforcement provisions; amending Minnesota Statutes 1998, sections 256.979, by adding a subdivision; 270A.10; 518.64, subdivision 5; 518.68, subdivision 2; 552.01, subdivision 3, and by adding a subdivision; 552.03; and 552.04, subdivisions 4, 6, 11, and 16; Minnesota Statutes 1999 Supplement, section 13B.06, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 552; repealing Minnesota Statutes 1998, section 552.05, subdivisions 1, 2, 3, 6, 7, 8, and 9; Minnesota Statutes 1999 Supplement, section 552.05, subdivisions 4, 5, and 10; Minnesota Rules, parts 9500.1800; 9500.1805; 9500.1810; 9500.1811; 9500.1812; 9500.1815; 9500.1817; 9500.1820; and 9500.1821."

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

The report was adopted.

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

H. F. No. 3346, A bill for an act relating to crime; criminal justice information systems technology; changing the membership of the criminal and juvenile justice information policy group; authorizing the purchase and distribution of criminal justice technology infrastructure improvements; appropriating money; amending Minnesota Statutes 1998, section 299C.65, subdivision 1, and by adding a subdivision; and Minnesota Statutes 1999 Supplement, section 299C.65, subdivisions 2 and 8.

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

The report was adopted.

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

H. F. No. 3365, A bill for an act relating to vulnerable adults; modifying provisions concerning medical errors and neglect; requiring health licensing boards to make determinations regarding employment disqualifications; amending Minnesota Statutes 1998, section 626.5572, subdivision 17; Minnesota Statutes 1999 Supplement, section 245A.04, subdivision 3d; proposing coding for new law in Minnesota Statutes, chapter 214.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1999 Supplement, section 245A.04, subdivision 3d, is amended to read:

Subd. 3d. [DISQUALIFICATION.] (a) Except as provided in paragraph (b), when a background study completed under subdivision 3 shows any of the following: a conviction of one or more crimes listed in clauses (1) to (4); the individual has admitted to or a preponderance of the evidence indicates the individual has committed an act or acts that meet the definition of any of the crimes listed in clauses (1) to (4); or an administrative determination listed under clause (4), the individual shall be disqualified from any position allowing direct contact with persons receiving services from the license holder:

(1) regardless of how much time has passed since the discharge of the sentence imposed for the offense, and unless otherwise specified, regardless of the level of the conviction, the individual was convicted of any of the following offenses: sections 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.322 (solicitation, inducement, and promotion of prostitution); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest); felony offense under 609.377 (malicious punishment of a child); 617.246 (use of minors in sexual performance prohibited); 617.247 (possession of pictorial representations of minors); a felony offense under sections 609.2242 and 609.2243 (domestic assault), a felony offense of spousal abuse, a felony offense of child abuse or neglect, a felony offense of a crime against children; or attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes, or an offense in any other state or country, where the elements are substantially similar to any of the offenses listed in this clause;

(2) if less than 15 years have passed since the discharge of the sentence imposed for the offense; and the individual has received a felony conviction for a violation of any of these offenses: sections 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.21 (criminal vehicular homicide and injury); 609.215 (suicide); 609.221 to 609.2231 (assault in the first, second, third, or fourth degree); repeat offenses under 609.224 (assault in the fifth degree); repeat offenses under 609.3451 (criminal sexual conduct in the fifth degree); 609.713

(terroristic threats); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.561 (arson in the first degree); 609.562 (arson in the second degree); 609.563 (arson in the third degree); repeat offenses under 617.23 (indecent exposure; penalties); repeat offenses under 617.241 (obscene materials and performances; distribution and exhibition prohibited; penalty); 609.71 (riot); 609.66 (dangerous weapons); 609.67 (machine guns and short-barreled shotguns); 609.749 (harassment; stalking; penalties); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal abuse of a vulnerable adult); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the commission of a crime); 609.378 (neglect or endangerment of a child); 609.324, subdivision 1 (other prohibited acts); 609.52 (theft); 609.2335 (financial exploitation of a vulnerable adult); 609.521 (possession of shoplifting gear); 609.582 (burglary); 609.625 (aggravated forgery); 609.63 (forgery); 609.631 (check forgery; offering a forged check); 609.635 (obtaining signature by false pretense); 609.27 (coercion); 609.275 (attempt to coerce); 609.687 (adulteration); 260C.301 (grounds for termination of parental rights); and chapter 152 (drugs; controlled substance). An attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state or country, the elements of which are substantially similar to the elements of the offenses in this clause. If the individual studied is convicted of one of the felonies listed in this clause, but the sentence is a gross misdemeanor or misdemeanor disposition, the lookback period for the conviction is the period applicable to the disposition, that is the period for gross misdemeanors or misdemeanors;

(3) if less than ten years have passed since the discharge of the sentence imposed for the offense; and the individual has received a gross misdemeanor conviction for a violation of any of the following offenses: sections 609.224 (assault in the fifth degree); 609.2242 and 609.2243 (domestic assault); violation of an order for protection under 518B.01, subdivision 14; 609.3451 (criminal sexual conduct in the fifth degree); repeat offenses under 609.746 (interference with privacy); repeat offenses under 617.23 (indecent exposure); 617.241 (obscene materials and performances); 617.243 (indecent literature, distribution); 617.293 (harmful materials; dissemination and display to minors prohibited); 609.71 (riot); 609.66 (dangerous weapons); 609.749 (harassment; stalking; penalties); 609.224, subdivision 2, paragraph (c) (assault in the fifth degree by a caregiver against a vulnerable adult); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of residents or patients); 609.2325 (criminal abuse of a vulnerable adult); 609.233 (criminal neglect of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report maltreatment of a vulnerable adult); 609.72, subdivision 3 (disorderly conduct against a vulnerable adult); 609.265 (abduction); 609.378 (neglect or endangerment of a child); 609.377 (malicious punishment of a child); 609.324, subdivision 1a (other prohibited acts; minor engaged in prostitution); 609.33 (disorderly house); 609.52 (theft); 609.582 (burglary); 609.631 (check forgery; offering a forged check); 609.275 (attempt to coerce); or an attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in this clause. If the defendant is convicted of one of the gross misdemeanors listed in this clause, but the sentence is a misdemeanor disposition, the lookback period for the conviction is the period applicable to misdemeanors; or

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

which: (i) the final disposition under section 626.556 or 626.557 was substantiated maltreatment, and (ii) the maltreatment was recurring or serious; or substantiated serious or recurring maltreatment of a minor under section 626.556 or of a vulnerable adult under section 626.557 for which there is a preponderance of evidence that the maltreatment occurred, and that the subject was responsible for the maltreatment.

For the purposes of this section, "serious maltreatment" means sexual abuse; maltreatment resulting in death; or maltreatment resulting in serious injury ~~or harm~~ which reasonably requires the care of a physician whether or not the care of a physician was sought; or abuse resulting in serious injury. For purposes of this section, "abuse resulting in serious injury" means: bruises, bites, skin laceration or tissue damage; fractures; dislocations; evidence of internal injuries; head injuries with loss of consciousness; extensive second-degree or third-degree burns and other burns for which complications are present; extensive second-degree or third-degree frostbite, and others for which complications are present; irreversible mobility or avulsion of teeth; injuries to the eyeball; ingestion of foreign substances and objects that are harmful; near drowning; and heat exhaustion or sunstroke. For purposes of this section, "care of a physician" is treatment received or ordered by a physician, but does not include diagnostic testing, assessment, or observation. For the purposes of this section, "recurring maltreatment" means more than one incident of maltreatment for which there is a preponderance of evidence that the maltreatment occurred, and that the subject was responsible for the maltreatment.

(b) If the subject of a background study is licensed by a health-related licensing board, the board shall make the determination regarding a disqualification under this subdivision based on a finding of substantiated maltreatment under section 626.556 or 626.557. The commissioner shall notify the health-related licensing board if a background study shows that a licensee would be disqualified because of substantiated maltreatment and the board shall make a determination under section 2.

Sec. 2. [214.104] [HEALTH-RELATED LICENSING BOARDS; DETERMINATIONS REGARDING DISQUALIFICATIONS FOR MALTREATMENT.]

(a) A health-related licensing board shall make determinations as to whether licensees who are under the board's jurisdiction should be disqualified under section 245A.04, subdivision 3d, from positions allowing direct contact with persons receiving services because of substantiated maltreatment under section 626.556 or 626.557. A determination under this section may be done as part of an investigation under section 214.103. The board shall make a determination within 90 days of receipt of an investigation memorandum or other notice of substantiated maltreatment under section 626.556 or 626.557, or of a notice from the commissioner of human services that a background study of a licensee shows substantiated maltreatment. The board shall also make a determination under this section upon consideration of the licensure of an individual who was subject to disqualification before licensure because of substantiated maltreatment.

(b) In making a determination under this section, the board shall consider the nature and extent of any injury or harm resulting from the conduct that would constitute grounds for disqualification, the seriousness of the misconduct, the extent that disqualification is necessary to protect persons receiving services or the public, and other factors specified in section 245A.04, subdivision 3b, paragraph (b).

(c) The board shall determine the duration and extent of the disqualification or may establish conditions under which the licensee may hold a position allowing direct contact with persons receiving services or in a licensed facility. The board shall notify the commissioner of human services and the lead agency that conducted an investigation under section 626.556 or 626.557, as applicable, of its determination.

Sec. 3. Minnesota Statutes 1998, section 626.5572, subdivision 17, is amended to read:

Subd. 17. [NEGLECT.] "Neglect" means:

(a) The failure or omission by a caregiver to supply a vulnerable adult with care or services, including but not limited to, food, clothing, shelter, health care, or supervision which is:

(1) reasonable and necessary to obtain or maintain the vulnerable adult's physical or mental health or safety, considering the physical and mental capacity or dysfunction of the vulnerable adult; and

(2) which is not the result of an accident or therapeutic conduct.

(b) The absence or likelihood of absence of care or services, including but not limited to, food, clothing, shelter, health care, or supervision necessary to maintain the physical and mental health of the vulnerable adult which a reasonable person would deem essential to obtain or maintain the vulnerable adult's health, safety, or comfort considering the physical or mental capacity or dysfunction of the vulnerable adult.

(c) For purposes of this section, a vulnerable adult is not neglected for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult under sections 144.651, 144A.44, chapter 145B, 145C, or 252A, or section 253B.03, or 525.539 to 525.6199, refuses consent or withdraws consent, consistent with that authority and within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult, or, where permitted under law, to provide nutrition and hydration parenterally or through intubation; this paragraph does not enlarge or diminish rights otherwise held under law by:

(i) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or

(ii) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct; or

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult;

(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in sexual contact with:

(i) a person including a facility staff person when a consensual sexual personal relationship existed prior to the caregiving relationship; or

(ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship; or

(4) an individual makes ~~a single mistake~~ an error in the provision of therapeutic conduct to a vulnerable adult which:

(i) does not result in injury or harm which reasonably requires the medical or mental health care of a physician or mental health professional, whether or not the care was sought or, if it reasonably requires care, the care is sought and provided in a timely fashion as dictated by the condition of the vulnerable adult; and the injury or harm that required care was not a substantial acute or chronic illness or permanent disability;

(ii) is immediately reported internally by the employee or person providing services in the facility; ~~and~~

(iii) is sufficiently documented for review and evaluation by the facility and any applicable licensing and certification agency; and

(iv) is not part of a pattern of errors by the individual.

(d) Nothing in this definition requires a caregiver, if regulated, to provide services in excess of those required by the caregiver's license, certification, registration, or other regulation.

Sec. 4. [RIGHT TO PETITION FOR LICENSING BOARD REVIEW.]

Until August 1, 2001, a licensed health professional who was disqualified under Minnesota Statutes, section 245A.04, subdivision 3d, before the effective date of this act, for substantiated maltreatment under Minnesota Statutes, section 626.556 or 626.557, that occurred on or after October 1, 1995, may petition the licensing board for review of the disqualification, as provided in section 2. The commissioner of human services shall notify individuals who are eligible to petition under this section of this right.

Sec. 5. [COORDINATION OF ACTIVITY REGARDING LICENSED PROFESSIONALS.]

The commissioner of human services, the commissioner of health, the health-related licensing boards, and representatives of licensed health professionals, shall study and make recommendations regarding the coordination of investigatory and disciplinary activity relating to the disqualification of licensed and nonlicensed health professionals under Minnesota Statutes, section 245A.04, subdivision 3d, for purposes of efficiency and avoiding duplication of actions affecting health professionals, consistent with due process for the health professionals. The commissioner shall report recommendations to the legislature by January 15, 2001."

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

The report was adopted.

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

H. F. No. 3370, A bill for an act relating to corrections; authorizing the commissioner of corrections to establish and operate alternative residential programs for juveniles; deleting a reference to a closed correctional facility; changing the data collection date for the Interstate Compact for Supervision of Parolees and Probationers Report; requiring an offender in phase II of the challenge incarceration program to report to an agent or program staff; requiring that pretrial diversion reports prepared by county attorneys be submitted to the state court administrator; appropriating money; amending Minnesota Statutes 1998, sections 242.32, by adding a subdivision; 242.55; 243.162, subdivision 3; 244.172, subdivision 2; and 401.065, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 26, delete "programming" and insert "program"

Page 1, line 27, delete "programming" and insert "the program"

Page 2, line 1, delete "programming" and insert "program"

Page 3, after line 6, insert:

"Sec. 6. Laws 1999, chapter 216, article 1, section 13, subdivision 4, is amended to read:

Subd. 4. Community Services

Summary by Fund

General	95,327,000	97,416,000
Special Revenue	90,000	90,000

All money received by the commissioner of corrections pursuant to the domestic abuse investigation fee under Minnesota Statutes, section 609.2244, is available for use by the commissioner and is appropriated annually to the commissioner of corrections for costs related to conducting the investigations.

\$500,000 the first year and \$500,000 the second year are for increased funding for intensive community supervision.

\$1,500,000 the first year and \$3,500,000 the second year are for a statewide probation and supervised release caseload and workload reduction grant program. Counties that deliver correctional services through Minnesota Statutes, chapter 244, and that qualify for new probation officers under this program shall receive full reimbursement for the officers' salaries and reimbursement for the officers' benefits and support as set forth in the probations standards task force report, not to exceed \$70,000 per officer annually. Positions funded by this appropriation may not supplant existing services. Position control numbers for these positions must be annually reported to the commissioner of corrections.

The commissioner shall distribute money appropriated for state and county probation officer caseload and workload reduction, increased supervised release and probation services, and county probation officer reimbursement according to the formula contained in Minnesota Statutes, section 401.10. These appropriations may not be used to supplant existing state or county probation officer positions or existing correctional services or programs. The money appropriated under this provision is intended to reduce state and county probation officer caseload and workload overcrowding and to increase supervision of individuals sentenced to probation at the county level. This increased supervision may be accomplished through a variety of methods, including, but not limited to:

- (1) innovative technology services, such as automated probation reporting systems and electronic monitoring;
- (2) prevention and diversion programs;
- (3) intergovernmental cooperation agreements between local governments and appropriate community resources; and
- (4) traditional probation program services.

By January 15, 2001, the commissioner of corrections shall report to the chairs and ranking minority members of the senate and house committees and divisions having jurisdiction over criminal justice funding on the outcomes achieved through the use of state probation caseload reduction appropriations made since 1995. The commissioner shall, to the extent possible, include an analysis of the ongoing results relating to the measures described in the uniform statewide probation outcome measures workgroup's 1998 report to the legislature.

\$150,000 each year is for a grant to the Dodge-Fillmore-Olmsted community corrections agency for a pilot project to increase supervision of sex offenders who are on probation, intensive community supervision, supervised release, or intensive supervised release by means of caseload reduction. The grant shall be used to reduce the number of offenders supervised by officers with specialized caseloads to an average of 35 offenders. This is a one-time appropriation. The grant recipient shall report by January 15, 2002, to the House and Senate committees and divisions with jurisdiction over criminal justice policy and funding on the outcomes of the pilot project.

\$175,000 the first year and \$175,000 the second year are for county probation officer reimbursements.

\$50,000 the first year and \$50,000 the second year are for the emergency housing initiative. The commissioner of corrections may enter into rental agreements per industry standards for emergency housing.

\$150,000 the first year and \$150,000 the second year are for probation and supervised release services.

\$250,000 the first year and \$250,000 the second year are for increased funding of the sentencing to service program and for a housing coordinator for the institution work crews in the sentencing to serve program.

\$25,000 the first year and \$25,000 the second year are for sex offender transition programming.

\$250,000 each year is for increased bed capacity for work release offenders.

\$50,000 each year is for programming for adult female offenders.

The following amounts are one-time appropriations for the statewide productive day initiative program defined in Minnesota Statutes, section 241.275:

\$472,000 to the Hennepin county community corrections agency;

\$472,000 to the Ramsey county community corrections agency;

\$590,000 to the Arrowhead regional community corrections agency;

\$425,000 to the Dodge-Fillmore-Olmsted community corrections agency;

\$283,000 to the Anoka county community corrections agency; and

\$118,000 to the Tri-county (Polk, Norman, and Red Lake) community corrections agency.

\$250,000 the first year and \$250,000 the second year are for grants to Dakota county for the community justice zone pilot project described in article 2, section 24. This is a one-time appropriation.

\$230,000 the first year is for grants related to restorative justice programs. The commissioner may make grants to fund new as well as existing programs. This is a one-time appropriation.

The money appropriated for restorative justice program grants under this subdivision may be used to fund the use of restorative justice in domestic abuse cases, except in cases where the restorative justice process that is used includes a meeting at which the offender and victim are both present at the same time. "Domestic abuse" has the meaning given in Minnesota Statutes, section 518B.01, subdivision 2.

\$25,000 each year is for the juvenile mentoring project. This is a one-time appropriation."

Amend the title as follows:

Page 1, line 15, before the period, insert "; Laws 1999, chapter 216, article 1, section 13, subdivision 4"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3376, A bill for an act relating to crime prevention; creating the Minnesota capitol police department and merging the capitol complex security division into it; creating a capitol complex security oversight committee; increasing the complement of state troopers assigned to provide security to the governor; appropriating money; amending Minnesota Statutes 1999 Supplement, section 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 299N; repealing Minnesota Statutes 1998, sections 299E.01; 299E.02; and 626.88, subdivision 3.

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

The report was adopted.

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

H. F. No. 3414, A bill for an act relating to labor; increasing penalties for violations of child labor laws; amending Minnesota Statutes 1998, section 181A.12, subdivision 1.

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

The report was adopted.

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

H. F. No. 3422, A bill for an act relating to corrections; authorizing confining juveniles adjudicated delinquent and juveniles convicted of crimes at the same facility; setting per diem cost of confinement at Minnesota correctional facility-Red Wing based on certain factors; amending Minnesota Statutes 1998, sections 242.18; 242.41; 242.43; and 242.44; Minnesota Statutes 1999 Supplement, section 242.192.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1999 Supplement, section 242.192, is amended to read:

242.192 [CHARGES TO COUNTIES.]

The commissioner shall charge counties or other appropriate jurisdictions for the ~~actual~~ per diem cost of confinement, excluding educational costs and nonbillable service, of juveniles at the Minnesota correctional facility-Red Wing and of juvenile females committed to the commissioner of corrections. This charge applies to both counties that participate in the Community Corrections Act and those that do not. The commissioner shall ~~annually~~ determine ~~costs, making necessary adjustments to reflect the actual costs of confinement~~ the per diem cost of confinement based on projected population, pricing incentives, market conditions, and the requirement that expense and revenue balance out over a period of four years. All money received under this section must be deposited in the state treasury and credited to the general fund.

Sec. 2. Minnesota Statutes 1998, section 242.41, is amended to read:

242.41 [THE MINNESOTA CORRECTIONAL FACILITY-RED WING.]

There is established the Minnesota correctional facility-Red Wing at Red Wing, Minnesota, in which may be placed persons committed to the commissioner of corrections by the courts of this state ~~who, in the opinion of the commissioner, may benefit from the programs available thereat or~~ admitted consistent with established admissions criteria. When reviewing placement requests from counties, the commissioner shall take into consideration the purpose of the Minnesota correctional facility-Red Wing which is to educate and provide treatment for serious and chronic juvenile offenders for which the county has exhausted local resources. The general control and management of the facility shall be under the commissioner of corrections.

Sec. 3. Minnesota Statutes 1998, section 242.43, is amended to read:

242.43 [COMMISSIONER, DUTIES.]

The commissioner of corrections shall receive, clothe, maintain, and instruct, ~~at the expense of the state,~~ all children duly committed to the corrections department and placed in a state correctional facility for juveniles and keep them in custody until placed on probation, paroled, or discharged. The commissioner may place any of these children in suitable foster care facilities or cause them to be instructed in such trades or employment as in the commissioner's judgment will be most conducive to their reformation and tend to the future benefit and advantage of these children. The commissioner may discharge any child so committed, or may recall to the facility at any time any child paroled, placed on probation, or transferred; and, upon recall, may resume the care and control thereof. The discharge of a child by the commissioner shall be a complete release from all penalties and disabilities created by reason of the commitment.

Upon the parole or discharge of any inmate of any state juvenile correctional facility, the commissioner of corrections may pay to each inmate released an amount of money not exceeding the sum of \$10. All payments shall be made from the current expense fund of the facility.

Sec. 4. Minnesota Statutes 1998, section 242.44, is amended to read:

242.44 [PUPILS.]

The commissioner of corrections, so far as the accommodations of the correctional facilities and other means at the commissioner's disposal will permit, ~~shall~~ may receive and ~~keep until they reach 19 years of age, or until placed in homes, or discharged, all persons committed to the commissioner's care and custody by a juvenile court~~ juvenile delinquents and juvenile offenders serving a juvenile disposition under section 260B.130, subdivision 4. The commissioner's housing of these individuals must be consistent with federal and state law, including established admissions criteria for Minnesota correctional facility-Red Wing. The commissioner may place these youths at employment, may provide education suitable to their years and capacity, and may place them in suitable homes. Under rules prescribed by the commissioner, when deemed best for these youths, ~~they~~ persons committed to the commissioner's care and custody by a juvenile court may be paroled or discharged from the facility by the commissioner. All pupils in the facility shall be clothed, instructed, and maintained ~~at the expense of the state by the commissioner of corrections.~~"

Delete the title and insert:

"A bill for an act relating to corrections; setting per diem cost of confinement at Minnesota correctional facility-Red Wing; providing for review of placement requests for admission to Minnesota correctional facility-Red Wing; authorizing the commissioner of corrections to receive and house juvenile delinquents and persons convicted as extended jurisdiction juveniles; amending Minnesota Statutes 1998, sections 242.41; 242.43; and 242.44; Minnesota Statutes 1999 Supplement, section 242.192."

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

The report was adopted.

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

H. F. No. 3457, A bill for an act relating to human services and corrections; transfer to correctional facility; amending Minnesota Statutes 1998, section 253B.185, subdivision 2.

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

The report was adopted.

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

H. F. No. 3488, A bill for an act relating to state government; authorizing hiring private counsel for state agencies; amending Minnesota Statutes 1998, section 8.06; proposing coding for new law in Minnesota Statutes, chapter 8.

Reported the same back with the following amendments:

Page 2, line 17, before "attorney" insert "outside"

Page 2, line 18, after the comma, insert "or any state officer, board, or commissioner or other similar state entity," and delete "and competitive bidding"

Page 2, line 19, after the period, insert "This section applies to all contracts for legal services, including contracts authorized by any provision of this chapter or other law, and contracts that may be authorized by common law."

Page 3, lines 4 and 5, delete "and adopt a final contract in compliance with it"

Page 3, line 35, after the period, insert "This statement is public data."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3495, A bill for an act relating to state government; authorizing open bidding for state purchases; amending Minnesota Statutes 1998, sections 16C.03, subdivision 3; and 16C.10, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 3497, A bill for an act relating to state government; regulating the recovery of costs and attorney fees from the state of Minnesota; conforming certain provisions of state law to analogous federal law; clarifying existing law; establishing specific procedures for application of fees; correcting miscellaneous noncontroversial oversights, inconsistencies, ambiguities, and technical errors; amending Minnesota Statutes 1998, sections 15.471, subdivisions 4, 5, 6, and by adding subdivisions; and 15.472; repealing Minnesota Statutes 1998, section 15.471, subdivision 8.

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

The report was adopted.

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

H. F. No. 3500, A bill for an act relating to employment; repealing laws governing entertainment agencies; repealing Minnesota Statutes 1998, sections 184A.01; 184A.02; 184A.03; 184A.04; 184A.05; 184A.06; 184A.07; 184A.08; 184A.09; 184A.10; 184A.11; 184A.12; 184A.13; 184A.14; 184A.15; 184A.16; 184A.17; 184A.18; 184A.19; and 184A.20.

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

The report was adopted.

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

H. F. No. 3501, A bill for an act relating to labor; modifying a provision governing exchange of information between the departments of labor and industry and revenue; amending Minnesota Statutes 1998, section 270B.14, subdivision 8.

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

The report was adopted.

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

H. F. No. 3514, A bill for an act relating to state government; changing the name of the office of technology to the technology policy bureau; modifying its responsibilities for business licenses; amending Minnesota Statutes 1998, sections 16E.01, as amended; 16E.04, as amended; 16E.05; 16E.06; and 16E.07, subdivisions 2, 5, 6, 7, 8, 9, 10, and 11; Minnesota Statutes 1999 Supplement, sections 16E.02, subdivision 1; and 16E.08.

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

The report was adopted.

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

H. F. No. 3525, A bill for an act relating to state government; approving the technology policy bureau's long-range plan.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

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

H. F. No. 3531, A bill for an act relating to the city of Winona; permitting continuation of a tax increment financing district.

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

The report was adopted.

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

H. F. No. 3550, A bill for an act relating to public safety; continuing certain rule authority of commissioner of public safety; changing per diem payments to members of the board of private detectives and protective agents; requiring changes in rules regarding training programs; amending Minnesota Statutes 1998, sections 299A.01, by adding a subdivision; 326.33, subdivision 6; and 326.3361, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 299A.01, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF COMMISSIONER.] The duties of the commissioner shall include the following:

(a) the coordination, development and maintenance of services contracts with existing state departments and agencies assuring the efficient and economic use of advanced business machinery including computers;

(b) the execution of contracts and agreements with existing state departments for the maintenance and servicing of vehicles and communications equipment, and the use of related buildings and grounds;

(c) the development of integrated fiscal services for all divisions, and the preparation of an integrated budget for the department;

(d) the publication and award of grant contracts with state agencies, local units of government, and other entities for programs that will benefit the safety of the public; and

(e) the establishment of a planning bureau within the department.

Sec. 2. Minnesota Statutes 1998, section 299A.01, is amended by adding a subdivision to read:

Subd. 7. [RULES REMAIN IN EFFECT.] Notwithstanding sections 14.05, subdivision 1, and 645.36 or other law to the contrary, the rules adopted under the authority of Minnesota Statutes 1996, section 299A.01, subdivision 6, paragraph (a), remain in effect on and after July 1, 1997, until further amended or repealed.

Sec. 3. Minnesota Statutes 1998, section 326.33, subdivision 6, is amended to read:

Subd. 6. [COMPENSATION TO BOARD MEMBERS.] Members of the board of private detective and protective agent services shall receive, in addition to necessary traveling and lodging expenses, \$35 a per diem payment as specified in section 214.09, subdivision 3, per day for each day actually engaged in board activities, provided, however, members of the board who are state employees will be governed by state rules regarding travel expense and per diem payments.

Sec. 4. Minnesota Statutes 1998, section 326.3361, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The board shall, by rule, prescribe the requirements, duration, contents, and standards for successful completion of certified training programs for license holders, qualified representatives, Minnesota managers, partners, and employees, including:

(1) first aid and firearms training required for armed employees, including training in the legal limitations on the justifiable use of force and deadly force as specified in sections 609.06 and 609.065;

(2) training in the use of weapons other than firearms, including, but not limited to, bludgeons, nightsticks, batons, chemical weapons, and electronic incapacitation devices, and in the use of restraint or immobilization techniques, ~~including the carotid neck restraint;~~

(3) training in alternatives to the use of force;

(4) standards for weapons and equipment issued to or carried or used by license holders, qualified representatives, Minnesota managers, partners, and employees;

(5) preassignment or on-the-job training, or its equivalent, required before applicants may be certified as having completed training; and

(6) continuing training for license holders, qualified representatives, Minnesota managers, partners, employees, and armed employees.

Sec. 5. [EFFECTIVE DATE.]

Section 2 is effective retroactively from July 1, 1997."

Delete the title and insert:

"A bill for an act relating to public safety; authorizing commissioner of public safety to award public safety grants; continuing certain rule authority of commissioner of public safety; changing per diem payments to members of the board of private detectives and protective agents and requiring changes in rules regarding training programs; amending Minnesota Statutes 1998, sections 299A.01, subdivision 2, and by adding a subdivision; 326.33, subdivision 6; and 326.3361, subdivision 1."

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

The report was adopted.

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

H. F. No. 3554, A bill for an act relating to veterans; making technical changes regarding duties of the commissioner of veterans affairs; extending the agent orange information and assistance program to include other veterans and other chemicals; repealing obsolete language; amending Minnesota Statutes 1998, sections 196.05, subdivision 1; 196.052; 196.19; 196.20; 196.21, subdivisions 2, 3 and 4; 196.22; 196.23; 196.24, subdivisions 1 and 2; 196.26; 197.04; 197.05; 197.06; repealing Minnesota Statutes 1998, sections 197.01; 197.02; and 197.49; Minnesota Statutes 1999 Supplement, section 196.27.

Reported the same back with the following amendments:

Page 9, line 9, delete "other"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3566, A bill for an act relating to liens; motor vehicles towed at the request of law enforcement; clarifying the extent of the lien; providing for notice to the owner of towing, sale, and right to reclaim; proposing coding for new law in Minnesota Statutes, chapter 514; repealing Minnesota Statutes 1998, section 514.18, subdivision 1a.

Reported the same back with the following amendments:

Page 1, line 26, delete "any lienholders" and insert "a secured party or lessor"

Page 2, line 5, delete "lienholders" and insert "a secured party or lessor"

Page 2, lines 13 and 18, delete "lienholders" and insert "secured parties and lessors"

Page 2, delete lines 22 to 27

Page 2, line 28, delete "lienholder" and insert "secured party or lessor"

Page 2, delete lines 35 and 36

Page 3, delete lines 1 to 6

Page 3, line 10, after the period, insert "A vehicle encumbered by a bona fide security interest or subject to a lease that has a term of 180 days or more, is subject to the interest of the secured party or lessor."

Page 3, after line 10, insert:

"(b) If the proceeds of the sale exceed the outstanding loan balance on the vehicle, the proceeds from the sale of the vehicle shall be applied first to pay the towing, storage, and selling costs of the person who towed the vehicle. Then the proceeds are applied to satisfy valid liens against the vehicle. Excess proceeds are then returned to the owner of the vehicle. If the proceeds of the sale do not equal or exceed the outstanding loan balance, the proceeds are remitted to the secured party or lessor."

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

Page 3, line 13, after the period, insert "If the secured party's or lessor's lien is satisfied,"

Page 3, line 16, delete everything after the period

Page 3, delete line 17

Page 3, line 19, after "owner" insert "or a secured party or lessor"

Renumber the subdivisions in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3586, A bill for an act relating to municipalities; clarifying the use of alternative dispute resolution in certain proceedings; amending Minnesota Statutes 1999 Supplement, section 414.12; repealing Minnesota Statutes 1998, section 414.10.

Reported the same back with the following amendments:

Page 2, line 31, delete "..." and insert "14"

Page 2, after line 32, insert:

"Sec. 2. [414.13] [REFERENDUM ON IMPLEMENTATION WHEN ANNEXING AN ENTIRE TOWN.]

Subdivision 1. [APPLICATION.] Notwithstanding any other provision to the contrary, this section applies if the final order, decision, or award in a boundary adjustment matter under this chapter provides for the annexation of over 90 percent of the area of a town.

Subd. 2. [RESOLUTIONS FOR IMPLEMENTATION.] Within 60 days of a final order, decision, or award, the city and the town shall each prepare a plan for transition to and for the final city council structure and membership. If either the city or the town does not prepare a plan, the director of the office of strategic and long-range planning

must prepare a plan for the city or town. The maximum amount of time the transition may take is no longer than the longest remaining term of any city council member or town board officer in office at the time the final order, award, or decision is made.

Subd. 3. [NO ELECTION REQUIRED.] If the two plans are identical, they must be implemented according to the plan without an election. If neither the city nor town prepare a plan, the director of the office of strategic and long-range planning shall prepare the plan and it must be implemented without an election.

Subd. 4. [ELECTION REQUIRED.] Within 180 days of a final order, decision, or award, an election must be held to determine which of the two plans will be implemented. Both plans must be put before the voters in both the city and the area of the town being annexed and the plan that receives the majority of the votes must be implemented, beginning immediately after the election.

Sec. 3. [REPORT TO LEGISLATURE.]

The director of the office of strategic and long-range planning must report to the senate committee on local and metropolitan government and the house of representatives committee on local government and metropolitan affairs by February 1, 2002, on the effect of the transfer to the office of authority and duties under Minnesota Statutes, chapter 414. The report must describe the successes and failures of the processes in resolving disputes, and include the comments, suggestions, and criticisms of the processes from local governments that have participated in the processes, interested associations representing local governments, administrative law judges that have presided over boundary adjustment matters and the office of administrative hearings. The office of strategic and long-range planning is exempt from any requirement to adopt or amend rules governing boundary adjustment procedures until after May 1, 2002.

Sec. 4. [REVISOR INSTRUCTION.]

The revisor of statutes is directed to prepare legislation for the 2001 legislative session that makes changes to Minnesota Statutes, chapter 414, to reflect the transfer of powers and duties from the Minnesota municipal board, now abolished, to the office of strategic and long-range planning. In preparing the legislation, the revisor may consult with any interested person. The revisor shall provide the preliminary draft legislation to the chairs of the house local government and metropolitan affairs committee and the senate local and metropolitan government committee."

Page 2, line 33, delete "2" and insert "5"

Page 2, delete lines 35 and 36

Page 3, delete lines 1 and 2 and insert:

"Sec. 6. [EFFECTIVE DATES.]

Subdivision 1. [PROCEEDINGS.] Section 1, subdivisions 1, 2, and 4, are effective retroactive to June 1, 1999, and apply to all matters pending on or commenced on or after that date.

Subd. 2. [COSTS.] Section 1, subdivision 3, is effective retroactive to June 1, 1999, and applies only to boundary adjustment matters commenced on or after June 1, 1999, except for the city of St. Cloud which is responsible for its costs as provided in section 1, subdivision 3, in the boundary adjustment matter with the town of St. Augusta. For all other boundary adjustment matters commenced before June 1, 1999, all costs must be allocated as provided in law and rule prior to the abolition of the Minnesota municipal board, and the maximum total amount the parties may be charged by the office of strategic and long-range planning, the office of administrative hearings, or as part of an arbitration is no more than the Minnesota municipal board could have charged if the matter had been heard and decided by the board. Costs that exceed what the municipal board could have charged must be paid by the office of strategic and long-range planning."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring special procedures to implement annexation of substantially all of a town; instructing the revisor; requiring a report; providing for retroactive effect, with an exception; allocating certain costs; repealing a certain alternative dispute procedure;"

Page 1, line 5, after the semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 414;"

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

The report was adopted.

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

H. F. No. 3590, A bill for an act relating to veterans; authorizing the placement of a plaque in the court of honor on the capitol grounds to honor combat wounded veterans.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

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

H. F. No. 3596, A bill for an act relating to the environment; providing for grants for special purpose districts with environmental responsibilities; authorizing pilot projects for the restructuring of the organization and operation of special purpose districts; authorizing grants from the board of government innovation and cooperation for the development and implementation of pilot projects.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Local Government and Metropolitan Affairs.

The report was adopted.

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

H. F. No. 3607, A bill for an act relating to the city of Mendota Heights; permitting continuation of tax increment financing district No. 1.

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

The report was adopted.

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

H. F. No. 3613, A bill for an act relating to transportation; providing for claims by person incurring injury to person or property while operating recreational vehicle on trunk highway right-of-way; amending Minnesota Statutes 1998, section 3.736, subdivision 3.

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

The report was adopted.

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

H. F. No. 3646, A bill for an act relating to employment; requiring a plan for locating workforce centers on state college and university campuses.

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

The report was adopted.

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

H. F. No. 3652, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, unintended results, and technical errors in human services and prekindergarten-grade 12 education code; appropriating money; amending Minnesota Statutes 1998, sections 125A.21, subdivision 1; and 256B.501, by adding a subdivision; Minnesota Statutes 1999 Supplement, sections 124D.65, subdivision 4; 126C.052; 126C.10, subdivisions 2 and 23; 126C.12, subdivision 1; and 256B.77, subdivision 10; Laws 1999, chapters 241, articles 1, section 70; and 4, section 29; 245, articles 1, section 3, subdivision 2; and 4, section 121; repealing Laws 1999, chapter 241, article 10, section 5.

Reported the same back with the following amendments:

Page 3, lines 1 and 27, delete "nursing"

Page 9, line 37, delete "clause" and insert "paragraph"

Page 9, line 41, delete "and 3" and insert "to 4"

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

The report was adopted.

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

H. F. No. 3661, A bill for an act relating to energy conservation; providing for replacement heating systems and related energy conservation measures in cities discontinuing district heating systems; proposing coding for new law in Minnesota Statutes, chapter 451.

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

The report was adopted.

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

H. F. No. 3675, A bill for an act relating to taxation; economic development abatements; allowing abatement agreements for parcels in tax increment financing districts; allowing extended time periods under certain circumstances; amending Minnesota Statutes 1998, section 469.1813, subdivision 4; Minnesota Statutes 1999 Supplement, section 469.1813, subdivision 6.

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

The report was adopted.

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

H. F. No. 3690, A bill for an act relating to agriculture; establishing an agricultural research grants board supported by a fee to be levied on agricultural cropland; reducing tax rates on certain agricultural properties; appropriating money; amending Minnesota Statutes 1998, section 272.02, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 41E.

Reported the same back with the following amendments:

Page 1, delete lines 15 to 22

Page 1, delete lines 26 and 27

Page 2, delete lines 1 to 22

Page 2, line 34, delete "investigate, fund, and"

Page 3, delete lines 7 to 21

Page 3, line 22, delete "(d)" and insert "(b)"

Page 3, line 24, delete "(e)" and insert "(c)"

Page 3, delete lines 27 to 32

Page 3, line 33, delete "(b)" and insert "(a)"

Page 3, line 36, delete "(c)" and insert "(b)"

Page 4, line 13, delete ", paragraph (a)"

With the recommendation that when so amended the bill be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy without further recommendation.

The report was adopted.

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

H. F. No. 3697, A bill for an act relating to motor vehicles; exempting certain dealers in emergency vehicles from motor vehicle dealer licensing requirements; making clarifying changes; amending Minnesota Statutes 1998, section 168.27, subdivision 8.

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

The report was adopted.

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

H. F. No. 3743, A bill for an act relating to taxation; expanding the definition of "redevelopment district" for purposes of tax increment financing; amending Minnesota Statutes 1998, section 469.174, subdivision 10.

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

The report was adopted.

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

H. F. No. 3748, A bill for an act relating to natural resources; increasing in lieu of tax payments to local governments; appropriating money; amending Minnesota Statutes 1998, sections 477A.12; and 477A.14.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 3756, A bill for an act relating to insurance; establishing the Holocaust Victims Insurance Relief Act; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Pages 1 to 3, delete section 1

Page 4, line 27, after "payments" insert a comma

Page 4, line 28, after "devaluation" insert a comma

Page 5, line 24, delete "registry" and insert "registry"

Page 7, line 16, delete "office of the"

Page 7, line 29, delete "certified" and insert "approved"

Page 8, line 4, delete "insurance"

Page 8, line 13, delete the comma

Page 9, line 1, after "of" insert "Insurance"

Page 9, line 13, after "incurred" insert a comma

Page 10, line 15, delete everything after the first comma and insert "2001."

Page 10, delete line 16

Page 10, delete lines 32 to 36

Page 11, delete line 1

Page 11, line 2, delete "12" and insert "10"

Page 11, line 4, delete "13" and insert "11"

Renumber the sections in sequence

Correct internal references

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

The report was adopted.

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

H. F. No. 3795, A bill for an act relating to the city of Rochester; modifying probationary period rules for city of Rochester firefighters.

Reported the same back with the following amendments:

Page 1, line 10, delete the second "firefighter" and insert "Rochester fire department"

Page 1, line 11, delete everything before "and" and insert "training academy and assignment to a fire company"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3834, A bill for an act relating to tax increment financing; authorizing the establishment of a redevelopment tax increment financing district to finance the capital costs of constructing the Minneapolis central library.

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

The report was adopted.

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

H. F. No. 3835, A bill for an act relating to tax increment financing; changing the durational limits of economic development districts; amending Minnesota Statutes 1998, section 469.176, subdivision 1b.

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

The report was adopted.

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

H. F. No. 3901, A bill for an act relating to housing; housing finance agency; authorizing agency to make grants or loans under the community rehabilitation fund account to for-profit organizations; amending Minnesota Statutes 1998, section 462A.206, subdivision 4; Minnesota Statutes 1999 Supplement, section 462A.206, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. [462A.105] [INTEREST RATE EXCHANGES.]

The agency may enter into an agreement with a third party for an exchange of interest rates under this section. With respect to bonds or notes outstanding or proposed to be issued bearing interest at a variable rate, the agency may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the bonds or notes at the time of payment, in exchange for an agreement by the third party to pay sums equal to interest on a like amount at a variable rate determined according to a formula set out in the agreement. With respect to bonds or notes outstanding or proposed to be issued bearing interest at a fixed rate or rates, the agency may agree to pay sums equal to interest at a variable rate determined according to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the bonds or notes at the time of payment in exchange for an agreement by the third party to pay sums equal to interest on a like amount at a fixed rate or rates set out in the agreement. Subject to any applicable covenants of the agency, payments required to be made by the agency under the swap agreement, including termination payments, may be made from amounts pledged or available to pay debt service on the bonds or notes with respect to which the swap agreement was made or from any other available source of the agency. The agency may issue bonds or notes to provide for any payment, including a termination payment, due or to become due under a swap agreement."

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 3, after "agency" insert "to enter into interest rate exchange agreements; authorizing agency"

Page 1, line 7, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 462A"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 764, 1201, 1646, 1787, 2173, 2635, 2761, 2883, 2940, 2968, 2994, 3016, 3053, 3124, 3137, 3196, 3274, 3281, 3301, 3318, 3370, 3488, 3495, 3497, 3500, 3501, 3514, 3554, 3566, 3795 and 3901 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2346, 2485, 2554 and 2783 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Workman, Molnau and Lieder introduced:

H. F. No. 3968, A bill for an act relating to highways; modifying provisions relating to telecommunications access to interstate highway rights-of-way; amending Minnesota Statutes 1998, section 161.45, subdivision 1.

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

Bakk introduced:

H. F. No. 3969, A bill for an act relating to taxation; authorizing the city of Beaver Bay to impose a sales and use tax; providing for use of the proceeds.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Fuller introduced:

H. F. No. 3970, A bill for an act relating to higher education; Minnesota state colleges and universities; extending the deadline to initiate construction of the American Indian history center and museum; appropriating money; amending Laws 1994, chapter 643, section 19, subdivision 9, as amended.

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

Fuller and Mares introduced:

H. F. No. 3971, A bill for an act relating to retirement; public employees retirement association; authorizing the purchase of allowable service credit by certain Bemidji elected officials.

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

Schumacher; Tunheim; Tomassoni; Seifert, M.; Kubly; Clark, J.; Storm; Otremba; Hasskamp and Peterson introduced:

H. F. No. 3972, A bill for an act relating to education finance; replacing marginal cost funding with declining pupil aid; making equity revenue equal for metropolitan and greater Minnesota school districts; amending Minnesota Statutes 1998, section 126C.10, by adding a subdivision; Minnesota Statutes 1999 Supplement, sections 126C.05, subdivision 5; and 126C.10, subdivisions 1, 24, 25, 26, and 27; repealing Minnesota Statutes 1999 Supplement, section 126C.10, subdivision 28.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Kelliher; Winter; Kubly; Swapinski; Wagenius; Kahn; Luther; McCollum; Greiling; Schumacher; Skoglund; Mullery; Dawkins; Leighton; Pugh; Osthoff; Orfield; Chaudhary; Peterson; Hausman; Clark, K., and Otremba introduced:

H. F. No. 3973, A bill for an act relating to commerce; prohibiting the sale of genetically engineered food unless labeled; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Paulsen, Gerlach, Huntley and Swapinski introduced:

H. F. No. 3974, A bill for an act relating to liquor; authorizing the city of Duluth to issue an on-sale intoxicating liquor license to the Lake Superior Center Authority.

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

McCollum, Wagenius, Leighton, Kelliher, Orfield, Huntley and Swapinski introduced:

H. F. No. 3975, A bill for an act relating to the environment; requiring an annual environmental report to the public; amending Minnesota Statutes 1998, section 116.011.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Jaros, Huntley and Swapinski introduced:

H. F. No. 3976, A bill for an act relating to transportation; modifying provisions on transit operating assistance; amending Minnesota Statutes 1999 Supplement, section 174.24, subdivision 3b.

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

Sviggum introduced:

H. F. No. 3977, A bill for an act relating to education; requiring students interested in enrolling in a post-secondary enrollment options course or program to notify the school district within 30 calendar days or June 30, whichever is last; amending Minnesota Statutes 1998, section 124D.09, subdivision 7.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Reuter introduced:

H. F. No. 3978, A bill for an act relating to highways; changing restriction of lanes on I-35W and I-394; proposing coding for new law in Minnesota Statutes, chapter 161.

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

Mares introduced:

H. F. No. 3979, A bill for an act relating to retirement; public employees retirement association; authorizing certain trades personnel employed by independent school district No. 625, St. Paul, to elect an exclusion from retirement plan coverage; amending Minnesota Statutes 1999 Supplement, section 353.01, subdivision 2b; Laws 1965, chapter 705, section 1, subdivision 4, as amended.

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

Mullery introduced:

H. F. No. 3980, A bill for an act relating to human services; creating a statewide program to reduce out-of-wedlock pregnancies; appropriating money; amending Minnesota Statutes 1999 Supplement, section 256J.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256K.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Broecker, Carruthers and Holberg introduced:

H. F. No. 3981, A bill for an act relating to judiciary finance; requesting a study of and report on court fines, fees, and surcharges.

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

Rest introduced:

H. F. No. 3982, A bill for an act relating to taxation; property; providing a levy limit adjustment appeals procedure for certain cases; amending Minnesota Statutes 1998, section 275.71, by adding a subdivision.

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

Skoglund introduced:

H. F. No. 3983, A bill for an act relating to crime prevention; providing that predatory offender registration law applies retroactively to certain offenders; making changes to the predatory offender registration law; amending Minnesota Statutes 1998, sections 243.166, subdivisions 3, 5, and 7; Minnesota Statutes 1999 Supplement, sections 243.166, subdivisions 1, 2, 4, and 6; repealing Minnesota Statutes 1998, sections 243.166, subdivision 8.

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

Paymar introduced:

H. F. No. 3984, A bill for an act relating to corrections; creating an advisory task force to study the department of corrections' release policies and procedures concerning mentally ill inmates and inmates confined in punitive segregation; requiring a report.

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

Rukavina, Tomassoni and Bakk introduced:

H. F. No. 3985, A bill for an act relating to education; increasing the amount paid certain school districts from the taconite referendum fund; changing the distribution of revenue in the taconite referendum fund; providing for enhanced pairing cooperation and combination aid for school districts in the taconite relief area; appropriating money; amending Minnesota Statutes 1998, section 298.28, subdivisions 4 and 11.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Pawlenty introduced:

H. F. No. 3986, A bill for an act relating to government data practices; restricting the use of certain public data on individuals held by state agencies or statewide systems; amending Minnesota Statutes 1998, sections 13.87, subdivision 2; 168.346; 171.12, subdivision 7; and 201.091, subdivisions 4 and 5; Minnesota Statutes 1999 Supplement, sections 10A.35; and 13.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 13.

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

Pawlenty introduced:

H. F. No. 3987, A bill for an act relating to taxation; income tax; providing a credit for adoption expenses; proposing coding for new law in Minnesota Statutes, chapter 290.

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

McGuire and Mariani introduced:

H. F. No. 3988, A bill for an act relating to crime prevention; providing that presentence investigations may be conducted only after a guilty plea or conviction; amending Minnesota Statutes 1998, section 609.115, subdivision 1.

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

Vandever, Workman, Mahoney, Tunheim, Dorman and Wenzel introduced:

H. F. No. 3989, A bill for an act relating to taxation; income; modifying marriage penalty credit; amending Minnesota Statutes 1999 Supplement, section 290.0675, subdivisions 1 and 3.

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

Rest, Wenzel, Pugh, Entenza and Greenfield introduced:

H. F. No. 3990, A bill for an act relating to taxation; income taxes; providing a personal and dependent exemption and a refundable child credit; amending Minnesota Statutes 1999 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Mulder introduced:

H. F. No. 3991, A bill for an act relating to human services; requiring the commissioner to study the management of aggregate spending under the traumatic brain injury home and community-based services waiver.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Mulder introduced:

H. F. No. 3992, A bill for an act relating to taxation; increasing certain homestead and agricultural credit aid payments to Lincoln county; appropriating money.

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

Molnau introduced:

H. F. No. 3993, A bill for an act relating to capital improvements; authorizing spending for public improvements of a capital nature; allowing payment of trunk highway bonds and interest from any source of funds; authorizing annual gasoline tax rate adjustment; authorizing issuance of trunk highway bonds; appropriating money for transportation improvements; amending Minnesota Statutes 1998, sections 167.51, subdivision 2; and 296A.07, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 270.

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

Van Dellen, Workman, Pawlenty, Molnau, Vandever and Reuter introduced:

H. F. No. 3994, A bill for an act relating to traffic regulations; requiring the commissioner of transportation to allow the use of freeway high-occupancy lanes by certain other vehicles.

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

Abeler and Leppik introduced:

H. F. No. 3995, A bill for an act relating to higher education; appropriating money.

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

Finseth, Holsten, Erickson, Skoe and Bakk introduced:

H. F. No. 3996, A bill for an act relating to game and fish; allowing the use of dogs to take bear; amending Minnesota Statutes 1998, section 97B.205; proposing coding for new law in Minnesota Statutes, chapter 97B.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

McGuire introduced:

H. F. No. 3997, A bill for an act relating to courts; establishing a combined jurisdiction program; proposing coding for new law in Minnesota Statutes, chapter 484; repealing Laws 1996, chapter 365, section 3, as amended.

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

Skoglund introduced:

H. F. No. 3998, A bill for an act relating to metropolitan government; authorizing the metropolitan transit police to apply for and execute search warrants; eliminating the restriction on use of peace officers on a part-time basis; modifying the crime of unlawful interference with a transit operator; amending Minnesota Statutes 1998, sections 473.407, subdivisions 2 and 4; 609.855, subdivision 2; and 626.05, subdivision 2.

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

Clark, K.; Wejman; Storm; Luther; McCollum; McGuire; Greiling; Hausman; Koskinen; Otremba and Folliard introduced:

H. F. No. 3999, A bill for an act relating to health; regulating coverages; requiring certain cancer screening coverage; amending Minnesota Statutes 1998, section 62A.30, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Pawlenty, Abrams and Krinkie introduced:

H. F. No. 4000, A bill for an act relating to Hennepin county; prohibiting Hennepin county from spending any funds for light rail transit without voter approval.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Hilty and Murphy introduced:

H. F. No. 4001, A bill for an act relating to education; appropriating money for family service collaboratives.

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

Rest, Dawkins and Pugh introduced:

H. F. No. 4002, A bill for an act relating to taxation; income tax; providing a dependent exemption and increasing the working family credit; amending Minnesota Statutes 1999 Supplement, sections 290.01, subdivision 19b; and 290.0671, subdivision 1.

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

Murphy introduced:

H. F. No. 4003, A bill for an act relating to taxes; authorizing the city of Cloquet to impose a local sales tax.

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

Haake introduced:

H. F. No. 4004, A bill for an act relating to education; modifying pupil units; amending Minnesota Statutes 1999 Supplement, section 126C.05, subdivision 1.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Gerlach introduced:

H. F. No. 4005, A bill for an act relating to taxation; sales and use; exempting sales of certain materials used in constructing youth hockey arenas; amending Minnesota Statutes 1998, section 297A.25, by adding a subdivision.

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

Greenfield; Seifert, J.; Tingelstad; Dorn and Mariani introduced:

H. F. No. 4006, A bill for an act relating to human services; excluding income earned by a temporary census employee for purposes of public assistance eligibility; amending Minnesota Statutes 1998, sections 256D.06, subdivision 1; 256D.435, subdivision 5; and 256L.01, subdivision 5; Minnesota Statutes 1999 Supplement, sections 256B.056, subdivision 4; 256D.03, subdivision 3; and 256J.21, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

H. F. No. 2067, A bill for an act relating to juvenile justice; when an extended jurisdiction juvenile offender has stayed sentence executed for violation of stay no credit is granted for time in juvenile facility; amending Minnesota Statutes 1998, section 260.126, subdivision 5.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONSENT CALENDAR

Pawlenty moved that the Consent Calendar for today be continued. The motion prevailed.

CALENDAR FOR THE DAY

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

MOTIONS AND RESOLUTIONS

Goodno moved that the name of Mulder be added as an author on H. F. No. 2652. The motion prevailed.

Howes moved that the name of Mulder be added as an author on H. F. No. 2780. The motion prevailed.

Gleason moved that his name be stricken as an author on H. F. No. 2791. The motion prevailed.

McElroy moved that the name of Mulder be added as an author on H. F. No. 2820. The motion prevailed.

Storm moved that the name of Mulder be added as an author on H. F. No. 2839. The motion prevailed.

Cassell moved that the name of Mulder be added as an author on H. F. No. 2840. The motion prevailed.

Nornes moved that his name be stricken as an author on H. F. No. 3809. The motion prevailed.

Workman moved that the name of Westerberg be added as an author on H. F. No. 3857. The motion prevailed.

Greiling moved that the name of Clark, K., be added as an author on H. F. No. 3869. The motion prevailed.

Trimble moved that the name of Marko be added as an author on H. F. No. 3881. The motion prevailed.

Krinkie moved that the names of Osskopp, Fuller, Broecker and Westerberg be added as authors on H. F. No. 3886. The motion prevailed.

Knoblach moved that the names of Rest and Gleason be added as authors on H. F. No. 3889. The motion prevailed.

Harder moved that the names of Rifenberg and Paulsen be added as authors on H. F. No. 3905. The motion prevailed.

Trimble moved that the name of Marko be added as an author on H. F. No. 3937. The motion prevailed.

Vandever moved that the name of Swenson be stricken and the name of Mahoney be added as an author on H. F. No. 3967. The motion prevailed.

Clark, K., moved that H. F. No. 2568 be recalled from the Committee on Jobs and Economic Development Policy and be re-referred to the Committee on Jobs and Economic Development Finance. The motion prevailed.

Solberg moved that H. F. No. 2737 be recalled from the Committee on Education Policy and be re-referred to the Committee on K-12 Education Finance. The motion prevailed.

Westfall moved that H. F. No. 3129 be recalled from the Committee on Health and Human Services Policy and be re-referred to the Committee on Health and Human Services Finance. The motion prevailed.

Jennings moved that H. F. No. 3319 be recalled from the Committee on Transportation Policy and be re-referred to the Committee on Crime Prevention. The motion prevailed.

Westfall moved that H. F. No. 3685 be recalled from the Committee on Environment and Natural Resources Policy and be re-referred to the Committee on Local Government and Metropolitan Affairs. The motion prevailed.

Ness moved that H. F. No. 3844 be recalled from the Committee on Agriculture Policy and be re-referred to the Committee on Agriculture and Rural Development Finance. The motion prevailed.

Ness moved that H. F. No. 3945 be recalled from the Committee on Agriculture Policy and be re-referred to the Committee on Agriculture and Rural Development Finance. The motion prevailed.

Westrom moved that H. F. No. 3962 be recalled from the Committee on Local Government and Metropolitan Affairs and be re-referred to the Committee on Transportation Policy. The motion prevailed.

Pawlenty moved that H. F. No. 3963 be recalled from the Committee on Governmental Operations and Veterans Affairs Policy and be re-referred to the Committee on Commerce. The motion prevailed.

Ozment moved that S. F. No. 2444 be recalled from the Committee on Environment and Natural Resources Policy and be re-referred to the Committee on State Government Finance. The motion prevailed.

Seifert, J., moved that S. F. No. 2783, now on the General Register, be re-referred to the Committee on State Government Finance. The motion prevailed.

McCollum, Koskinen, Trimble and Dawkins introduced:

House Resolution No. 17, A house resolution making a public apology to all persons with developmental disabilities who have been involuntarily committed to state institutions.

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

ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 3:00 p.m., Thursday, March 2, 2000. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Thursday, March 2, 2000.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

