

STATE OF MINNESOTA

EIGHTY-SECOND SESSION — 2001

FIFTY-SIXTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 17, 2001

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

Prayer was offered by Pastor Bill Morton, Joyce United Methodist Church, Minneapolis, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Lenczewski was excused until 12:15 p.m. Wenzel was excused until 12:25 p.m. Johnson, J., was excused until 1:25 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Eastlund moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 1683, A bill for an act relating to technology business; identifying and defining technology business and activity; providing for regulation of technology business with the department of administration; amending Minnesota Statutes 2000, section 16B.61, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 326.01, subdivision 5, is amended to read:

Subd. 5. [~~ELECTRICAL CONTRACTOR.~~] The term "~~electrical~~ contractor" means a person, partnership, or corporation operating a business that undertakes or offers to undertake to plan for, lay out, or install or to make additions, alterations, or repairs in the installation of electrical wiring, apparatus, or equipment for light, heat, power, and other purposes with or without compensation who is licensed as such by the board of electricity. ~~An electrical~~ A contractor's license does not of itself qualify its holder to perform or supervise the electrical work authorized by holding any class of electrician's or other personal electrical license.

Sec. 2. Minnesota Statutes 2000, section 326.01, subdivision 6g, is amended to read:

Subd. 6g. [~~PERSONAL SUPERVISION.~~] The term "personal supervision" means that a person licensed electrician to perform electrical work oversees and directs the electrical work performed by an unlicensed person such that:

- (1) the licensed ~~electrician~~ person actually reviews the electrical work performed by the unlicensed person;
- (2) the licensed ~~electrician~~ person is immediately available to the unlicensed person at all times for assistance and direction; and
- (3) the licensed ~~electrician~~ person is able to and does determine that all electrical work performed by the unlicensed person is performed in compliance with section 326.243.

The licensed ~~electrician~~ person is responsible for the compliance with section 326.243 of all electrical work performed by the unlicensed person.

Sec. 3. Minnesota Statutes 2000, section 326.01, is amended by adding a subdivision to read:

Subd. 6i. [DEMARCATION.] "Demarcation" means listed equipment as identified in Minnesota Rules, part 3800.3619, such as a transformer, uninterruptible power supply (UPS), battery, control panel, or other device that isolates technology circuits or systems from nontechnology circuits or systems, including plug or cord and plug connection.

Sec. 4. Minnesota Statutes 2000, section 326.01, is amended by adding a subdivision to read:

Subd. 6j. [RESIDENTIAL DWELLING.] A "residential dwelling" is an individual dwelling of a one-family, two-family, or multifamily dwelling as defined in the National Electrical Code pursuant to section 326.243, including its garage or accessory building.

Sec. 5. Minnesota Statutes 2000, section 326.01, is amended by adding a subdivision to read:

Subd. 6k. [POWER LIMITED TECHNICIAN.] The term "power limited technician" means a person having the necessary qualifications, training, experience, and technical knowledge to install, alter, repair, plan, lay out, and supervise the installing, altering, and repairing of electrical wiring, apparatus, and equipment for technology circuits or systems who is licensed as such by the board of electricity.

Sec. 6. Minnesota Statutes 2000, section 326.01, is amended by adding a subdivision to read:

Subd. 6l. [TECHNOLOGY CIRCUITS OR SYSTEMS.] "Technology circuits or systems" means class 2 or class 3 circuits or systems for, but not limited to, remote control, signaling, control, alarm, and audio signal, including associated components as covered by National Electrical Code, articles 640, 645, 725, 760, 770, and 780 and which are isolated from circuits or systems other than class 2 or class 3 by a demarcation; antenna and communication circuits or systems as covered by chapter 8 of the National Electrical Code; and circuitry and equipment for indoor lighting and outdoor landscape lighting systems that are supplied by the secondary circuit of an isolating power supply operating at 30 volts or less as covered by National Electrical Code, article 411. The planning, laying out, installing, altering, and repairing of technology circuits or systems must be performed in accordance with the applicable requirements of the National Electrical Code pursuant to section 326.243.

Sec. 7. Minnesota Statutes 2000, section 326.241, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION.] The board of electricity shall consist of 11 members, residents of the state, appointed by the governor of whom ~~at least~~ two shall be representatives of the electrical suppliers in the rural areas of the state, two shall be master electricians, who shall be contractors, two journeyman electricians, one registered consulting electrical engineer, two ~~licensed alarm and communication~~ power limited technicians, who shall be ~~technology~~ system contractors primarily engaged in the business of installing ~~alarm and communication~~ technology ~~circuits or~~ systems, and two public members as defined by section 214.02. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214.

Sec. 8. Minnesota Statutes 2000, section 326.242, subdivision 1, is amended to read:

Subdivision 1. [MASTER ELECTRICIAN.] Except as otherwise provided by law, no person shall install, alter, repair, plan, lay out, or supervise the installing, altering, or repairing of electrical wiring, apparatus, or equipment for light, heat, power, or other purposes unless the person is: (a) licensed by the board as a master electrician and (b)(i) the electrical work is for a licensed ~~electrical~~ contractor and the person is an employee, partner, or officer of, or is the licensed ~~electrical~~ contractor, or (ii) the electrical work is performed for the person's employer on electric wiring, apparatus, equipment, or facilities owned or leased by the employer which is located within the limits of property which is owned or leased and operated and maintained by the employer.

(1) An applicant for a Class A master electrician's license shall (a) be a graduate of a four-year electrical course in an accredited college or university; or (b) shall have had at least one year's experience, acceptable to the board, as a licensed journeyman; or (c) shall have had at least five years' experience, acceptable to the board, in planning for, laying out, supervising and installing wiring, apparatus, or equipment for electrical light, heat and power.

(2) As of August 1, 1985, no new Class B master electrician's licenses shall be issued. An individual who has a Class B master electrician's license as of August 1, 1985 may retain the license and exercise the privileges it grants, which include electrical work limited to single phase systems, not over 200 amperes in capacity, on farmsteads or single-family dwellings located in towns or municipalities with fewer than 2,500 inhabitants.

Sec. 9. Minnesota Statutes 2000, section 326.242, subdivision 2, is amended to read:

Subd. 2. [JOURNEYMAN ELECTRICIAN.] (a) Except as otherwise provided by law, no person shall install, alter, repair, or supervise the installing, altering, or repairing of electrical wiring, apparatus, or equipment for light, heat, power, or other purposes unless:

(1) the person is licensed by the board as a journeyman electrician; and

(2) the electrical work is:

(i) for ~~an electrical~~ a contractor and the person is an employee, partner, or officer of the licensed ~~electrical~~ contractor; or

(ii) performed under the supervision of a master electrician also employed by the person's employer on electrical wiring, apparatus, equipment, or facilities owned or leased by the employer that is located within the limits of property owned or leased, operated, and maintained by the employer.

(b) An applicant for a Class A journeyman electrician's license shall have had at least four years of experience, acceptable to the board, in wiring for, installing, and repairing electrical wiring, apparatus, or equipment, provided however, that the board may by rule provide for the allowance of one year of experience credit for successful completion of a two-year post high school electrical course approved by the board.

(c) As of August 1, 1985, no new Class B journeyman electrician's licenses shall be issued. An individual who holds a Class B journeyman electrician's license as of August 1, 1985 may retain the license and exercise the privileges it grants, which include electrical work limited to single phase systems, not over 200 amperes in capacity, on farmsteads or on single-family dwellings located in towns or municipalities with fewer than 2,500 inhabitants.

Sec. 10. Minnesota Statutes 2000, section 326.242, subdivision 3, is amended to read:

Subd. 3. [CLASS A INSTALLER.] Notwithstanding the provisions of subdivisions 1, 2, and 6, any person holding a class A installer license may lay out and install and supervise the laying out and installing of electrical wiring, apparatus, or equipment for major electrical home appliances on the load side of the main service on farmsteads and in any town or municipality with fewer than 1,500 inhabitants, which is not contiguous to a city of the first class and does not contain an established business of ~~an electrical~~ a contractor.

Sec. 11. Minnesota Statutes 2000, section 326.242, is amended by adding a subdivision to read:

Subd. 3d. [POWER LIMITED TECHNICIAN.] (a) Except as otherwise provided by law, no person shall install, alter, repair, plan, lay out, or supervise the installing, altering, or repairing of electrical wiring, apparatus, or equipment for technology circuits or systems unless:

(1) the person is licensed by the board as a power limited technician; and

(2) the electrical work is:

(i) for a licensed contractor and the person is an employee, partner, or officer of, or is the licensed contractor; or

(ii) performed under the supervision of a master electrician or power limited technician also employed by the person's employer on technology circuits, systems, apparatus, equipment, or facilities owned or leased by the employer that is located within the limits of property owned or leased, operated, and maintained by the employer.

(b) An applicant for a power limited technician's license shall (1) be a graduate of a four-year electrical course in an accredited college or university; or (2) have had at least 18 months experience, acceptable to the board, in planning for, laying out, supervising, and installing wiring, apparatus, or equipment for power limited systems,

provided however, that the board may by rule provide for the allowance of up to six months (1,000 hours) of experience credit for successful completion of a two-year post high school electrical course or other technical training approved by the board.

(c) The board may initially set experience requirements without rulemaking, but must adopt rules before July 1, 2002.

(d) Licensees must attain eight hours of continuing education acceptable to the board every renewal period.

(e) A person who has achieved a minimal score of 70 percent on an alarm and communication examination administered by the board before April 30, 2002, may obtain a power limited technician license without further examination by submitting an application and a license fee of \$30.

(f) A company holding an alarm and communication license as of June 30, 2001, may designate one person who may obtain a power limited technician license without passing an examination administered by the board by submitting an application and license fee of \$30.

Sec. 12. Minnesota Statutes 2000, section 326.242, subdivision 5, is amended to read:

Subd. 5. [UNLICENSED PERSONS.] (a) An unlicensed person shall not perform electrical work unless the work is performed under the personal supervision of ~~an electrician~~ a person actually licensed to perform such work and the licensed electrician and unlicensed ~~person~~ persons are employed by the same employer. Licensed ~~electricians~~ persons shall not permit unlicensed persons to perform electrical work except under the personal supervision of ~~an electrician~~ a person actually licensed to perform such work. Unlicensed persons shall not supervise the performance of electrical work or make assignments of electrical work to unlicensed persons. ~~Licensed electricians~~ Except for technology circuit or system work, licensed persons shall supervise no more than two unlicensed persons. For technology circuit or system work, licensed persons shall supervise no more than five unlicensed persons.

(b) Notwithstanding any other provision of this section, no person other than a master electrician or power limited technician shall plan or lay out electrical wiring, apparatus, or equipment for light, heat, power, or other purposes, except circuits or systems exempted from personal licensing by subdivision 12, paragraph (b).

(c) ~~Electrical~~ Contractors employing unlicensed persons performing electrical work shall maintain records establishing compliance with this subdivision, which shall designate all unlicensed persons performing electrical work, except for persons working on circuits or systems exempted from personal licensing by subdivision 12, paragraph (b), and shall permit the board to examine and copy all such records as provided for in section 326.244, subdivision 6.

Sec. 13. Minnesota Statutes 2000, section 326.242, subdivision 6, is amended to read:

Subd. 6. [~~ELECTRICAL~~ CONTRACTOR'S LICENSE REQUIRED.] Except as otherwise provided by law, no person other than an employee, partner, or officer of a licensed ~~electrical~~ contractor, as defined by section 326.01, subdivision 5, shall undertake or offer to undertake to plan for, lay out, supervise or install or to make additions, alterations, or repairs in the installation of electrical wiring, apparatus, and equipment for light, heat, power, and other purposes with or without compensation unless the person obtains ~~an electrical~~ a contractor's license. ~~An electrical~~ A contractor's license does not of itself qualify its holder to perform or supervise the electrical work authorized by holding any class of ~~electrician's~~ personal electrical license.

Sec. 14. Minnesota Statutes 2000, section 326.242, subdivision 6a, is amended to read:

Subd. 6a. [BOND REQUIRED.] Each ~~electrical~~ contractor shall give and maintain bond to the state in the penal sum of \$5,000 conditioned upon the faithful and lawful performance of all work entered upon by the contractor within the state of Minnesota and such bond shall be for the benefit of persons injured or suffering financial loss by

reason of failure of such performance. The bond shall be filed with the board and shall be in lieu of all other license bonds to any political subdivision. Such bond shall be written by a corporate surety licensed to do business in the state of Minnesota.

Sec. 15. Minnesota Statutes 2000, section 326.242, subdivision 6b, is amended to read:

Subd. 6b. [INSURANCE REQUIRED.] Each ~~electrical~~ contractor shall have and maintain in effect general liability insurance, which includes premises and operations insurance and products and completed operations insurance, with limits of at least \$100,000 per occurrence, \$300,000 aggregate limit for bodily injury, and property damage insurance with limits of at least \$25,000 or a policy with a single limit for bodily injury and property damage of \$300,000 per occurrence and \$300,000 aggregate limits. Such insurance shall be written by an insurer licensed to do business in the state of Minnesota and each ~~electrical~~ contractor shall maintain on file with the board a certificate evidencing such insurance which provides that such insurance shall not be canceled without the insurer first giving 15 days written notice to the board of such cancellation.

Sec. 16. Minnesota Statutes 2000, section 326.242, subdivision 6c, is amended to read:

Subd. 6c. [EMPLOYMENT OF MASTER ELECTRICIAN OR POWER LIMITED TECHNICIAN.] (a) No ~~electrical~~ contractor shall engage in business of electrical contracting unless the ~~electrical~~ contractor employs a licensed Class A master or Class B master electrician, or power limited technician, who shall be responsible for the performance of all electrical work in accordance with the requirements of sections 326.241 to 326.248 or any rule or order adopted or issued under these sections. The classes of work for which the licensed ~~electrical~~ contractor is authorized shall be limited to those for which such Class A master electrician, or Class B master electrician, or power limited technician employed by the ~~electrical~~ contractor is licensed.

(b) When ~~an electrical~~ a contractor's license is held by an individual, partnership, limited liability company, or corporation and the individual, one of the partners, one of the members, or an officer of the corporation, respectively, is not the responsible master electrician or power limited technician of record, all requests for inspection shall be signed by the responsible master electrician or power limited technician of record. The designated responsible master electrician or power limited technician of record shall be employed by the individual, partnership, limited liability company, or corporation which is applying for ~~an electrical~~ a contractor's license and shall not be employed in any capacity as a licensed electrician or licensed technician by any other ~~electrical~~ contractor or employer designated in subdivision 12.

(c) All applications for ~~electrical~~ contractor's licenses and all renewals shall include a verified statement that the applicant or licensee has complied with this subdivision.

Sec. 17. Minnesota Statutes 2000, section 326.242, subdivision 7, is amended to read:

Subd. 7. [EXAMINATION.] In addition to the requirements imposed herein and except as herein otherwise provided, as a precondition to issuance of ~~an electrician's~~ a personal license, each applicant must pass a written or oral examination given by the board to insure the competence of each applicant for license. An oral examination shall be administered only to an applicant who furnishes a written statement from a certified teacher or other professional, trained in the area of reading disabilities stating that the applicant has a specific reading disability which would prevent the applicant from performing satisfactorily on a written test. The oral examination shall be structured so that an applicant who passes the examination will not impair the applicant's own safety or that of others while acting as ~~an electrician~~ a licensed person. No person failing an examination may retake it for six months thereafter, but within such six months the person may take an examination for a lesser grade of license. Any licensee failing to renew a license for two years or more after its expiration shall be required to retake the examination before being issued a new license.

~~An applicant for journeyman's or special electrician's license who shall furnish evidence satisfactory to the board of having the requisite experience, upon written application, payment of the examination fee and fulfillment of all other requirements stated herein, may work as a journeyman or special electrician until the examination next following and the announcement of the results of such latter examination by the board.~~

An applicant for a personal license shall submit to the board an application and examination fee at the time of application. Upon approval of the application, the board shall schedule the applicant for the next available examination, which shall be held within 60 days. The applicant shall be allowed one opportunity to reschedule an examination without being required to submit another application and examination fee. Additionally, an applicant who fails an examination, or whose application has been disapproved, must submit another application and examination fee.

Sec. 18. Minnesota Statutes 2000, section 326.242, subdivision 8, is amended to read:

Subd. 8. [LICENSE AND RENEWAL FEES.] All licenses issued hereunder shall expire in a manner as provided by the board. Fees, as set by the board, shall be payable for examination, issuance and renewal of the following:

(1) For examination:

Class A Master.

Class B Master.

Class A Journeyman, Class B Journeyman, Installer, Alarm and Communications Contractor, Power Limited Technician, or Special Electrician.

(2) For issuance of original license and renewal:

Class A Master.

Class B Master.

Power Limited Technician.

Class A Journeyman, Class B Journeyman, Installer, or Special Electrician.

Electrical contractor.

Alarm and Communication System Contractor.

Technology Systems Contractor.

Sec. 19. Minnesota Statutes 2000, section 326.242, subdivision 10, is amended to read:

Subd. 10. [CONTINUATION OF BUSINESS BY ESTATES.] Upon the death of a master who is ~~an electrical~~ a contractor the board may permit the decedent's representative to carry on the business of the decedent for a period not in excess of six months, for the purpose of completing work under contract or otherwise to comply with sections 326.241 to 326.248. The representative shall give such bond as the board may require conditioned upon the faithful and lawful performance of such work and such bond shall be for the benefit of persons injured or suffering financial loss by reason of failure of such performance. Such bond shall be written by a corporate surety licensed to do business in the state of Minnesota. Such representative shall also comply with all public liability and property damage insurance requirements imposed by this chapter upon a licensed ~~electrical~~ contractor.

Sec. 20. Minnesota Statutes 2000, section 326.242, subdivision 12, is amended to read:

Subd. 12. [EXEMPTIONS FROM LICENSING.] (a) A maintenance electrician who is supervised by the responsible master electrician for ~~an electrical~~ a contractor who has contracted with the maintenance electrician's employer to provide services for which ~~an electrical~~ a contractor's license is required or by a master electrician or an electrical engineer registered with the board and who is an employee of an employer and is engaged in the

maintenance, and repair of electrical equipment, apparatus, and facilities owned or leased by the employer, and performed within the limits of property which is owned or leased and operated and maintained by said employer, shall not be required to hold or obtain a license under sections 326.241 to 326.248; or

(b) Employees of a licensed ~~alarm and communication~~ electrical or technology systems contractor or other employer where provided with supervision by a master electrician in accordance with subdivision 1, or power limited technician in accordance with subdivision 3d, paragraph (a), clause (1), are not required to hold a license under sections 326.241 to 326.248 while performing work authorized to be conducted by an alarm and communication contractor for the planning, laying out, installing, altering, and repairing of technology circuits or systems except planning, laying out, or installing;

(1) class 2 or class 3 remote control circuits that control circuits or systems other than class 2 or class 3 for the purpose of environmental control, temperature control, refrigeration, and process control, except circuits that interconnect these systems with systems exempted by this paragraph;

(2) class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing physically unprotected circuits other than class 2 or class 3; or

(3) technology circuits and systems in hazardous classified locations as covered by chapter 5 of the National Electrical Code; or

(c) Companies and their employees that plan, lay out, install, alter, or repair class 2 and class 3 remote control wiring associated with plug or cord and plug connected appliances or systems other than security or fire alarm systems installed in a residential dwelling are not required to hold a license under sections 326.241 to 326.248; or

(~~e~~) (d) Employees of any electric, communications, or railway utility, cable communications company as defined in section 238.02, or a telephone company as defined under section 237.01 or its employees, or of any independent contractor performing work on behalf of any such utility, cable communications company, or telephone company, shall not be required to hold a license under sections 326.241 to 326.248:

1. While performing work on installations, materials, or equipment which are owned or leased, and operated and maintained by such utility, cable communications company, or telephone company in the exercise of its utility, antenna, or telephone function, and which

(i) are used exclusively for the generation, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence and do not have as a principal function the consumption or use of electric current or provided service by or for the benefit of any person other than such utility, cable communications, or telephone company, and

(ii) are generally accessible only to employees of such utility, cable communications, or telephone company or persons acting under its control or direction, and

(iii) are not on the load side of the meter service point or point of entrance; or

2. While performing work on installations, materials, or equipment which are a part of the street lighting operations of such utility; or

3. While installing or performing work on outdoor area lights which are directly connected to a utility's distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction; or

(~~d~~) (e) An owner shall not be required to hold or obtain a license under sections 326.241 to 326.248.

Sec. 21. Minnesota Statutes 2000, section 326.2421, subdivision 2, is amended to read:

Subd. 2. [EXEMPTION.] ~~Except as provided in subdivision 3, No person or company exempt under subdivision 1 or licensed pursuant to subdivision 3 section 326.242, subdivision 4 or 6, may be required to obtain any authorization, permit, franchise, or license from, or pay any fee, franchise tax, or other assessment to, any agency, department, board, or political subdivision of the state as a condition for performing any work described herein. The requirements of this section shall not apply to telephone companies as defined under section 237.01 nor to their employees, that are only engaged in the laying out, installation, and repair of telephone systems.~~

Sec. 22. Minnesota Statutes 2000, section 326.2421, subdivision 9, is amended to read:

Subd. 9. [LIMITATION.] Nothing in this section prohibits a unit of local government from charging a franchise fee to the operator of a cable communications ~~system~~ company as defined in section 238.02.

Sec. 23. Minnesota Statutes 2000, 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 technology circuits or systems~~ shall comply with the rules of the department of public service, 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.

Sec. 24. Minnesota Statutes 2000, section 326.244, subdivision 1a, is amended to read:

Subd. 1a. [~~ALARM AND COMMUNICATION TECHNOLOGY SYSTEMS.~~] (a) The installation of ~~fire alarm systems as defined in article 760 of the National Electrical Code, the following technology circuits or systems~~ except minor work performed by a contractor, must be inspected as provided in this section for compliance with the applicable provisions of articles 725, 760, 770, 800, 810, and 820 of the most recent edition of the National Electrical Code and the applicable provisions of the National Electrical Safety Code, as those codes were approved by the American National Standards Institute;

(1) remote control circuits controlling class 2 or class 3 remote control circuits that control circuits or systems other than class 2 or class 3 for the purpose of environmental control, temperature control, refrigeration, process control, and indoor lighting, except circuits that interconnect these systems exempted by section 326.242, subdivision 12, paragraph (b), other than fire alarm; class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing physically unprotected circuits other than class 2 or class 3; or technology circuits and systems in hazardous classified locations as covered by chapter 5 of the National Electrical Code;

(2) fire alarm systems as defined in article 760 of the National Electrical Code;

(3) critical health and medical facilities, including, but not limited to, anesthesia and resuscitative alarm and alerting systems, medical monitoring, and nurse call systems;

(4) process control systems used for automated production or process functions in manufacturing plants; and

(5) physical security systems within detention facilities.

(c) For the purposes of this subdivision "minor work" means the adjustment or repair and replacement of worn or defective parts of ~~an alarm or communication~~ a technology circuit or system. Minor work may be inspected under this section at the request of the owner of the property or the person doing the work.

(d) Notwithstanding this subdivision, if an electrical inspector ~~in the course of doing another inspection in a building~~ observes that ~~an alarm and communication~~ a contractor, employer, or owner has not complied with accepted standards when the work was performed, as provided in the most recent editions of the National Electrical Code and the National Electrical Safety Code as approved by the American National Standards Institute, the inspector may order the contractor, employer, or owner who has performed the work to file a request for electrical inspection, pay an inspection fee, and make any necessary repairs to comply with applicable standards and require that the work be inspected.

Sec. 25. Minnesota Statutes 2000, section 326.244, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] (a) At or before commencement of any installation required to be inspected by the board, the ~~electrical~~ contractor, installer, special electrician, or owner making the installation shall submit to the board a request for inspection, in a form prescribed by the board, together with the fees required for the installation.

(b) The fees required are a handling fee and an inspection fee. The handling fee shall be set by the board in an amount sufficient to pay the cost of printing and handling the form requesting an inspection. The inspection fee shall be set by the board in an amount sufficient to pay the actual costs of the inspection and the board's costs in administering the inspection. All fees shall be set pursuant to the procedure of sections 14.001 to 14.69.

(c) If the inspector finds that the installation is not in compliance with accepted standards of construction for safety to life and property as required by section 326.243, the inspector shall by written order condemn the installation or noncomplying portion thereof, or order service to the installation disconnected, and shall send a copy of the order to the board. If the installation or the noncomplying part will seriously and proximately endanger human life and property, the order of the inspector, when approved by the inspector's superior, shall require immediate condemnation or disconnection. In all other cases, the order of the inspector shall permit a reasonable opportunity for the installation to be brought into compliance with accepted standards of construction for safety to life and property prior to the effective time established for condemnation or disconnection.

(d) Copies of each condemnation or disconnection order shall be served personally or by mail upon the property owner, and the ~~electrical~~ contractor, installer, or special electrician making the installation, and other persons as the board by rule may direct. An aggrieved party may appeal any condemnation or disconnection order by filing with the board a notice of appeal within ten days after (1) service upon the aggrieved party of the condemnation or disconnection order, if this service is required, or (2) filing of the order with the board, whichever is later. The appeal shall proceed and the order of the inspector shall have the effect the order, by its terms, and the rules of the board provides. The board shall adopt rules providing procedures for the conduct of appeals, including provisions for the stay of enforcement of the order of the inspector pending such appeal when justified by the circumstances.

Sec. 26. Minnesota Statutes 2000, section 326.244, subdivision 5, is amended to read:

Subd. 5. [EXEMPTIONS FROM INSPECTIONS.] Installations, materials, or equipment shall not be subject to inspection under sections 326.241 to 326.248:

(1) when owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under sections 326.241 to 326.248, while performing electrical maintenance work only as defined by board rule;

(2) when owned or leased, and operated and maintained by any electric, communications or railway utility or telephone company in the exercise of its utility or telephone function; and

(i) are used exclusively for the generations, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence, and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility or telephone company; and

(ii) are generally accessible only to employees of such utility or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the ~~meter~~ service point or point of entrance;

(3) when used in the street lighting operations of an electric utility;

(4) when used as outdoor area lights which are owned and operated by an electric utility and which are connected directly to its distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction;

~~(5) when the installation, material, and equipment are alarm or communication systems laid out, installed, or maintained within residential units not larger than a duplex;~~

~~(6)~~ when the installation, material, and equipment are in facilities subject to the jurisdiction of the federal Mine Safety and Health Act; or

~~(7)~~ (6) when the installation, material, and equipment is part of an elevator installation for which the elevator contractor, licensed under section 326.242, is required to obtain a permit from the authority having jurisdiction as provided by section 16B.747, and the inspection has been or will be performed by an elevator inspector certified by the department of administration and licensed by the board of electricity. This exemption shall apply only to installations, material, and equipment permitted or required to be connected on the load side of the disconnecting means required for elevator equipment under National Electric Code Article 620, and elevator communications and alarm systems within the machine room, car, hoistway, or elevator lobby.

Sec. 27. Minnesota Statutes 2000, section 326.244, subdivision 6, is amended to read:

Subd. 6. [SITE INSPECTIONS.] The board may, without advance notice, inspect any site at which electrical work is being performed or has been performed or where records concerning the performance of electrical work are kept for purposes of ensuring compliance with sections 326.241 to 326.248 or any rule or order adopted or issued under these sections. With respect to electrical work performed at or records kept in an occupied private dwelling, all inspections permitted by this subdivision shall occur during normal business hours and shall be preceded by advance notice, which need not be in writing. The board shall have the authority to examine and copy all records concerning the performance of electrical work and to question in private all persons employed by ~~an electrical~~ a contractor or on the site. No person shall retaliate in any manner against any employee or person who is questioned by, cooperates with, or provides information to the board, its complaint committee, or the attorney general.

Sec. 28. [TERMS FOR TECHNOLOGY SYSTEMS CONTRACTORS AND POWER LIMITED TECHNICIANS.]

The term of one of the power limited contractors appointed under Minnesota Statutes, section 326.241, subdivision 1, shall expire after two years. That person's successor shall be appointed for a four-year term.

Sec. 29. [INSTRUCTION TO REVISOR.]

The revisor shall delete the term "alarm and communication," "alarm and communication system contractor," or "alarm and communication contractor" from Minnesota Statutes, sections 299M.03, 326.242, 326.243, and 326.244 and the citation to section 326.2421 from Minnesota Statutes, section 299M.03.

Sec. 30. [REPEALER.]

(a) Minnesota Statutes 2000, sections 326.01, subdivision 6d; and 326.2421, subdivisions 3, 4, 6, and 8, are repealed.

(b) Minnesota Rules, part 3800.3500, subpart 12, is repealed."

Delete the title and insert:

"A bill for an act relating to professions; modifying electrician licensing; requiring rulemaking; amending Minnesota Statutes 2000, sections 326.01, subdivisions 5, 6g, by adding subdivisions; 326.241, subdivision 1; 326.242, subdivisions 1, 2, 3, 5, 6, 6a, 6b, 6c, 7, 8, 10, 12, by adding a subdivision; 326.2421, subdivisions 2, 9; 326.243; 326.244, subdivisions 1a, 2, 5, 6; repealing Minnesota Statutes 2000, sections 326.01, subdivision 6d; 326.2421, subdivisions 3, 4, 6, 8."

With the recommendation that when so amended the bill pass.

The report was adopted.

Paulsen from the Committee on Redistricting to which was referred:

H. F. No. 2516, A bill for an act relating to redistricting; adopting a legislative redistricting plan for use in 2002 and thereafter; amending Minnesota Statutes 2000, section 2.031, subdivision 2; repealing Minnesota Statutes 2000, sections 2.043; 2.053; 2.063; 2.073; 2.083; 2.093; 2.103; 2.113; 2.123; 2.133; 2.143; 2.153; 2.163; 2.173; 2.183; 2.193; 2.203; 2.213; 2.223; 2.233; 2.243; 2.253; 2.263; 2.273; 2.283; 2.293; 2.303; 2.313; 2.323; 2.333; 2.343; 2.353; 2.363; 2.373; 2.383; 2.393; 2.403; 2.413; 2.423; 2.433; 2.443; 2.453; 2.463; 2.473; 2.483; 2.493; 2.503; 2.513; 2.523; 2.533; 2.543; 2.553; 2.563; 2.573; 2.583; 2.593; 2.603; 2.613; 2.623; 2.633; 2.643; 2.653; 2.663; 2.673; 2.683; 2.693; 2.703.

Reported the same back with the following amendments:

Page 1, line 26, delete "April 1" and insert "May 10"

Page 1, line 29, delete "L...." and insert "L0002-0"

Page 2, line 1, delete "....." and insert "May 15"

With the recommendation that when so amended the bill pass.

The report was adopted.

Paulsen from the Committee on Redistricting to which was referred:

H. F. No. 2519, A bill for an act relating to redistricting; adopting legislative and congressional redistricting plans for use in 2002 and thereafter; amending Minnesota Statutes 2000, section 2.031, subdivision 2; repealing Minnesota Statutes 2000, sections 2.043; 2.053; 2.063; 2.073; 2.083; 2.093; 2.103; 2.113; 2.123; 2.133; 2.143; 2.153; 2.163; 2.173; 2.183; 2.193; 2.203; 2.213; 2.223; 2.233; 2.243; 2.253; 2.263; 2.273; 2.283; 2.293; 2.303; 2.313; 2.323; 2.333; 2.343; 2.353; 2.363; 2.373; 2.383; 2.393; 2.403; 2.413; 2.423; 2.433; 2.443; 2.453; 2.463; 2.473; 2.483; 2.493; 2.503; 2.513; 2.523; 2.533; 2.543; 2.553; 2.563; 2.573; 2.583; 2.593; 2.603; 2.613; 2.623; 2.633; 2.643; 2.653; 2.663; 2.673; 2.683; 2.693; 2.703; 2.742; 2.752; 2.762; 2.772; 2.782; 2.792; 2.802; 2.812.

Reported the same back with the following amendments:

Page 1, line 27, delete "April 1" and insert "May 10"

Page 1, line 30, delete "L...." and insert "L0002-0"

Page 2, line 1, delete "...." and insert "May 15"

Page 2, line 6, delete "C...." and insert "C0001-1"

Page 2, line 8, delete "...." and insert "May 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1683, 2516 and 2519 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Sykora, Tuma and Paymar introduced:

H. F. No. 2538, A bill for an act relating to family law; enacting the Uniform Interstate Enforcement of Domestic Violence Protection Orders Act; proposing coding for new law as Minnesota Statutes, chapter 518E.

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

Howes introduced:

H. F. No. 2539, A bill for an act relating to taxes; authorizing the city of Cass Lake to impose a local sales tax.

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

Johnson, J.; Smith and Entenza introduced:

H. F. No. 2540, A bill for an act relating to trusts; enacting the Uniform Trust Code; proposing coding for new law as Minnesota Statutes, chapter 518E; repealing Minnesota Statutes 2000, sections 501B.01; 501B.02; 501B.03; 501B.04; 501B.05; 501B.06; 501B.07; 501B.08; 501B.09; 501B.12; 501B.13; 501B.14; 501B.15; 501B.152; 501B.31; 501B.32; 501B.46; 501B.47; 501B.48; 501B.49; 501B.50; 501B.51; 501B.52; 501B.53; 501B.54; 501B.55; 501B.56; 501B.57; 501B.79; 501B.80; 501B.81; 501B.82; 501B.86; 501B.87; 501B.88; 501B.89; and 501B.90.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1828, A bill for an act relating to water; modifying provisions relating to wetland classification and replacement; modifying provisions relating to consumptive use of water; amending Minnesota Statutes 2000, sections 103F.516, subdivisions 1, 2, 3; 103F.612, by adding a subdivision; 103G.201; 103G.2242, subdivisions 9, 12; 103G.2372, subdivision 1; 103G.245, subdivision 5.

H. F. No. 1367, A bill for an act relating to energy; allowing owner-occupied residential housing to be served by an existing energy loan program.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 486, A bill for an act relating to elections; requiring disclaimers in newspaper ads to be legible; amending Minnesota Statutes 2000, section 211B.05, subdivision 1.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 704, A bill for an act relating to health; creating exception from criminal rehabilitation provisions for emergency medical services personnel; amending Minnesota Statutes 2000, section 364.09.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1155, A bill for an act relating to insurance; regulating action plans of certain health plan companies; requiring an affirmative provider consent to participate in a network under a category of coverage; requiring disclosure of changes in a provider's contract; imposing a moratorium on managed care auto insurance plans; amending Minnesota Statutes 2000, sections 62Q.07; 62Q.74, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 62Q.

The Senate has appointed as such committee:

Senators Sams, Belanger and Hottinger.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2498, A bill for an act relating to the financing and operation of government in this state; providing a sales tax rebate; providing property tax reform; making changes to income, franchise, sales and use, property, motor vehicle sales, motor vehicle registration, mortgage registry, deed, motor fuels, cigarette and tobacco, liquor, insurance premiums, lawful gambling, minerals, estate, and special taxes; changing and allowing tax credits, subtractions, and exemptions, including an income tax subtraction for capital gains; providing a biomedical innovation initiative; conforming with changes in federal income tax provisions; providing for allocation and apportionment of income; imposing a state general tax levy on certain property; providing a property tax homestead credit; imposing general levy limits; providing for property tax levy reverse referenda; changing property tax valuation, assessment, levy, classification, homestead, credit, aid, exemption, deferral, review, appeal, abatement, and distribution provisions; abolishing certain property tax levies for transit and establishing a transit fund; providing and modifying certain aids to local units of government; changing levy authority; reducing certain utility taxes and requiring a corresponding rate reduction; changing certain provisions relating to biomass facilities; providing for disposition of local lodging tax proceeds; providing priorities for disposition of production tax proceeds by the iron range resources and rehabilitation board; providing for certain payments in lieu of taxes; reducing rates on lawful gambling taxes; reducing rates on solid waste management taxes; providing for state takeover of certain costs of district court administration and out-of-home placement; providing for uniform sales and use tax administration; providing for taxation and incentive payments on forest lands; providing for electronic filing and payment of taxes; changing procedures for disposition of seized contraband; abolishing certain health care provider taxes and health plan premium taxes; providing for deposit of certain tobacco settlement and cigarette tax proceeds to the health care access fund; changing tax increment financing provisions and authorizing certain grants, duration extensions, and expenditures; requiring registration of tax increment financing consultants; creating a health care access fund reserve; reducing the tax on life insurance premiums; increasing property tax refunds and changing calculation of rent constituting property taxes for purposes of property tax refunds; reducing taconite production tax and occupation tax rates; providing special authority to certain political subdivisions; authorizing special taxing districts; changing and clarifying tax administration, collection, enforcement, interest, and penalty provisions; changing revenue recapture provisions; authorizing abatements and waivers of fees and certain taxes in disaster

areas; changing and imposing fees; changing debt collection provisions for student loans; providing certain duties and powers to the commissioner of revenue; authorizing publication of names of certain delinquent taxpayers; authorizing border city allocations; changing provisions relating to tax-forfeited lands and providing for tax-forfeited lands transfers; defining terms; classifying data; establishing a legislative commission; requiring studies; imposing a criminal penalty; appropriating money; amending Minnesota Statutes 2000, sections 16D.08, subdivision 2; 62J.041, subdivision 1; 62Q.095, subdivision 6; 69.021, subdivision 5; 84.922, by adding a subdivision; 88.49, subdivisions 5, 9a; 88.491, subdivision 2; 97A.065, subdivision 2; 103D.905, subdivision 3; 115B.24, subdivision 2; 123B.55; 126C.01, subdivision 3; 126C.13, subdivision 4; 126C.17, by adding a subdivision; 144.3831, subdivision 2; 168.013, subdivision 1a; 174.24, subdivision 3b; 179A.101, subdivision 1; 179A.102, subdivision 6; 179A.103, subdivision 1; 214.16, subdivisions 2, 3; 216B.2424, subdivision 5; 239.101, subdivision 3; 260.765, by adding a subdivision; 260.771, by adding a subdivision; 270.06; 270.07, subdivision 3; 270.11, by adding a subdivision; 270.12, subdivision 2; 270.271, subdivisions 1, 3; 270.60, subdivision 4, by adding a subdivision; 270.70, subdivision 13; 270.73, subdivision 1; 270.771; 270.78; 270A.03, subdivisions 5, 7; 270A.11; 270B.01, subdivision 8; 270B.02, subdivisions 2, 3; 270B.03, subdivision 6; 270B.14, subdivision 1; 271.01, subdivision 5; 271.21, subdivision 2; 272.02, subdivisions 9, 10, 22, by adding subdivisions; 273.061, subdivisions 1, 2, 8; 273.072, subdivision 1; 273.11, subdivisions 1a, 14, by adding subdivisions; 273.1104, subdivision 2; 273.111, subdivision 4; 273.121; 273.124, subdivisions 8, 13, 14; 273.13, subdivisions 22, 23, 24, 25, 31; 273.1392; 273.1393; 273.1398, subdivisions 1a, 4a, by adding subdivisions; 274.01, subdivision 1; 274.13, subdivision 1; 275.02; 275.065, subdivisions 1, 3, 5a, 6, 8, by adding a subdivision; 275.066; 275.07, subdivision 1; 275.16; 275.62, subdivision 1; 275.70, subdivision 5, by adding subdivisions; 276.04, subdivision 2; 276.11, subdivision 1; 276A.01, subdivision 3; 276A.06, subdivision 3; 282.01, subdivisions 1a, 1b; 282.04, subdivision 2; 287.035; 287.04; 287.08; 287.12; 287.13, by adding a subdivision; 287.20, subdivisions 2, 9; 287.21, subdivision 1; 287.28; 289A.02, subdivision 7, by adding a subdivision; 289A.08, subdivision 16; 289A.11, subdivision 1; 289A.12, subdivision 3; 289A.18, subdivision 4; 289A.20, subdivisions 1, 2, 4; 289A.26, subdivision 2a; 289A.31, subdivision 7; 289A.50, subdivisions 2, 2a; 289A.60, subdivisions 7, 21; 290.01, subdivisions 6b, 7, 19, 19b, 19c, 19d, 22, 29, 31, by adding a subdivision; 290.014, subdivision 5; 290.05, subdivision 1; 290.06, subdivisions 2c, 22; 290.067, subdivisions 1, 2, 2b; 290.0671, subdivisions 1, 1a, 7; 290.0674, subdivisions 1, 2; 290.0675, subdivisions 1, 3; 290.068, subdivisions 1, 3, 4; 290.091, subdivisions 2, 3; 290.0921, subdivisions 1, 2, 3, 6; 290.0922, subdivision 2; 290.093; 290.095, subdivision 2; 290.17, subdivisions 1, 4; 290.191, subdivisions 2, 3; 290.21, subdivision 4; 290.9725; 290A.03, subdivisions 6, 11, 12, 13, 15; 290A.04, subdivisions 2, 2a, 4; 290A.15; 291.005, subdivision 1; 295.55, subdivision 4; 296A.15, subdivisions 1, 7; 296A.16, subdivision 2; 296A.21, subdivisions 1, 4; 296A.24, subdivisions 1, 2; 297A.01, subdivision 3; 297A.07, subdivision 3; 297A.25, subdivisions 3, 11, 28; 297A.61, subdivisions 2, 3, 4, 6, 7, 9, 10, 12, 14, 16, 17, 19, 22, 23, by adding subdivisions; 297A.62, subdivision 3; 297A.64, subdivisions 3, 4; 297A.66, subdivisions 1, 3; 297A.67, subdivisions 2, 8, 23, 24, 25, by adding subdivisions; 297A.68, subdivisions 2, 3, 5, 11, 13, 14, 18, 25, by adding subdivisions; 297A.69, subdivision 2; 297A.70, subdivisions 1, 2, 3, 4, 7, 8, 10, 13, 14; 297A.71, subdivisions 3, 6, by adding subdivisions; 297A.72, subdivision 1; 297A.75; 297A.77, subdivision 1; 297A.80; 297A.82, subdivision 3, by adding a subdivision; 297A.89, subdivision 1; 297A.90, subdivision 1; 297A.91; 297A.92, subdivision 2; 297A.94; 297A.99, subdivisions 7, 9, 11; 297B.03; 297B.09, subdivision 1; 297E.02, subdivisions 1, 4, 6; 297E.16, subdivisions 1, 2; 297F.09, subdivision 7; 297F.10, subdivision 1; 297F.16, subdivision 4; 297F.20, subdivision 3; 297F.21, subdivisions 1, 2, 3; 297G.09, subdivision 6; 297G.15, subdivision 4; 297G.16, subdivisions 5, 7; 297G.20, subdivisions 3, 4; 297H.02, subdivision 2; 297H.03, subdivision 2; 297H.04, subdivision 2, by adding a subdivision; 297H.05; 297H.06, by adding a subdivision; 297H.13, by adding a subdivision; 297I.05, by adding a subdivision; 297I.15, by adding a subdivision; 297I.20; 297I.35, subdivision 2; 297I.40, subdivisions 1, 2, 7; 297I.85, subdivision 7; 298.01, subdivisions 3, 3a, 3b, 4, 4a, 4c; 298.22, subdivision 2, by adding a subdivision; 298.225, subdivision 1; 298.24, subdivision 1; 298.27; 298.28, subdivisions 6, 9a; 298.2961, subdivision 2; 298.75, subdivisions 1, 2, by adding a subdivision; 299D.03, subdivision 5; 345.41; 345.42, by adding a subdivision; 349.19, subdivision 2a; 357.021, subdivision 1a; 461.12, by adding a subdivision; 469.040, subdivision 5; 469.169, by adding a subdivision; 469.1732, subdivision 1; 469.174, subdivisions 1, 3, 10, 10a, 12, 25; 469.175, subdivisions 1, 3, 6, 6b, by adding a subdivision; 469.176, subdivisions 1b, 1c, 1e, 3, 4, 4g, by adding a subdivision; 469.1763, subdivision 6; 469.177, subdivisions 1, 11, by adding a subdivision; 469.1771, subdivision 1; 469.178, by adding a subdivision; 469.1791, subdivisions 1, 3, 9; 469.1812, subdivision 2; 469.1813, subdivisions 4, 6; 469.190, subdivision 3; 469.202, subdivision 2; 473.388, subdivisions 4, 7; 473.446, subdivision 1, by adding a subdivision; 473.843, subdivision 3; 473F.08, subdivision 3; 473H.10, subdivision 3; 475.58, subdivision 1; 477A.011, subdivisions 35, 36; 477A.0121, by adding a subdivision;

477A.0122, by adding a subdivision; 477A.013, subdivisions 1, 9; 477A.03, subdivision 2, by adding a subdivision; 477A.12; 477A.14; 480.181, subdivision 1; 487.33, subdivision 5; 574.34, subdivision 1; Laws 1986, chapter 396, section 5; Laws 1997, chapter 231, article 10, section 25; Laws 1998, chapter 389, article 16, section 35, subdivision 1; Laws 1999, chapter 216, article 7, section 46, subdivision 3; Laws 1999, chapter 243, article 4, section 19; Laws 2000, chapter 490, article 8, section 17; Laws 2000, chapter 490, article 11, section 26; proposing coding for new law in Minnesota Statutes, chapters 3; 12; 16A; 62Q; 103B; 116J; 123B; 144F; 245; 256L; 270; 272; 273; 275; 290; 290A; 295; 296A; 297A; 469; 471; 473; 477A; 480; 484; proposing coding for new law as Minnesota Statutes, chapters 126C; 216B; 290C; repealing Minnesota Statutes 2000, sections 13.4967, subdivision 3; 16A.1521; 16A.76; 62T.10; 126C.13, subdivisions 1, 2, 3; 144.1484, subdivision 2; 256L.02, subdivision 3; 270.31; 270.32; 270.33; 270.34; 270.35; 270.36; 270.37; 270.38; 270.39; 273.13, subdivision 24a; 273.1382; 273.1399; 275.078; 275.08, subdivision 1e; 289A.60, subdivision 15; 290.06, subdivisions 25, 26; 290.0673; 290.095, subdivisions 1a, 7; 290.191, subdivision 4; 290.21, subdivision 3; 290.23; 290.25; 290.31, subdivisions 2, 2a, 3, 4, 5, 19; 290.35; 290.9726, subdivision 7; 290A.04, subdivision 2j; 290A.18, subdivision 2; 295.50; 295.51; 295.52; 295.53; 295.54; 295.55; 295.56; 295.57; 295.58; 295.582; 295.59; 296A.16, subdivision 6; 296A.24, subdivision 3; 297A.61, subdivision 16; 297A.62, subdivision 2; 297A.64, subdivision 1; 297A.68, subdivision 21; 297A.71, subdivisions 2, 15, 16, 21; 297B.032; 297E.16, subdivision 3; 297F.21, subdivision 4; 297G.20, subdivision 5; 297I.05, subdivisions 5, 8; 297I.30, subdivision 3; 298.01, subdivisions 3c, 3d, 4d, 4e; 469.1732, subdivision 2; 469.1734, subdivision 4; 469.1782, subdivision 1; 473.446, subdivision 8; Laws 1988, chapter 426, section 1; Laws 1988, chapter 702, section 16; Laws 1992, chapter 511, article 2, section 52, as amended; Laws 1996, chapter 471, article 8, section 45; Laws 1999, chapter 243, article 6, section 14; Laws 1999, chapter 243, article 6, section 15; Laws 2000, chapter 490, article 6, section 17; Minnesota Rules, parts 8120.0200; 8120.0500; 8120.0700; 8120.0900; 8120.1300; 8120.1600; 8120.2000; 8120.2100; 8120.2200; 8120.2300; 8120.2500; 8120.2700; 8120.2800; 8120.3000; 8120.3200; 8120.4300; 8120.4400; 8120.4500; 8120.4600; 8120.4900; 8120.5000; 8120.5100; 8120.5300.

The Senate has appointed as such committee:

Senators Pogemiller, Samuelson, Betzold, Rest and Lessard.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 174.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 174

A bill for an act relating to traffic regulations; allowing gross weight seasonal increase for transporting carrots; amending Minnesota Statutes 2000, section 169.825, subdivision 11.

May 4, 2001

The Honorable Don Samuelson
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 174, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 174 be further amended as follows:

Page 2, lines 1 to 3, reinstate the stricken language and delete the new language and after the period, insert "Transfer of the product from a farm vehicle or small farm trailer, within the meaning of chapter 168, to another vehicle is not considered to be the first unloading."

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

Senate Conferees: ROGER D. MOE, KEITH LANGSETH AND CLAIRE A. ROBLING.

House Conferees: LARRY HOWES, ROD SKOE AND WILLIAM KUISLE.

Howes moved that the report of the Conference Committee on S. F. No. 174 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 174, A bill for an act relating to traffic regulations; allowing gross weight seasonal increase for transporting carrots; amending Minnesota Statutes 2000, section 169.825, subdivision 11.

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

The question was taken on the repassage of the bill and the roll was called. There were 115 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abeler	Dehler	Haas	Kielkucki	McElroy	Peterson
Abrams	Dempsey	Hackbarth	Knoblach	McGuire	Pugh
Anderson, B.	Dibble	Harder	Koskinen	Milbert	Rhodes
Anderson, I.	Dorman	Hausman	Kubly	Mullery	Rifenberg
Bakk	Dorn	Hilstrom	Kuisle	Murphy	Rukavina
Bernardy	Eastlund	Hilty	Larson	Ness	Ruth
Biernat	Erhardt	Holsten	Leighton	Nornes	Schumacher
Bishop	Evans	Howes	Leppik	Olson	Seagren
Boudreau	Finseth	Huntley	Lieder	Opatz	Sertich
Bradley	Folliard	Jaros	Lindner	Osskopp	Skoe
Carlson	Fuller	Jennings	Lipman	Osthoff	Skoglund
Cassell	Gleason	Johnson, R.	Luther	Ozment	Slawik
Clark, K.	Goodno	Johnson, S.	Mahoney	Paulsen	Smith
Daggett	Goodwin	Juhnke	Mares	Pawlenty	Solberg
Davids	Gray	Kahn	Mariani	Paymar	Stanek
Davnie	Greiling	Kalis	Marko	Pelowski	Stang
Dawkins	Gunther	Kelliher	Marquart	Penas	Swapinski

Swenson	Tuma	Walz	Wilkin	Spk. Sviggum
Sykora	Wagenius	Wasiluk	Winter	
Thompson	Walker	Westerberg	Wolf	

Those who voted in the negative were:

Buesgens	Holberg	Molnau	Vandev eer
Erickson	Krinkie	Seifert	

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

Mr. Speaker:

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

S. F. No. 179, A bill for an act relating to civil commitment; requiring certain hearings on neuroleptic medications to be combined with a civil commitment proceeding; amending Minnesota Statutes 2000, sections 253B.066, subdivision 1; 253B.07, subdivision 2.

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

Senators Betzold, Berglin and Kiscaden.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Greiling moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 179. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 1387 and 1082.

PATRICE DWORAK, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1387, A bill for an act relating to natural resources; modifying provisions of the youth corps program; modifying provisions for decorative forest products; requiring a study of the vehicle use on state and county forest roads; delaying repeal of sustainable forest resources laws; requiring a study of the operating license for the

Whiteface reservoir dam; amending Minnesota Statutes 2000, sections 84.0887, subdivisions 1, 2, 4, 5, 6, 9; 88.641, subdivision 2, by adding subdivisions; 88.642; 88.645; 88.647; 88.648; 256J.20, subdivision 3; Laws 1995, chapter 220, section 142, as amended; proposing coding for new law in Minnesota Statutes, chapter 88; repealing Minnesota Statutes 2000, sections 88.641, subdivisions 4, 5; 88.644.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

S. F. No. 1082, A bill for an act relating to natural resources; adding to and deleting from state parks and state recreation areas; redescribing a state park boundary and administration; modifying administration of certain boathouse lot leases in Soudan underground mine state park; amending Minnesota Statutes 2000, section 85.012, subdivision 17; Laws 2000, chapter 486, section 4.

The bill was read for the first time.

Bakk moved that S. F. No. 1082 and H. F. No. 1071, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 873

A bill for an act relating to public lands; allowing private easements across tax-forfeited land; changing certain exchange requirements; modifying county lease terms for tax-forfeited land; authorizing a conveyance of certain Benton county land; authorizing public and private sales and conveyances of certain tax-forfeited lands in Aitkin, Cook, Hubbard, Lake, Meeker, Ramsey, St. Louis, and Washington counties; amending Minnesota Statutes 2000, section 282.04, subdivision 1, and by adding a subdivision; Laws 1998, chapter 389, article 16, section 31, subdivisions 2, as amended, and 4, as amended.

May 15, 2001

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

We, the undersigned conferees for H. F. No. 873, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 873 be further amended as follows:

Page 8, after line 33, insert:

"Sec. 4. Laws 1998, chapter 389, article 16, section 31, subdivision 3, as amended by Laws 1999, chapter 180, section 2, is amended to read:

Subd. 3. [COUNTY SALE.] Notwithstanding Minnesota Statutes, section 282.018, or any other law to the contrary, a county board must offer land that it has acquired through an exchange under this section for sale to the lessee of the land within 90 days from the date of acquisition for the value of the land as determined by the county board. The county board may include the cost of appraisal, abstract, and survey for the purposes of this section in the value of the land. If the lessee does not elect to purchase the land within 90 days from the date of the offer by

the county, the county board shall sell the land by public sale no later than four years from the date the county acquires the land through an exchange under this section for no less than the value of the land as determined by the county board, including the cost of appraisal required by this section, any survey or abstract costs, and the value of improvements to the land. The county may sell the land with a directed sale to adjacent landowners within four years from the date of acquisition, if the lessee does not elect to purchase the lot within the 90-day period and if the county board determines that a lot cannot be brought into substantial compliance with official controls absent such a sale. The county board must reimburse the lessee for the value of the improvements to the land and the county may retain a sum from the proceeds of the sale equivalent to the cost of appraisal, abstract, and survey. The county board must reimburse the commissioner of natural resources for the costs of appraisal under subdivision 2, paragraph (c), survey, and abstract from the proceeds of the sale.

Scheduled lease rate increases shall be suspended for lots when the county certifies that the lessee has elected to purchase the lot within 90 days from the date of the offer by the county.

Notwithstanding Minnesota Statutes, section 284.28, subdivision 8, or any other law to the contrary, land acquired through an exchange under this section is exempt from payment of three percent of the sales price required to be collected by the county auditor at the time of sale for deposit in the state treasury."

Page 22, after line 14, insert:

"Sec. 26. [CONDEMNATION OF TRUST FUND LAND BORDERING PUBLIC WATERS; BELTRAMI COUNTY.]

Notwithstanding Minnesota Statutes, sections 92.45 and 103F.535, the commissioner of transportation may acquire the following described trust fund land, except minerals and mineral rights, by eminent domain:

Those parts of Government Lots 1 and 2 of Section 36, Township 147 North, Range 34 West of the Fifth Principal Meridian lying southwesterly of Minnesota department of transportation right-of-way plat no. 04-23, plat of which is on file and of record in the office of the county recorder in and for Beltrami county, Minnesota, bounded as follows: southeasterly of the southwesterly projection of the northwesterly line of said plat, northwesterly of the southwesterly projection of the southeasterly line of said plat, southwesterly of the southwesterly line of said plat, and northeasterly of the shoreline of Grass Lake.

The above described tract contains 12.5 acres."

Page 22, line 16, delete "2 and 10" and insert "1 to 26"

Page 22, line 17, delete "14" and insert "15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "authorizing the commissioner of transportation to exercise the power of eminent domain for acquisition of certain trust fund land bordering public waters;"

Page 1, line 12, after "amended," insert "3, as amended,"

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

House Conferees: LARRY HOWES, HOWARD SWENSON AND THOMAS BAKK.

Senate Conferees: ANTHONY G. KINKEL, DAVID J. TOMASSONI AND PAT PARISEAU.

Howes moved that the report of the Conference Committee on H. F. No. 873 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 873, A bill for an act relating to public lands; allowing private easements across tax-forfeited land; changing certain exchange requirements; modifying county lease terms for tax-forfeited land; authorizing a conveyance of certain Benton county land; authorizing public and private sales and conveyances of certain tax-forfeited lands in Aitkin, Cook, Hubbard, Lake, Meeker, Ramsey, St. Louis, and Washington counties; amending Minnesota Statutes 2000, section 282.04, subdivision 1, and by adding a subdivision; Laws 1998, chapter 389, article 16, section 31, subdivisions 2, as amended, and 4, as amended.

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

The question was taken on the repassage of the bill and the roll was called. There were 117 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holsten	Lindner	Osthoff	Stanek
Anderson, B.	Dorn	Howes	Lipman	Otremba	Stang
Anderson, I.	Eastlund	Huntley	Luther	Ozment	Swapinski
Bakk	Erhardt	Jaros	Mahoney	Pawlenty	Swenson
Bernardy	Erickson	Jennings	Mares	Paymar	Sykora
Biernat	Evans	Johnson, R.	Mariani	Pelowski	Thompson
Bishop	Finseth	Johnson, S.	Marko	Penas	Tingelstad
Boudreau	Folliard	Juhnke	Marquart	Peterson	Tuma
Bradley	Fuller	Kahn	McElroy	Pugh	Vandevveer
Carlson	Goodno	Kalis	McGuire	Rhodes	Wagenius
Cassell	Goodwin	Kelliher	Milbert	Rifenberg	Walker
Clark, J.	Gray	Knoblach	Molnau	Rukavina	Walz
Clark, K.	Greiling	Koskinen	Mulder	Ruth	Wasiluk
Daggett	Gunther	Kubly	Mullery	Schumacher	Westerberg
Davids	Haas	Kuisle	Murphy	Seagren	Winter
Davnie	Hackbarth	Larson	Ness	Seifert	Wolf
Dawkins	Harder	Leighton	Nornes	Sertich	Spk. Sviggum
Dehler	Hausman	Lenczewski	Olson	Skoe	
Dempsey	Hilstrom	Leppik	Opatz	Slawik	
Dibble	Hilty	Lieder	Osskopp	Solberg	

Those who voted in the negative were:

Abrams	Entenza	Holberg	Krinkie	Skoglund	Wilkin
Buesgens	Gerlach	Kielkucki	Paulsen	Smith	

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

CALENDAR FOR THE DAY

S. F. No. 1944, A bill for an act relating to support; clarifying and modifying the crime of nonsupport of a spouse or child; providing notice of criminal penalties for nonsupport of a spouse or child; specifying spousal liability for medical necessities; imposing criminal penalties; crediting child support payments to public authority; authorizing collection of child support in arrears under revenue recapture act under certain circumstances; amending Minnesota

Statutes 2000, sections 518.551, subdivision 1; 518.6111, by adding a subdivision; 518.68, subdivision 2; 519.05; 609.095; 609.375, subdivisions 1, 2, 2a, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 518; 609.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1561 was reported to the House.

Entenza moved to amend S. F. No. 1561 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1733, the second engrossment:

"ARTICLE 1

CORRECTIVE AMENDMENTS

Section 1. Minnesota Statutes 2000, section 86B.880, subdivision 2, is amended to read:

Subd. 2. [PERFECTION.] A security interest is perfected by the delivery to the commissioner of the existing certificate of title, if any, or an application for a certificate of title, containing the name and address of the secured party, the date of the security agreement, and the required fee. ~~It is perfected as of the time of its creation if the delivery is completed within the following ten days. In other instances it~~ A security interest is perfected as of the time of the delivery. The method provided in this chapter is exclusive.

Sec. 2. Minnesota Statutes 2000, section 168A.17, subdivision 2, is amended to read:

Subd. 2. [PERFECTION.] A security interest is perfected by the delivery to the department of the existing certificate of title, if any, an application for a certificate of title containing the name and address of the secured party, the date of the secured party's security agreement and the required fee. ~~It A security interest is perfected as of the time of its creation if the delivery is completed within ten days thereafter; otherwise~~ as of the time of the delivery.

Sec. 3. Minnesota Statutes 2000, section 336.2-210, is amended to read:

336.2-210 [DELEGATION OF PERFORMANCE; ASSIGNMENT OF RIGHTS.]

(1) A party may perform a duty through a delegate unless otherwise agreed or unless the other party has a substantial interest in having the original promisor perform or control the acts required by the contract. No delegation of performance relieves the party delegating of any duty to perform or any liability for breach.

(2) ~~Except as otherwise provided in section 336.9-406,~~ unless otherwise agreed all rights of either seller or buyer can be assigned except where the assignment would materially change the duty of the other party, or increase materially the burden or risk imposed on the other party by the contract, or impair materially the other party's chance of obtaining return performance. A right to damages for breach of the whole contract or a right arising out of the assignor's due performance of the assignor's entire obligation can be assigned despite agreement otherwise.

(3) The creation, attachment, perfection, or enforcement of a security interest in the seller's interest under a contract is not a transfer that materially changes the duty of or increases materially the burden or risk imposed on the buyer or impairs materially the buyer's chance of obtaining return performance within the purview of subsection (2) unless, and then only to the extent that, enforcement actually results in a delegation of material performance of the seller. Even in that event, the creation, attachment, perfection, and enforcement of the security interest remain effective, but (i) the seller is liable to the buyer for damages caused by the delegation to the extent that the damages could not reasonably be prevented by the buyer, and (ii) a court having jurisdiction may grant other appropriate relief, including cancellation of the contract for sale or an injunction against enforcement of the security interest or consummation of the enforcement.

(4) Unless the circumstances indicate the contrary a prohibition of assignment of "the contract" is to be construed as barring only the delegation to the assignee of the assignor's performance.

(5) An assignment of "the contract" or of "all my rights under the contract" or an assignment in similar general terms is an assignment of rights and unless the language or the circumstances (as in an assignment for security) indicate the contrary, it is a delegation of performance of the duties of the assignor and its acceptance by the assignee constitutes a promise by the assignee to perform those duties. This promise is enforceable by either the assignor or the other party to the original contract.

(6) The other party may treat any assignment which delegates performance as creating reasonable grounds for insecurity and may without prejudice to the rights of the other party against the assignor demand assurances from the assignee (section 336.2-609).

Sec. 4. Minnesota Statutes 2000, section 336.9-102, is amended to read:

336.9-102 [DEFINITIONS AND INDEX OF DEFINITIONS.]

(a) [DEFINITIONS.] In this article:

(1) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost.

(2) "Account", except as used in "account for", means a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit or charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state. The term includes health-care-insurance receivables. The term does not include (i) rights to payment evidenced by chattel paper or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v) letter of credit rights or letters of credit, or (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

(3) "Account debtor" means a person obligated on an account, chattel paper, or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

(4) "Accounting", except as used in "accounting for", means a record:

(A) authenticated by a secured party;

(B) indicating the aggregate unpaid secured obligations as of a date not more than 35 days earlier or 35 days later than the date of the record; and

(C) identifying the components of the obligations in reasonable detail.

(5) "Agricultural lien" means an interest, other than a security interest, in farm products:

(A) which secures payment or performance of an obligation for:

(i) goods or services furnished in connection with a debtor's farming operation; or

(ii) rent on real property leased by a debtor in connection with its farming operation;

(B) which is created by statute in favor of a person that:

(i) in the ordinary course of its business furnished goods or services to a debtor in connection with a debtor's farming operation; or

(ii) leased real property to a debtor in connection with the debtor's farming operation; and

(C) whose effectiveness does not depend on the person's possession of the personal property.

(6) "As-extracted collateral" means:

(A) oil, gas, or other minerals that are subject to a security interest that:

(i) is created by a debtor having an interest in the minerals before extraction; and

(ii) attaches to the minerals as extracted; or

(B) accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.

(7) "Authenticate" means:

(A) to sign; or

(B) to execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify the person and adopt or accept a record.

(8) "Bank" means an organization that is engaged in the business of banking. The term includes savings banks, savings and loan associations, credit unions, and trust companies.

(9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.

(10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.

(11) "Chattel paper" means a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

(12) "Collateral" means the property subject to a security interest or agricultural lien. The term includes:

(A) proceeds to which a security interest attaches;

(B) accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(C) goods that are the subject of a consignment.

(13) "Commercial tort claim" means a claim arising in tort with respect to which:

(A) the claimant is an organization; or

(B) the claimant is an individual and the claim:

(i) arose in the course of the claimant's business or profession; and

(ii) does not include damages arising out of personal injury to or the death of an individual.

(14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

(15) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is:

(A) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to federal commodities law; or

(B) traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer.

(16) "Commodity customer" means a person for which a commodity intermediary carries a commodity contract on its books.

(17) "Commodity intermediary" means a person that:

(A) is registered as a futures commission merchant under federal commodities law; or

(B) in the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to federal commodities law.

(18) "Communicate" means:

(A) to send a written or other tangible record;

(B) to transmit a record by any means agreed upon by the persons sending and receiving the record; or

(C) in the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing office rule.

(19) "Consignee" means a merchant to which goods are delivered in a consignment.

(20) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:

(A) the merchant:

(i) deals in goods of that kind under a name other than the name of the person making delivery;

(ii) is not an auctioneer; and

(iii) is not generally known by its creditors to be substantially engaged in selling the goods of others;

(B) with respect to each delivery, the aggregate value of the goods is \$1,000 or more at the time of delivery;

(C) the goods are not consumer goods immediately before delivery; and

(D) the transaction does not create a security interest that secures an obligation.

(21) "Consignor" means a person that delivers goods to a consignee in a consignment.

(22) "Consumer debtor" means a debtor in a consumer transaction.

(23) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes.

(24) "Consumer goods transaction" means a consumer transaction in which:

(A) an individual incurs an obligation primarily for personal, family, or household purposes; and

(B) a security interest in consumer goods secures the obligation.

(25) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes.

(26) "Consumer transaction" means a transaction in which (i) an individual incurs an obligation primarily for personal, family, or household purposes, (ii) a security interest secures the obligation, and (iii) the collateral is held or acquired primarily for personal, family, or household purposes. The term includes consumer goods transactions.

(27) "Continuation statement" means an amendment of a financing statement which:

(A) identifies, by its file number, the initial financing statement to which it relates; and

(B) indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(28) "Debtor" means:

(A) a person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;

(B) a seller of accounts, chattel paper, payment intangibles, or promissory notes; or

(C) a consignee.

(29) "Deposit account" means a demand, time, savings, passbook, or similar account maintained with a bank. The term does not include investment property or accounts evidenced by an instrument.

(30) "Document" means a document of title or a receipt of the type described in section 336.7-201(2).

(31) "Electronic chattel paper" means chattel paper evidenced by a record or records consisting of information stored in an electronic medium.

(32) "Encumbrance" means a right, other than an ownership interest, in real property. The term includes mortgages and other liens on real property.

(33) "Equipment" means goods other than inventory, farm products, or consumer goods.

(34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are:

(A) crops grown, growing, or to be grown, including:

(i) crops produced on trees, vines, and bushes; and

(ii) aquatic goods produced in aquacultural operations;

(B) livestock, born or unborn, including aquatic goods produced in aquacultural operations;

(C) supplies used or produced in a farming operation; or

(D) products of crops or livestock in their unmanufactured states.

(35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.

- (36) "File number" means the number assigned to an initial financing statement pursuant to section 336.9-519(a).
- (37) "Filing office" means an office designated in section 336.9-501 as the place to file a financing statement.
- (38) "Filing office rule" means a rule adopted pursuant to Laws 2000, chapter 399, article 1, section 139.
- (39) "Financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.
- (40) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying section 336.9-502(a) and (b). The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.
- (41) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law.
- (42) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter of credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes payment intangibles and software.
- (43) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.
- (44) "Goods" means all things that are movable when a security interest attaches. The term includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes. The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if the program is associated with the goods in such a manner that it customarily is considered part of the goods, or by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods. The term does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter of credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.
- (45) "Governmental unit" means a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a state, or a foreign country. The term includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.
- (46) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance which is a right to payment of a monetary obligation for health-care goods or services provided.
- (47) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary endorsement or assignment. The term does not include (i) investment property, (ii) letters of credit, or (iii) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.
- (48) "Inventory" means goods, other than farm products, which:
- (A) are leased by a person as lessor;
 - (B) are held by a person for sale or lease or to be furnished under a contract of service;

(C) are furnished by a person under a contract of service; or

(D) consist of raw materials, work in process, or materials used or consumed in a business.

(49) "Investment property" means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract, or commodity account.

(50) "Jurisdiction of organization", with respect to a registered organization, means the jurisdiction under whose law the organization is organized.

(51) "Letter of credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(52) "Lien creditor" means:

(A) a creditor that has acquired a lien on the property involved by attachment, levy, or the like;

(B) an assignee for benefit of creditors from the time of assignment;

(C) a trustee in bankruptcy from the date of the filing of the petition; or

(D) a receiver in equity from the time of appointment.

(53) Unless a certificate has been issued, "manufactured home" means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. The term includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and Urban Development and complies with the standards established under United States Code, title 42.

A manufactured home within the meaning of this section does not include a manufactured home for which a certificate of title as defined in section 336.9-102(a)(10) has been issued.

(54) "Manufactured home transaction" means a secured transaction:

(A) that creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or

(B) in which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

(55) "Mortgage" means a consensual interest in real property, including fixtures, which secures payment or performance of an obligation. Mortgage includes an executory contract for the sale of real property or of an interest in real property that entitles the purchaser to possession of the real property.

(56) "New debtor" means a person that becomes bound as debtor under section 336.9-203(d) by a security agreement previously entered into by another person.

(57) "New value" means (i) money, (ii) money's worth in property, services, or new credit, or (iii) release by a transferee of an interest in property previously transferred to the transferee. The term does not include an obligation substituted for another obligation.

(58) "Noncash proceeds" means proceeds other than cash proceeds.

(59) "Obligor" means a person that, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, (i) owes payment or other performance of the obligation, (ii) has provided property other than the collateral to secure payment or other performance of the obligation, or (iii) is otherwise accountable in whole or in part for payment or other performance of the obligation. The term does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor", except as used in section 336.9-310(c), means a person that, as debtor, entered into a security agreement to which a new debtor has become bound under section 336.9-203(d).

(61) "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation.

(62) "Person related to", with respect to an individual, means:

(A) the spouse of the individual;

(B) a brother, brother-in-law, sister, or sister-in-law of the individual;

(C) an ancestor or lineal descendant of the individual or the individual's spouse; or

(D) any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(63) "Person related to", with respect to an organization, means:

(A) a person directly or indirectly controlling, controlled by, or under common control with the organization;

(B) an officer or director of, or a person performing similar functions with respect to, the organization;

(C) an officer or director of, or a person performing similar functions with respect to, a person described in subparagraph (A);

(D) the spouse of an individual described in subparagraph (A), (B), or (C); or

(E) an individual who is related by blood or marriage to an individual described in subparagraph (A), (B), (C), or (D), and shares the same home with the individual.

(64) "Proceeds", except as used in section 336.9-609(b), means the following property:

(A) whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;

(B) whatever is collected on, or distributed on account of, collateral;

(C) rights arising out of collateral;

(D) to the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the collateral; or

(E) to the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the collateral.

(65) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

(66) "Proposal" means a record authenticated by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to sections 336.9-620, 336.9-621, and 336.9-622.

(67) "Public-finance transaction" means a secured transaction in connection with which:

(A) debt securities are issued;

(B) all or a portion of the securities issued have an initial stated maturity of at least 20 years; and

(C) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

(68) "Pursuant to commitment", with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation.

(69) "Record", except as used in "for record", "of record", "record or legal title", and "record owner", means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(70) "Registered organization" means an organization organized solely under the law of a single state or the United States and as to which the state or the United States must maintain a public record showing the organization to have been organized.

(71) "Secondary obligor" means an obligor to the extent that:

(A) the obligor's obligation is secondary; or

(B) the obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either.

(72) "Secured party" means:

(A) a person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;

(B) a person that holds an agricultural lien;

(C) a consignor;

(D) a person to which accounts, chattel paper, payment intangibles, or promissory notes have been sold;

(E) a trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or

(F) a person that holds a security interest arising under section 336.2-401, 336.2-505, 336.2-711(3), 336.2A-508(5), 336.4-210, or 336.5-118.

(73) "Security agreement" means an agreement that creates or provides for a security interest.

(74) "Send", in connection with a record or notification, means:

(A) to deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or

(B) to cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph (A).

(75) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include a computer program that is included in the definition of goods.

(76) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(77) "Supporting obligation" means a letter of credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property.

(78) "Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.

(79) "Termination statement" means an amendment of a financing statement which:

(A) identifies, by its file number, the initial financing statement to which it relates; and

(B) indicates either that it is a termination statement or that the identified financing statement is no longer effective.

(80) "Transmitting utility" means a person primarily engaged in the business of:

(A) operating a railroad, subway, street railway, or trolley bus;

(B) transmitting communications electrically, electromagnetically, or by light;

(C) transmitting goods by pipeline or sewer; or

(D) transmitting or producing and transmitting electricity, steam, gas, or water.

A person filing a financing statement under this article and under the authority of sections 300.111 to 300.115 is a transmitting utility for purposes of this article.

(b) [DEFINITIONS IN OTHER ARTICLES.] The following definitions in other articles apply to this article:

"Applicant"	Section 336.5-102
"Beneficiary"	Section 336.5-102
"Broker"	Section 336.8-102
"Certificated security"	Section 336.8-102
"Check"	Section 336.3-104
"Clearing corporation"	Section 336.8-102
"Contract for sale"	Section 336.2-106
"Customer"	Section 336.4-104
"Entitlement holder"	Section 336.8-102
"Financial asset"	Section 336.8-102
"Holder in due course"	Section 336.3-302

"Issuer" (with respect to a letter of credit or letter of credit right)	Section 336.5-102
"Issuer" (with respect to a security)	Section 336.8-201
"Lease"	Section 336.2A-103
"Lease agreement"	Section 336.2A-103
"Lease contract"	Section 336.2A-103
"Leasehold interest"	Section 336.2A-103
"Lessee"	Section 336.2A-103
"Lessee in ordinary course of business"	Section 336.2A-103
"Lessor"	Section 336.2A-103
"Lessor's residual interest"	Section 336.2A-103
"Letter of credit"	Section 336.5-102
"Merchant"	Section 336.2-104
"Negotiable instrument"	Section 336.3-104
"Nominated person"	Section 336.5-102
"Note"	Section 336.3-104
"Proceeds of a letter of credit"	Section 336.5-114
"Prove"	Section 336.3-103
"Sale"	Section 336.2-106
"Securities account"	Section 336.8-501
"Securities intermediary"	Section 336.8-102
"Security"	Section 336.8-102
"Security certificate"	Section 336.8-102
"Security entitlement"	Section 336.8-102
"Uncertificated security"	Section 336.8-102

(c) [ARTICLE 1 DEFINITIONS AND PRINCIPLES.] Article 1 contains general definitions and principles of construction and interpretation applicable throughout this article.

Sec. 5. Minnesota Statutes 2000, section 336.9-201, is amended to read:

336.9-201 [GENERAL EFFECTIVENESS OF SECURITY AGREEMENT.]

(a) [GENERAL EFFECTIVENESS.] Except as otherwise provided in the Uniform Commercial Code, a security agreement is effective according to its terms between the parties, against purchasers of the collateral, and against creditors.

(b) [APPLICABLE CONSUMER LAWS AND OTHER LAW.] A transaction subject to this article is subject to any applicable rule of law which establishes a different rule for consumers and (i) any other statute or regulation that regulates the rates, charges, agreements, and practices for loans, credit sales, or other extensions of credit ~~and~~ including but not limited to sections 48.153 to 48.157; 168.66 to 168.77; 222.13 to 222.16; 334.01 to 334.06; and chapters 52, 53, and 56, (ii) any consumer protection statute or rule, and (iii) the Manufactured Home Repossession Security Act, sections 327.61 to 327.67.

(c) [OTHER APPLICABLE LAW CONTROLS.] In case of conflict between this article and a rule of law, statute, or regulation described in subsection (b), the rule of law, statute, or regulation controls. Failure to comply with a statute or regulation described in subsection (b) has only the effect the statute or regulation specifies.

(d) [FURTHER DEFERENCE TO OTHER APPLICABLE LAW.] This article does not:

(1) validate any rate, charge, agreement, or practice that violates a rule of law, statute, or regulation described in subsection (b); or

(2) extend the application of the rule of law, statute, or regulation to a transaction not otherwise subject to it.

Sec. 6. Minnesota Statutes 2000, section 336.9-203, is amended to read:

336.9-203 [ATTACHMENT AND ENFORCEABILITY OF SECURITY INTEREST; PROCEEDS; SUPPORTING OBLIGATIONS; FORMAL REQUISITES.]

(a) [ATTACHMENT.] A security interest attaches to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment.

(b) [ENFORCEABILITY.] Except as otherwise provided in subsections (c) through (i), a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

(1) value has been given;

(2) the debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and

(3) one of the following conditions is met:

(A) the debtor has authenticated a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;

(B) the collateral is not a certificated security and is in the possession of the secured party under section 336.9-313 pursuant to the debtor's security agreement;

(C) the collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under section 336.8-301 pursuant to the debtor's security agreement; or

(D) the collateral is deposit accounts, electronic chattel paper, investment property, or letter of credit rights, and the secured party has control under section 336.9-104, 336.9-105, 336.9-106, or 336.9-107 pursuant to the debtor's security agreement.

(c) [OTHER UCC PROVISIONS.] Subsection (b) is subject to section 336.4-210 on the security interest of a collecting bank, section 336.5-118 on the security interest of a letter of credit issuer or nominated person, section 336.9-110 on a security interest arising under article 2 or 2A, and section 336.9-206 on security interests in investment property.

(d) [WHEN PERSON BECOMES BOUND BY ANOTHER PERSON'S SECURITY AGREEMENT.] A person becomes bound as debtor by a security agreement entered into by another person if, by operation of law other than this article or by contract:

(1) the security agreement becomes effective to create a security interest in the person's property; or

(2) the person becomes generally obligated for the obligations of the other person, including the obligation secured under the security agreement, and acquires or succeeds to all or substantially all of the assets of the other person.

(e) [EFFECT OF NEW DEBTOR BECOMING BOUND.] If a new debtor becomes bound as debtor by a security agreement entered into by another person:

(1) the agreement satisfies subsection (b)(3) with respect to existing or after-acquired property of the new debtor to the extent the property is described in the agreement; and

(2) another agreement is not necessary to make a security interest in the property enforceable.

(f) [PROCEEDS AND SUPPORTING OBLIGATIONS.] The attachment of a security interest in collateral gives the secured party the rights to proceeds provided by section 336.9-315 and is also attachment of a security interest in a supporting obligation for the collateral.

(g) [LIEN SECURING RIGHT TO PAYMENT.] The attachment of a security interest in a right to payment or performance secured by a security interest or other lien on personal or real property is also attachment of a security interest in the security interest, mortgage, or other lien. The attachment of a security interest in the mortgage or lien on real property does not create an interest in real property.

(h) [SECURITY ENTITLEMENT CARRIED IN SECURITIES ACCOUNT.] The attachment of a security interest in a securities account is also attachment of a security interest in the security entitlements carried in the securities account.

(i) [COMMODITY CONTRACTS CARRIED IN COMMODITY ACCOUNT.] The attachment of a security interest in a commodity account is also attachment of a security interest in the commodity contracts carried in the commodity account.

Sec. 7. Minnesota Statutes 2000, section 336.9-311, is amended to read:

336.9-311 [PERFECTION OF SECURITY INTERESTS IN PROPERTY SUBJECT TO CERTAIN STATUTES, REGULATIONS, AND TREATIES.]

(a) [SECURITY INTEREST SUBJECT TO OTHER LAW.] Except as otherwise provided in subsection (d), the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:

(1) a statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt section 336.9-310(a);

(2) sections 86B.820 to 86B.920 and 168A.01 to 168A.31; ~~but during any period which collateral is inventory held for sale by a person who is in the business of selling goods of that kind, the filing provisions of this article (part 5) apply to a security interest in the collateral created by the person as a debtor;~~ or sections 300.11 to 300.115; or

(3) a certificate-of-title statute of another jurisdiction which provides for a security interest to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

(b) [COMPLIANCE WITH OTHER LAW.] Compliance with the requirements of a statute, regulation, or treaty described in subsection (a) for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this article. Except as otherwise provided in subsection (d) and sections 336.9-313 and 336.9-316(d) and (e) for goods covered by a certificate of title, a security interest in property subject to a statute, regulation, or treaty described in subsection (a) may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

(c) [DURATION AND RENEWAL OF PERFECTION.] Except as otherwise provided in subsection (d) and section 336.9-316(d) and (e), duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation, or treaty described in subsection (a) are governed by the statute, regulation, or treaty. In other respects, the security interest is subject to this article.

(d) [INAPPLICABILITY TO CERTAIN INVENTORY.] During any period in which collateral subject to a statute specified in subsection (a)(2) is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling goods of that kind, this section does not apply to a security interest in that collateral created by that person.

Sec. 8. Minnesota Statutes 2000, section 336.9-317, is amended to read:

336.9-317 [INTERESTS THAT TAKE PRIORITY OVER OR TAKE FREE OF SECURITY INTEREST OR AGRICULTURAL LIEN.]

(a) [CONFLICTING SECURITY INTERESTS AND RIGHTS OF LIEN CREDITORS.] A security interest or agricultural lien is subordinate to the rights of:

(1) a person entitled to priority under section 336.9-322; and

(2) except as otherwise provided in subsection (e), a person that becomes a lien creditor before the earlier of the time:

(A) the security interest or agricultural lien is perfected; or

(B) ~~one of the conditions specified in section 336.9-203(b)(3) is met~~

~~and a financing statement covering the collateral is filed~~ one of the conditions specified in section 336.9-203(b)(3) is met and a financing statement covering the collateral is filed.

(b) [BUYERS THAT RECEIVE DELIVERY.] Except as otherwise provided in subsection (e), a buyer, other than a secured party, of tangible chattel paper, documents, goods, instruments, or a security certificate takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(c) [LESSEES THAT RECEIVE DELIVERY.] Except as otherwise provided in subsection (e), a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(d) [LICENSEES AND BUYERS OF CERTAIN COLLATERAL.] A licensee of a general intangible or a buyer, other than a secured party, of accounts, electronic chattel paper, general intangibles, or investment property other than a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

(e) [PURCHASE-MONEY SECURITY INTEREST.] Except as otherwise provided in sections 336.9-320 and 336.9-321, if a person files a financing statement with respect to a purchase-money security interest before or within 20 days after the debtor receives delivery of the collateral, the security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise between the time the security interest attaches and the time of filing.

Sec. 9. Minnesota Statutes 2000, section 336.9-334, is amended to read:

336.9-334 [PRIORITY OF SECURITY INTERESTS IN FIXTURES AND CROPS.]

(a) [SECURITY INTEREST IN FIXTURES UNDER THIS ARTICLE.] A security interest under this article may be created in goods that are fixtures or may continue in goods that become fixtures. A security interest does not exist under this article in ordinary building materials incorporated into an improvement on land.

(b) [SECURITY INTEREST IN FIXTURES UNDER REAL PROPERTY LAW.] This article does not prevent creation of an encumbrance upon fixtures under real property law.

(c) [GENERAL RULE: SUBORDINATION OF SECURITY INTEREST IN FIXTURES.] In cases not governed by subsections (d) through (h), a security interest in fixtures is subordinate to a conflicting interest of an encumbrancer or owner of the related real property other than the debtor.

(d) [FIXTURES PURCHASE-MONEY PRIORITY.] Except as otherwise provided in subsection (h), a perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in or is in possession of the real property and:

- (1) the security interest is a purchase-money security interest;
- (2) the interest of the encumbrancer or owner arises before the goods become fixtures; and
- (3) the security interest is perfected by a fixture filing before the goods become fixtures or within 20 days thereafter.

(e) [PRIORITY OF SECURITY INTEREST IN FIXTURES OVER INTERESTS IN REAL PROPERTY.] A perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if:

(1) the debtor has an interest of record in the real property or is in possession of the real property and the security interest:

- (A) is perfected by a fixture filing before the interest of the encumbrancer or owner is of record; and
 - (B) has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner;
- (2) before the goods become fixtures, the security interest is perfected by any method permitted by this article and the fixtures are readily removable:

- (A) factory or office machines;
 - (B) equipment that is not primarily used or leased for use in the operation of the real property; or
 - (C) replacements of domestic appliances that are consumer goods;
- (3) the conflicting interest is a lien on the real property obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by this article; or

- (4) the security interest is:
- (A) created in a manufactured home in a manufactured home transaction; and
 - (B) perfected pursuant to a statute described in section 336.9-311(a)(2).

(f) [PRIORITY BASED ON CONSENT, DISCLAIMER, OR RIGHT TO REMOVE.] A security interest in fixtures, whether or not perfected, has priority over a conflicting interest of an encumbrancer or owner of the real property if:

(1) the encumbrancer or owner has, in an authenticated record, consented to the security interest or disclaimed an interest in the goods as fixtures; or

(2) the debtor has a right to remove the goods as against the encumbrancer or owner.

(g) [CONTINUATION OF PARAGRAPH (F)(2) PRIORITY.] The priority of the security interest under paragraph (f)(2) continues for a reasonable time if the debtor's right to remove the goods as against the encumbrancer or owner terminates.

(h) [PRIORITY OF CONSTRUCTION MORTGAGE.] A mortgage is a construction mortgage to the extent that it secures an obligation incurred for the construction of an improvement on land, including the acquisition cost of the land, if a recorded record of the mortgage so indicates. Except as otherwise provided in subsections (e) and (f), a security interest in fixtures is subordinate to a construction mortgage if a record of the mortgage is recorded before the goods become fixtures and the goods become fixtures before the completion of the construction. A mortgage has this priority to the same extent as a construction mortgage to the extent that it is given to refinance a construction mortgage.

(i) [PRIORITY OF SECURITY INTEREST IN CROPS.] A perfected security interest in crops growing on real property has priority over a conflicting interest of an encumbrancer or owner of the real property except a perfected landlord's lien if the debtor has an interest of record in or is in possession of the real property.

(j) [SUBSECTION (I) PREVAILS.] Subsection (i) prevails over any inconsistent provisions of the following statutes:

(1) section 557.12; and

(2) section 559.2091.

Sec. 10. Minnesota Statutes 2000, section 336.9-407, is amended to read:

336.9-407 [RESTRICTIONS ON CREATION OR ENFORCEMENT OF SECURITY INTEREST IN LEASEHOLD INTEREST OR IN LESSOR'S RESIDUAL INTEREST.]

(a) [TERM RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE.] Except as otherwise provided in subsection (b), a term in a lease agreement is ineffective to the extent that it:

(1) prohibits, restricts, or requires the consent of a party to the lease to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, an interest of a party under the lease contract or in the lessor's residual interest in the goods; or

(2) provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the lease.

(b) [EFFECTIVENESS OF CERTAIN TERMS.] Except as otherwise provided in section 336.2A-303(7), a term described in subsection (a)(2) is effective to the extent that there is:

(1) a transfer by the lessee of the lessee's right of possession or use of the goods in violation of the term; or

(2) a delegation of a material performance of either party to the lease contract in violation of the term.

(c) [SECURITY INTEREST NOT MATERIAL IMPAIRMENT.] The creation, attachment, perfection, or enforcement of a security interest in the lessor's interest under the lease contract or the lessor's residual interest in the goods is not a transfer that materially impairs the lessee's prospect of obtaining return performance or materially changes the duty of or materially increases the burden or risk imposed on the lessee within the purview of section 336.2A-303(4) unless, and then only to the extent that, enforcement actually results in a delegation of material performance of the lessor. ~~Even in that event, the creation, attachment, perfection, and enforcement of the security interest remain effective.~~

Sec. 11. Minnesota Statutes 2000, section 336.9-509, is amended to read:

336.9-509 [PERSONS ENTITLED TO FILE A RECORD.]

(a) [PERSON ENTITLED TO FILE RECORD.] A person may file an initial financing statement, amendment that adds collateral covered by a financing statement, or amendment that adds a debtor to a financing statement only if:

(1) the debtor authorizes the filing in an authenticated record or pursuant to subsection (b) or (c); or

(2) the person holds an agricultural lien that has become effective at the time of filing and the financing statement covers only collateral in which the person holds an agricultural lien.

(b) [SECURITY AGREEMENT AS AUTHORIZATION.] By authenticating or becoming bound as debtor by a security agreement, a debtor or new debtor authorizes the filing of an initial financing statement, and an amendment, covering:

(1) the collateral described in the security agreement; and

(2) property that becomes collateral under section 336.9-315(a)(2), whether or not the security agreement expressly covers proceeds.

(c) [ACQUISITION OF COLLATERAL AS AUTHORIZATION.] By acquiring collateral in which a security interest or agricultural lien continues under section 336.9-315(a)(1), a debtor authorizes the filing of an initial financing statement, and an amendment, covering the collateral and property that becomes collateral under section 336.9-315(a)(2).

~~(d)~~ (d) [PERSON ENTITLED TO FILE CERTAIN AMENDMENTS.] A person may file an amendment other than an amendment that adds collateral covered by a financing statement or an amendment that adds a debtor to a financing statement only if:

(1) the secured party of record authorizes the filing; or

(2) the amendment is a termination statement for a financing statement as to which the secured party of record has failed to file or send a termination statement as required by section 336.9-513(a) or (c), the debtor authorizes the filing, and the termination statement indicates that the debtor authorized it to be filed.

~~(e)~~ (e) [MULTIPLE SECURED PARTIES OF RECORD.] If there is more than one secured party of record for a financing statement, each secured party of record may authorize the filing of an amendment under subsection ~~(e)~~ (d).

Sec. 12. Minnesota Statutes 2000, section 336.9-521, is amended to read:

336.9-521 [UNIFORM FORM OF WRITTEN FINANCING STATEMENT AND AMENDMENT.]

(a) [INITIAL FINANCING STATEMENT FORM.] A filing office that accepts written records may not refuse to accept a written initial financing statement in the form and format adopted by the National Conference of Commissioners on Uniform State Laws, except for a reason set forth in section 336.9-516(b).

(b) [AMENDMENT FORM.] A filing office that accepts written records may not refuse to accept a written amendment of an initial financing statement record in the form and format adopted by the National Conference of Commissioners on Uniform State Laws, except for a reason set forth in section 336.9-516(b).

Sec. 13. [336.9-5291] [ELECTRONIC ACCESS; LIABILITY; RETENTION; UNIFORM COMMERCIAL CODE ACCOUNT.]

(a) [ELECTRONIC ACCESS.] The secretary of state may allow private parties to have electronic access to the central filing system and to other computerized records maintained by the secretary of state on a fee basis, except that: (1) visual access to electronic display terminals at the public counters at the secretary of state's office must be without charge and must be available during public counter hours; and (2) access by law enforcement personnel, acting in an official capacity, must be without charge. If the central filing system allows a form of electronic access to information regarding the obligations of debtors, the access must be available 24 hours a day, every day of the year. Notwithstanding section 13.49, private parties who have electronic access to computerized records may view the social security number information about a debtor that is of record.

(b) [LIABILITY.] The secretary of state, county recorders, and their employees and agents are not liable for any loss or damages arising from errors in or omissions from information entered into the central filing system as a result of the electronic transmission of tax lien notices under sections 268.058, subdivision 1, paragraph (c); 270.69, subdivision 2, paragraph (b), clause (2); 272.483; and 272.488, subdivisions 1 and 3.

The state, the secretary of state, counties, county recorders, and their employees and agents are immune from liability that occurs as a result of errors in or omissions from information provided from the central filing system.

(c) [RETENTION.] Once the image of a paper record has been captured by the central filing system, the secretary of state may remove or direct the removal from the files and destroy the paper record.

(d) [UNIFORM COMMERCIAL CODE ACCOUNT.] The Uniform Commercial Code account is established as an account in the state treasury. Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under chapter 336 must be deposited in the state treasury and credited to the Uniform Commercial Code account.

Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the Uniform Commercial Code account.

Money in the Uniform Commercial Code account is continuously appropriated to the secretary of state to implement and maintain the central filing system under chapter 336 and to provide electronic access to other computerized records maintained by the secretary of state.

Sec. 14. Minnesota Statutes 2000, section 336.9-601, is amended to read:

336.9-601 [RIGHTS AFTER DEFAULT; JUDICIAL ENFORCEMENT; CONSIGNOR OR BUYER OF ACCOUNTS, CHATTEL PAPER, PAYMENT INTANGIBLES, OR PROMISSORY NOTES.]

(a) [RIGHTS OF SECURED PARTY AFTER DEFAULT.] After default, a secured party has the rights provided in this part and, except as otherwise provided in section 336.9-602, those provided by agreement of the parties. A secured party:

(1) may reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure; and

(2) if the collateral is documents, may proceed either as to the documents or as to the goods they cover.

(b) [RIGHTS AND DUTIES OF SECURED PARTY IN POSSESSION OR CONTROL.] A secured party in possession of collateral or control of collateral under section 336.9-104, 336.9-105, 336.9-106, or 336.9-107 has the rights and duties provided in section 336.9-207.

(c) [RIGHTS CUMULATIVE; SIMULTANEOUS EXERCISE.] The rights under subsections (a) and (b) are cumulative and may be exercised simultaneously.

(d) [RIGHTS OF DEBTOR AND OBLIGOR.] Except as otherwise provided in subsection (g) and section 336.9-605, after default, a debtor and an obligor have the rights provided in this part and by agreement of the parties.

(e) [LIEN OF LEVY AFTER JUDGMENT.] If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of an execution based upon the judgment relates back to the earliest of:

- (1) the date of perfection of the security interest or agricultural lien in the collateral;
- (2) the date of filing a financing statement covering the collateral; or
- (3) any date specified in a statute under which the agricultural lien was created.

(f) [EXECUTION SALE.] A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this article.

(g) [CONSIGNOR OR BUYER OF CERTAIN RIGHTS TO PAYMENT.] Except as otherwise provided in section 336.9-607(c), this part imposes no duties upon a secured party that is a consignor or is a buyer of accounts, chattel paper, payment intangibles, or promissory notes.

(h) A person may not begin to enforce a security interest in collateral that is agricultural property subject to sections 583.20 to 583.32 that has secured a debt of more than \$5,000 unless: a mediation notice under subsection (i) is served on the debtor after a condition of default has occurred in the security agreement and a copy served on the director of the agricultural extension service; and the debtor and creditor have completed mediation under sections 583.20 to 583.32; or as otherwise allowed under sections 583.20 to 583.32.

(i) A mediation notice under subsection (h) must contain the following notice with the blanks properly filled in.

"TO: ...(Name of Debtor)..."

YOU HAVE DEFAULTED ON THE ...(Debt in Default)... SECURED BY AGRICULTURAL PROPERTY DESCRIBED AS ...(Reasonable Description of Agricultural Property Collateral)..."

AS A SECURED PARTY, ...(Name of Secured Party)... INTENDS TO ENFORCE THE SECURITY AGREEMENT AGAINST THE AGRICULTURAL PROPERTY DESCRIBED ABOVE BY REPOSSESSING, FORECLOSING ON, OR OBTAINING A COURT JUDGMENT AGAINST THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU TO PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM: ...(Name and Address of Secured Party)..."

Sec. 15. Minnesota Statutes 2000, section 336.9-607, is amended to read:

336.9-607 [COLLECTION AND ENFORCEMENT BY SECURED PARTY.]

(a) [COLLECTION AND ENFORCEMENT GENERALLY.] (1) If so agreed, and in any event after default, a secured party:

(+) (A) may notify an account debtor or other person obligated on collateral to make payment or otherwise render performance to or for the benefit of the secured party;

(-) (B) may take any proceeds to which the secured party is entitled under section 336.9-315;

(-) (C) may enforce the obligations of an account debtor or other person obligated on collateral and exercise the rights of the debtor with respect to the obligation of the account debtor or other person obligated on collateral to make payment or otherwise render performance to the debtor, and with respect to any property that secures the obligations of the account debtor or other person obligated on the collateral;

(+) (D) if it holds a security interest in a deposit account perfected by control under section 336.9-104(a)(1), may apply the balance of the deposit account to the obligation secured by the deposit account; and

(+) (E) if it holds a security interest in a deposit account perfected by control under section 336.9-104(a)(2) or (3), may instruct the bank to pay the balance of the deposit account to or for the benefit of the secured party; and.

(2) If a secured party exercises its rights under subsection (a)(1), the following rules apply:

(+) (A) Except as otherwise provided in subsection (B), if the obligation of the account debtor or other person obligated on collateral is secured by an interest in real property and the account debtor or other person obligated on collateral satisfies its obligation, the secured party must furnish the account debtor or the other person obligated on collateral with a release or satisfaction of the interest in real property sufficient for recording in the real property records applicable to that real property.

(B) This subsection applies in the case of an executory contract for the sale of real property or of an interest in real property that entitles the purchaser to possession of the real property. If the purchaser satisfies its obligations under that contract, the secured party shall deliver to the purchaser a deed to the real property in accordance with the terms of the contract.

(b) [NONJUDICIAL ENFORCEMENT OF MORTGAGE.] (1) In the case of a mortgage that is not an executory contract for the sale of real property or of an interest in real property that entitles the purchaser to possession of the real property, to exercise under subsection (a)(3)(1)(C) the right of a debtor to enforce a mortgage nonjudicially, the secured party must record in the office in which a record of the mortgage is recorded:

(A) an assignment of the mortgage to the secured party; or

(B) the secured party's sworn affidavit of assignment in recordable form stating:

(i) a default has occurred under a security agreement that creates or provides for a security interest in the obligation secured by the mortgage;

- (ii) a true and correct copy of the security agreement is attached to the affidavit;
- (iii) the secured party is entitled to enforce the mortgage nonjudicially;
- (iv) the legal description of the real property encumbered by the mortgage;
- (v) the parties to the mortgage, the date of the mortgage, the date of recording of the mortgage, the place of recording of the mortgage, and the identifying number or other indexing information that identifies the mortgage in the office of the county recorder or registrar of titles where the mortgage is recorded;
- (vi) the secured party has succeeded to the interest of the debtor under the mortgage; and
- (vii) the affidavit of assignment shall be an assignment to the secured party of the interest of the debtor under the mortgage.

(2) The affidavit of assignment is entitled to be recorded with the county recorder or the registrar of titles and upon recording, the affidavit of assignment shall be deemed an assignment to the secured party of the interest of the debtor under the mortgage.

(3) This subsection applies in the case of an executory contract for the sale of real property or of an interest in real property that entitles the purchaser to possession of the real property. To exercise under subsection (a)(1)(C) the right of a debtor to terminate the contract nonjudicially, the secured party shall record a transfer statement, as provided in section 336.9-619, with the county recorder or the registrar of titles in the county where the real property is located. The transferee is entitled to have the statement recorded with the county recorder or the registrar of titles. When recorded, the transfer statement is a conveyance of the interest of the debtor under the contract.

(c) [COMMERCIALLY REASONABLE COLLECTION AND ENFORCEMENT.] A secured party shall proceed in a commercially reasonable manner if the secured party:

(1) undertakes to collect from or enforce an obligation of an account debtor or other person obligated on collateral; and

(2) is entitled to charge back uncollected collateral or otherwise to full or limited recourse against the debtor or a secondary obligor.

(d) [EXPENSES OF COLLECTION AND ENFORCEMENT.] A secured party may deduct from the collections made pursuant to subsection (c) reasonable expenses of collection and enforcement, including reasonable attorneys fees and legal expenses incurred by the secured party.

(e) [DUTIES TO SECURED PARTY NOT AFFECTED.] This section does not determine whether an account debtor, bank, or other person obligated on collateral owes a duty to a secured party.

(f) [SECURED PARTY TO OBTAIN ASSIGNMENT OF DEBTOR'S INTEREST UNDER THE MORTGAGE.] (1) This subsection applies if the obligation of an account debtor or other person obligated on collateral is secured by an interest in real property, the secured party promptly after commencing exercise of any of its rights,

(2) If the interest is under an executory contract for the sale of real property or of an interest in real property that entitles the account debtor to possession of the real property, then promptly after beginning to exercise a right under this section, the secured party shall record a transfer statement as provided in section 336.9-619. The statement must be recorded with the county recorder or registrar of titles in the county where the real property is located.

(3) If the interest is not under a record described in paragraph (2), then promptly after beginning to exercise a right under this section, the secured party shall:

~~(+)~~ (A) file an assignment of the mortgage to the secured party;

~~(2) (B) proceed under section 336.9-619 and record a transfer statement in the office of, as provided in section 336.9-619, with the county recorder or registrar of titles where the mortgage is recorded in the county where the real property is located; or~~

~~(3) (C) file an affidavit of assignment as provided under subsection (b).~~

Sec. 16. Minnesota Statutes 2000, section 336.9-617, is amended to read:

336.9-617 [RIGHTS OF TRANSFEREE OF COLLATERAL.]

(a) [EFFECTS OF DISPOSITION.] A secured party's disposition of collateral after default:

(1) transfers to a transferee for value all of the debtor's rights in the collateral;

(2) discharges the security interest under which the disposition is made; and

(3) discharges any subordinate security interest or other subordinate lien ~~other than liens created under (cite acts or statutes providing for liens, if any, that are not to be discharged).~~

(b) [RIGHTS OF GOOD FAITH TRANSFEREE.] A transferee that acts in good faith takes free of the rights and interests described in subsection (a), even if the secured party fails to comply with this article or the requirements of any judicial proceeding.

(c) [RIGHTS OF OTHER TRANSFEREE.] If a transferee does not take free of the rights and interests described in subsection (a), the transferee takes the collateral subject to:

(1) the debtor's rights in the collateral;

(2) the security interest or agricultural lien under which the disposition is made; and

(3) any other security interest or other lien.

Sec. 17. Minnesota Statutes 2000, section 336.9-619, is amended to read:

336.9-619 [TRANSFER OF RECORD OR LEGAL TITLE.]

(a) [TRANSFER STATEMENT.] (1) In this section, "transfer statement" means a record authenticated by a secured party stating:

(A) that the debtor has defaulted in connection with an obligation secured by specified collateral;

(B) that the secured party has exercised its postdefault remedies with respect to the collateral;

(C) that, by reason of the exercise, a transferee has acquired the rights of the debtor in the collateral;

(D) the name and mailing address of the secured party, debtor, and transferee; and

(E) in addition, if the statement is to be filed in the real property records concerning a mortgage or other record evidencing an interest in real property, the statement must state the following information concerning the mortgage or other record evidencing an interest in real property:

- (i) the name and title on the record;
- (ii) the date on the record;
- (iii) the names of the parties on the record;
- (iv) the identity of the office of the county recorder or registrar of titles where the record is filed;
- (v) the date the record was filed; ~~and~~
- (vi) the identifying number of the record in the office of the county recorder or registrar of titles; and

(vii) in the case of an executory contract for the sale of real property or of an interest in real property that entitles the purchaser to possession of the real property, the legal description of the real property subject to the contract.

(2) A transfer statement that is to be filed in the real property records must contain an acknowledgment by the secured party in a form sufficient to satisfy the requirements of chapter 358.

(3) If an executory contract for the sale of real property or of an interest in real property that entitles the purchaser to possession of the real property is terminated, the secured party may not file a transfer statement concerning that contract after the termination. If a transfer statement is filed by the secured party after the debtor has terminated that contract, the transfer statement is not effective as a conveyance.

(b) [EFFECT OF TRANSFER STATEMENT.] A transfer statement entitles the transferee to the transfer of record of all rights of the debtor in the collateral specified in the statement in any official filing, recording, registration, or certificate of title system covering the collateral. If a transfer statement is presented with the applicable fee and request form to the official or office responsible for maintaining the system, the official or office shall:

- (1) accept the transfer statement;
- (2) promptly amend its records to reflect the transfer; and
- (3) if applicable,

(A) issue a new appropriate certificate of title in the name of transferee in the case of property not subject to chapter 508 or 508A; or

(B) in the case of property subject to chapter 508 or 508A, issue a new certificate of title upon satisfaction of the requirements of those chapters.

(c) [TRANSFER NOT A DISPOSITION; NO RELIEF OF SECURED PARTY'S DUTIES.] A transfer of the record or legal title to collateral to a secured party under subsection (b) or otherwise is not of itself a disposition of collateral under this article and does not of itself relieve the secured party of its duties under this article.

(d) [TRANSFER OF CERTIFICATES OF TITLE.] A secured party who complies with section 86B.840, subdivision 2, paragraph (b), or 168A.12, subdivision 2, is considered to have provided a transfer statement for purposes of this section.

Sec. 18. [507.236] [TRANSFER STATEMENT FOR CONTRACT FOR DEED.]

Subdivision 1. [DEFINITION.] In this section, "transfer statement for a contract for deed" means a document that:

(1) is a transfer statement made in compliance with section 336.9-619(a); and

(2) transfers a seller's interest in an executory contract for the sale of real estate or of an interest in real estate that entitles the purchaser to possession of the real estate.

Subd. 2. [RECORDING OF STATEMENT.] A transferee under a transfer statement for a contract for deed is entitled to have the statement recorded as provided in section 336.9-619(b). Recording must be with the county recorder or registrar of titles in the county where the affected real estate is located.

Subd. 3. [EFFECTS OF RECORDING.] Subject to compliance with any applicable provisions of section 508.491 or 508A.491, recording a transfer statement for a contract for deed has the following effects:

(1) it transfers from the contract seller named as debtor in the statement to the transferee all title and interest of the contract seller in the real estate described in the statement;

(2) it has the same effect as an assignment and a deed from the contract seller to the transferee; and

(3) it is a conveyance within the meaning of section 507.34.

Sec. 19. Minnesota Statutes 2000, section 507.24, subdivision 2, is amended to read:

Subd. 2. [ORIGINAL SIGNATURES REQUIRED.] Unless otherwise provided by law, an instrument affecting real estate that is to be recorded as provided in this section or other applicable law must contain the original signatures of the parties who execute it and of the notary public or other officer taking an acknowledgment. However, a financing statement that is recorded as a filing pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment.

Sec. 20. [508.491] [TRANSFER STATEMENT FOR CONTRACT FOR DEED.]

Subdivision 1. [DEFINITION.] In this section, "transfer statement for a contract for deed" means a document that:

(1) is a transfer statement made in compliance with section 336.9-619(a); and

(2) transfers a seller's interest in an executory contract for the sale of land or of an interest in land that entitles the purchaser to possession of the land.

Subd. 2. [REGISTRATION OF STATEMENT.] A transferee under a transfer statement for a contract for deed is entitled to have the statement recorded as provided in section 336.9-619(b). The registrar shall enter a memorial of the statement on the certificate of title for the land in which the debtor has a registered interest.

Subd. 3. [NEW CERTIFICATE OF TITLE.] If a transferee under a transfer statement for a contract for deed has become the owner in fee of the land, or any part of it, the transferee may have the title registered. To do so, the transferee must petition the court for a new certificate of title to the land. On receiving the petition, the court shall notify the parties in interest and order a new certificate issued to the petitioner. The registrar shall issue a new certificate of title to the land, or the part of the land, the petitioner owns, as in the case of a voluntary conveyance.

Subd. 4. [FINANCING STATEMENTS.] A financing statement that is filed pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment, and must be filed with the registrar, and shown as a memorial on the certificate of title.

Sec. 21. [508A.491] [TRANSFER STATEMENT FOR CONTRACT FOR DEED.]

Subdivision 1. [DEFINITION.] In this section, "transfer statement for a contract for deed" means a document that:

(1) is a transfer statement made in compliance with section 336.9-619(a); and

(2) transfers a seller's interest in an executory contract for the sale of land or of an interest in land that entitles the purchaser to possession of the land.

Subd. 2. [REGISTRATION OF STATEMENT.] A transferee under a transfer statement for a contract for deed is entitled to have the statement recorded as provided in section 336.9-619(b). The registrar shall enter a memorial of the statement on the certificate of title for the land in which the debtor has a registered interest.

Subd. 3. [NEW CERTIFICATE OF TITLE.] If a transferee under a transfer statement for a contract for deed has become the owner in fee of the land, or any part of it, the transferee may have the title registered. To do so, the transferee must petition the court for a new certificate of title to the land. On receiving the petition, the court shall notify the parties in interest and order a new certificate issued to the petitioner. The registrar shall issue a new certificate of title to the land, or the part of the land, the petitioner owns, as in the case of a voluntary conveyance.

Subd. 4. [FINANCING STATEMENTS.] A financing statement that is filed pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment, and must be filed with the registrar, and shown as a memorial on the certificate of title.

Sec. 22. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; Laws 1991, chapter 208, section 2; Laws 1993, First Special Session chapter 2, article 6, section 2; Laws 1995, chapter 212, article 2, section 11; Laws 1997, chapter 183, article 3, section 29; Laws 1998, chapter 395, section 7; Laws 1998, chapter 402, section 6; and Laws 1999, chapter 214, article 2, section 19, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section ~~336.9-501, subsections (6) and (7)~~ 336.9-601, subsections (h) and (i), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, 2001.

Sec. 23. [REPEALER.]

(a) Minnesota Statutes 2000, section 168A.17, subdivision 3, is repealed.

(b) Minnesota Rules, parts 8260.0600; 8260.0700; 8260.0800; 8260.0900; 8260.1000; 8260.1100; 8270.0010; 8270.0050; 8270.0100; 8270.0105; 8270.0110; 8270.0115; 8270.0200; 8270.0205; 8270.0210; 8270.0215; 8270.0220; 8270.0225; 8270.0230; 8270.0235; 8270.0240; 8270.0245; 8270.0255; 8270.0260; 8270.0265; and 8270.0270, are repealed.

ARTICLE 2

CONFORMING AMENDMENTS TO MINNESOTA STATUTES

Section 1. Minnesota Statutes 2000, section 27.138, subdivision 2, is amended to read:

Subd. 2. [SELLERS' RIGHTS TO TRUST ASSETS.] (a) An unpaid seller may recover trust assets for the net amount unpaid after the due date after allowing deductions of contemplated expenses or advances made in connection with the transaction. An amount is considered unpaid if a seller receives a payment instrument that is dishonored.

(b) An unpaid seller may recover trust assets after filing a beneficiaries notice with the wholesale produce dealer to whom the produce was transferred; ~~and the commissioner, and the appropriate filing office after filing in the central filing system~~ under section ~~336.9-401~~ 336.9-501 as if the trust were a security interest in the trust assets by 40 days after the due date for the payment to the seller or 40 days after a payment instrument to the seller for the produce is dishonored, whichever is later.

Sec. 2. Minnesota Statutes 2000, section 27.138, subdivision 3, is amended to read:

Subd. 3. [BENEFICIARIES NOTICE.] (a) A beneficiaries notice must be in writing and in a form prescribed by the commissioner ~~after consultation with the secretary of state.~~

(b) The beneficiaries notice must contain:

- (1) the name and address of the seller;
- (2) the name and address of the wholesale produce dealer maintaining the trust assets;
- (3) the produce, amount of produce, amount to be paid the seller, and the due date of transactions that are unpaid or, if appropriate, the date a payment instrument was dishonored; and
- (4) a description of the trust assets.

(c) The filing officer shall enter on the ~~beneficiaries notice~~ initial financing statement filed pursuant to this section the time of day and date of filing. The filing officer shall accept filings, amendments, and terminations of a ~~beneficiaries notice~~ an initial financing statement filed pursuant to this section and charge the same filing fees as provided in section ~~336.9-403 for a financing statement~~ 336.9-525. ~~A beneficiaries notice~~ An initial financing statement filed pursuant to this section is void and may be removed from the filing system 18 months after the date of filing. The beneficiaries notice may be physically destroyed 30 months after the date of filing.

Sec. 3. Minnesota Statutes 2000, section 86B.820, subdivision 10, is amended to read:

Subd. 10. [SECURED PARTY.] "Secured party" means a secured party as defined in section ~~336.9-105;~~ ~~subsection (1)(m)~~ 336.9-102(a)(72), having a security interest in a watercraft and includes a lienholder.

Sec. 4. Minnesota Statutes 2000, section 86B.820, subdivision 11, is amended to read:

Subd. 11. [SECURITY AGREEMENT.] "Security agreement" has the meaning given it in section ~~336.9-105;~~ ~~subsection (1)(f)~~ 336.9-102(a)(73).

Sec. 5. Minnesota Statutes 2000, section 168A.01, subdivision 18, is amended to read:

Subd. 18. [SECURED PARTY.] "Secured party" means a secured party as defined in section ~~336.9-105 (1)(m)~~ 336.9-102(a)(72) having a security interest in a vehicle.

Sec. 6. Minnesota Statutes 2000, section 168A.01, subdivision 19, is amended to read:

Subd. 19. [SECURITY AGREEMENT.] "Security agreement" means a security agreement as defined in section ~~336.9-105 (1)(f)~~ 336.9-102(a)(73).

Sec. 7. Minnesota Statutes 2000, section 168A.05, subdivision 8, is amended to read:

Subd. 8. [LIENS FILED FOR ENFORCEMENT OF CHILD SUPPORT.] This subdivision applies if the court or a public authority responsible for child support enforcement orders or directs the commissioner to enter a lien, as provided in section 518.551, subdivision 14. If a certificate of title is applied for by the owner, the department

shall enter a lien on the title in the name of the state of Minnesota or in the name of the obligee in accordance with the notice if the value of the motor vehicle determined in accordance with either the definitions of section 297B.01, subdivision 8, or the retail value described in the N.A.D.A. Official Used Car Guide, Midwest Edition, for the current year exceeds the exemption allowed in section 550.37. The lien on the title is subordinate to any bona fide purchase money security interest as defined in under section ~~336.9-107~~ 336.9-103 regardless of when the purchase money security interest is perfected. With respect to all other security interests, the lien is perfected as of the date entered on the title.

Sec. 8. Minnesota Statutes 2000, section 169A.63, subdivision 7, is amended to read:

Subd. 7. [LIMITATIONS ON VEHICLE FORFEITURE.] (a) A vehicle is subject to forfeiture under this section only if:

- (1) the driver is convicted of the designated offense upon which the forfeiture is based;
- (2) the driver fails to appear with respect to the designated offense charge in violation of section 609.49 (release; failure to appear); or
- (3) the driver's conduct results in a designated license revocation and the driver either fails to seek administrative or judicial review of the revocation in a timely manner as required by section 169A.53 (administrative and judicial review of license revocation), or the license revocation is sustained under section 169A.53.

(b) 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 unless the party or lessor had knowledge of or consented to the act upon which the forfeiture is based. However, when the proceeds of the sale of a seized vehicle do not equal or exceed the outstanding loan balance, the appropriate agency shall remit all proceeds of the sale to the secured party. If the sale of the vehicle is conducted in a commercially reasonable manner consistent with the provisions of section ~~336.9-504, clause (3)~~ 336.9-610, the agency is not liable to the secured party for any amount owed on the loan in excess of the sale proceeds if the secured party received notification of the time and place of the sale at least three days prior to the sale.

(c) Notwithstanding paragraphs (b) and (d), the secured party's, lessor's, or owner's interest in a vehicle is not subject to forfeiture based solely on the secured party's, lessor's, or owner's knowledge of the act or omission upon which the forfeiture is based if the secured party, lessor, or owner took reasonable steps to terminate use of the vehicle by the offender.

(d) A motor vehicle is subject to forfeiture under this section only if its owner knew or should have known of the unlawful use or intended use.

(e) A vehicle subject to a security interest, based upon a loan or other financing arranged by a financial institution, is subject to the interest of the financial institution.

Sec. 9. Minnesota Statutes 2000, section 169A.63, subdivision 11, is amended to read:

Subd. 11. [SALE OF FORFEITED VEHICLE BY SECURED PARTY.] (a) A financial institution with a valid security interest in or a valid lease covering a forfeited vehicle may choose to dispose of the vehicle under this subdivision, in lieu of the appropriate agency disposing of the vehicle under subdivision 9. A financial institution wishing to dispose of a vehicle under this subdivision shall notify the appropriate agency of its intent, in writing, within 30 days after receiving notice of the seizure and forfeiture. The appropriate agency shall release the vehicle to the financial institution or its agent after the financial institution presents proof of its valid security agreement or of its lease agreement and the financial institution agrees not to sell the vehicle to a member of the violator's household, unless the violator is not convicted of the offense on which the forfeiture is based. The financial institution shall dispose of the vehicle in a commercially reasonable manner as defined in section ~~336.9-504~~ 336.9-610.

(b) After disposing of the forfeited vehicle, the financial institution shall reimburse the appropriate agency for its seizure, storage, and forfeiture costs. The financial institution may then apply the proceeds of the sale to its storage costs, to its sale expenses, and to satisfy the lien or the lease on the vehicle. If any proceeds remain, the financial institution shall forward the proceeds to the state treasury, which shall credit the appropriate fund as specified in subdivision 9.

Sec. 10. Minnesota Statutes 2000, section 268.058, subdivision 1, is amended to read:

Subdivision 1. [LIEN.] (a) Any taxes, unemployment benefit overpayments, or payments in lieu of taxes due including interest, penalties, and costs shall become a lien upon all the property, within this state, both real and personal, of the person liable, from the date of assessment. The term "date of assessment" means the date the obligation was due.

(b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor, until a notice of lien has been filed with the county recorder of the county where the property is situated, or in the case of personal property belonging to a nonresident person in the office of the secretary of state. When the notice of lien is filed with the county recorder, the fee for filing and indexing shall be as provided in sections 272.483 and 272.484.

(c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the commissioner, may be filed with the county recorder or the secretary of state by mail, personal delivery, or by electronic transmission into the computerized filing system of the secretary of state ~~under section 336.9-411~~. The secretary of state shall, on any notice filed with that office, transmit the notice electronically to the appropriate county recorder. The filing officer, whether the county recorder or the secretary of state, shall endorse and index a printout of the notice as if the notice had been mailed or delivered.

(d) County recorders and the secretary of state shall enter information on lien notices, renewals, and releases into the central database of the secretary of state. For notices filed electronically with the county recorders, the date and time of receipt of the notice and county recorder's file number, and for notices filed electronically with the secretary of state, the secretary of state's recording information, must be entered into the central database before the close of the working day following the day of the original data entry by the commissioner.

(e) The lien imposed on personal property, even though properly filed, is not enforceable against a purchaser of tangible personal property purchased at retail or personal property listed as exempt in sections 550.37, 550.38, and 550.39.

(f) A notice of lien filed has priority over any security interest arising under chapter 336, article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

(1) the perfected security interest secures property not in existence at the time the notice of lien is filed; and

(2) the property comes into existence after the 45th calendar day following the day the notice of lien is filed, or after the secured party has actual notice or knowledge of the lien filing, whichever is earlier.

(g) The lien shall be enforceable from the time the lien arises and for ten years from the date of filing the notice of lien. A notice of lien may be renewed before expiration for an additional ten years.

(h) The lien shall be enforceable by levy under subdivision 2 or by judgment lien foreclosure under chapter 550.

(i) The lien may be imposed upon property defined as homestead property in chapter 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead property.

(j) The commissioner may sell and assign to a third party the commissioner's right of redemption in specific real property for liens filed under this subdivision. The assignee shall be limited to the same rights of redemption as the commissioner, except that in a bankruptcy proceeding, the assignee does not obtain the commissioner's priority. Any proceeds from the sale of the right of redemption shall be credited to the contingent account. Any sale shall be by written agreement signed by an attorney who is a classified employee of the department designated by the commissioner for that purpose.

Sec. 11. Minnesota Statutes 2000, section 270.69, subdivision 2, is amended to read:

Subd. 2. [FILING OF LIENS NECESSARY FOR ENFORCEABILITY AGAINST CERTAIN PERSONS; METHODS OF FILING; FEES.] (a) The lien imposed by subdivision 1 is not enforceable against any purchaser, mortgagee, pledgee, holder of a Uniform Commercial Code security interest, mechanic's lienor, or judgment lien creditor whose interest has been duly perfected or is entitled to protection under applicable provisions of state law, until a notice of lien has been filed by the commissioner of revenue in the office of the county recorder of the county in which real property is situated, or in the case of personal property belonging to an individual who is not a resident of this state or to a corporation, partnership, or other organization, in the office of the secretary of state, or in the case of personal property belonging to a resident individual, in the office of the county recorder of the county of residence of the individual.

(b)(1) Notices of liens, and lien releases, transcriptions, and renewals, in a form prescribed by the commissioner of revenue, may be filed with the county recorder or the secretary of state by mail, personal delivery, or by electronic transmission by the commissioner or a delegate into the computerized filing system of the secretary of state ~~authorized under section 336.9-411~~. The secretary of state shall transmit the notice electronically to the office of the county recorder, if that is the place of filing, in the county or counties shown on the computer entry. The filing officer, whether the county recorder or the secretary of state, shall endorse and index a printout of the notice in the same manner as if the notice had been mailed or delivered.

(2) County recorders and the secretary of state shall enter information relative to lien notices, transcriptions, renewals, and releases filed in their offices into the central database of the secretary of state. For notices filed electronically with the county recorders, the date and time of receipt of the notice and county recorder's file number, and for notices filed electronically with the secretary of state, the secretary of state's recording information, must be entered by the filing officer into the central database before the close of the working day following the day of the original data entry by the department of revenue.

The filing and indexing of all notices must be in accordance with the filing and indexing of notices of federal liens, certificates of release, and refiled notices under section 272.483.

(c) Notwithstanding any other law to the contrary, the department of revenue is exempt from payment of fees when a lien, lien renewal, or lien transcription is offered for recording. The recording fees must be paid along with the release fee at the end of the month in which the release of lien is recorded, after receipt of a monthly statement from a county recorder or the secretary of state. The department of revenue shall add the recording fees to the delinquent tax liability of the taxpayer. Notwithstanding any other law to the contrary, the fee for filing or recording a notice of lien, or lien release, transcription, or renewal is \$15.

(d) There is appropriated to the commissioner of revenue an amount representing the cost of payment of recording fees to the county recorders and the secretary of state. The commissioner shall keep a separate accounting of the costs and of payments for recording fees remitted by taxpayers, and make the records available to the legislature upon request.

Sec. 12. Minnesota Statutes 2000, section 270.69, subdivision 9, is amended to read:

Subd. 9. [LIEN SEARCH FEES.] Upon request of any person, the filing officer shall issue a certificate showing whether there is recorded in that filing office, on the date and hour stated in the certificate, any notice of lien or certificate or notice affecting any lien filed on or after ten years before the date of the search certificate, naming a

particular person, and giving the date and hour of filing of each notice or certificate naming the person. The fee for a certificate shall be as provided by section ~~336.9-407~~ 336.9-525 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of state lien, or notice or certificate affecting a state lien, for a fee of 50 cents per page.

Sec. 13. Minnesota Statutes 2000, section 270.69, subdivision 13, is amended to read:

Subd. 13. [FORTY-FIVE DAY RULE.] A notice of tax lien filed under this section has priority over a security interest arising under article 9 of the Uniform Commercial Code, ~~codified as sections 336.9-101 to 336.9-508~~; that is perfected before the date of filing of the lien imposed by this section, but only if:

(1) the perfected security interest secures property acquired by the taxpayer or advances made by the secured party after the notice of tax lien is filed; and

(2) the property is acquired or the advance is made after the 45th day following the day on which the notice of tax lien is filed, or after the secured party has actual notice or knowledge of the tax lien filing, whichever is earlier.

Sec. 14. Minnesota Statutes 2000, section 270.7001, subdivision 4, is amended to read:

Subd. 4. [PAYMENTS COVERED.] For purposes of this section, the term payments does not include wages as defined in section 290.92 or funds in a deposit account as defined in section ~~336.9-105~~ 336.9-102(a)(29). The term payments does include the following:

(1) payments due for services of independent contractors, dividends, rents, royalties, residuals, patent rights, and mineral or other natural resource rights;

(2) payments or credits under written or oral contracts for services or sales whether denominated as wages, salary, commission, bonus, or otherwise, if the payments are not covered by section 290.92, subdivision 23; and

(3) any other periodic payments or credits resulting from an enforceable obligation to the taxpayer, employer, or person.

Sec. 15. Minnesota Statutes 2000, section 272.483, is amended to read:

272.483 [DUTIES OF FILING OFFICER.]

(a) If a notice of federal lien, a refiling of a notice of federal lien, or a notice of revocation of any certificate described in clause (b) is presented to a filing officer who is:

(1) the secretary of state; the secretary shall cause the notice to be marked and indexed alphabetically and numerically in the computerized filing system maintained by the secretary of state ~~under section 336.9-411~~;

(2) the county recorder; the county recorder shall endorse identification and the date and time of filing and file and enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of filing, the file number of the lien, and the total amount appearing on the notice of lien.

Each county recorder shall enter the date and time of filing and the file number and shall index the names of the persons shown on the notice into the computerized database system maintained by the secretary of state.

For notices of federal tax liens on real property, the information in the computerized filing and database systems does not create, release, discharge, or recreate a notice of federal tax lien on real property in this state.

(b) If a certificate of release, nonattachment, or subordination of any lien is presented to the secretary of state for filing, the secretary shall:

- (1) enter the information into the computerized filing system ~~maintained under section 336.9-411~~;
- (2) cause a certificate of release or nonattachment to be marked and indexed as if the certificate were a termination statement within the meaning of the Uniform Commercial Code, but the notice of lien to which the certificate relates may not be removed from the files until ten years and 30 days after the filing date of the lien; and
- (3) cause a certificate of subordination to be marked and indexed as if the certificate were a release of collateral within the meaning of the Uniform Commercial Code.

(c) If a refiled notice of federal lien referred to in clause (a) or any of the certificates or notices referred to in clause (b) is presented for filing to any other filing officer specified in section 272.481, the officer shall enter the refiled notice or the certificate with the date and time of filing in any alphabetical lien index where the original notice of lien is entered ~~and into the computerized database system~~.

(d) When a filing officer receives a request to search the records for the name of a particular person, the filing officer must issue a search certificate showing whether there is any notice of lien or certificate or notice of lien filed on or after ten years and 30 days before the date of the search. If a notice or certificate is on file, the search certificate must state the file or document number of the notice and the date and time of filing of each notice or certificate and the date and time the search certificate was issued. The fee for a certificate shall be that provided by section ~~336.9-407~~ 336.9-525 or 357.18, subdivision 1, clause (3).

Sec. 16. Minnesota Statutes 2000, section 272.484, is amended to read:

272.484 [FEES.]

The fee for filing and indexing each notice of lien or certificate or notice affecting the lien is:

(1) for a lien, certificate of discharge or subordination, and for all other notices, including a certificate of release or nonattachment filed with the secretary of state, the fee provided by section ~~336.9-405~~ 336.9-525, except that the filing fee charged to the district directors of internal revenue for filing a federal tax lien is \$15 for up to two debtor names and \$15 for each additional name;

(2) for a lien, certificate of discharge or subordination, and for all other notices, including a certificate of release or nonattachment filed with the county recorder, the fee for filing a real estate mortgage in the county where filed.

The officer shall bill the district directors of internal revenue or other appropriate federal officials on a monthly basis for fees for documents filed by them.

Sec. 17. Minnesota Statutes 2000, section 272.488, subdivision 3, is amended to read:

Subd. 3. [FILING WITH SECRETARY OF STATE.] ~~(a)~~ Notices of federal tax liens, certificates, or revocations of certificates of release of federal tax liens, refiled notices of any of those items, and any other notices affecting federal tax liens that are required to be filed with the secretary of state, in a form prescribed by the Internal Revenue Service, may be filed with the secretary of state by mail, personal delivery, or electronic transmission by the Secretary of the Treasury of the United States or a delegate into the computerized filing system of the secretary of state ~~authorized under section 336.9-411~~. The electronic record must be endorsed and indexed within the computerized database system as required by section 272.483.

(b) For filings made pursuant to section 272.481, paragraph (c), clause (1), with the secretary of state, when data entry is complete as required by subdivision 2, the original document is contained in the computerized filing system and is the official copy from which all official copies will be made. Reproductions of documents described in section 272.483, paragraph (a) or (b), which are contained in the computerized filing system will be in the same format as if the document had been filed on paper by the Internal Revenue Service.

Sec. 18. Minnesota Statutes 2000, section 277.20, subdivision 8, is amended to read:

Subd. 8. [LIEN SEARCH FEES.] Upon request of a person, the filing officer shall issue a certificate showing whether there is on file, on the date and hour stated in the certificate, any notice of lien or certificate or notice affecting any lien filed after December 31, 1991, naming a particular person, and giving the date and hour of filing of each notice or certificate naming the person. The fee for a certificate is as provided by section ~~336.9-407~~ 336.9-525 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of lien, or notice or certificate affecting a lien, for a fee of \$1 per page.

Sec. 19. Minnesota Statutes 2000, section 300.112, subdivision 1, is amended to read:

Subdivision 1. [FILING WITH SECRETARY OF STATE.] Notwithstanding sections ~~336.9-302, subsections (3) and (4); 336.9-401, subsection (1); 336.9-402; and 336.9-403~~ 336.9-311, 336.9-501, 336.9-502, 336.9-515, and 336.9-519 of the Uniform Commercial Code, all filings required under the Uniform Commercial Code in order to perfect a security interest against the personal property or fixtures of a debtor public utility, or against the personal property or fixtures of a debtor taconite company or a debtor semitaconite company, must be made and maintained in the office of the secretary of state.

Sec. 20. Minnesota Statutes 2000, section 325L.16, is amended to read:

325L.16 [TRANSFERABLE RECORD.]

(a) In this section, "transferable record" means an electronic record that:

(1) would be a note under Article 3 of the Uniform Commercial Code or a document under Article 7 of the Uniform Commercial Code if the electronic record were in writing; and

(2) the issuer of the electronic record expressly has agreed is a transferable record.

(b) A person has control of a transferable record if a system employed for evidencing the transfer of interests in the transferable record reliably establishes that person as the person to which the transferable record was issued or transferred.

(c) A system satisfies paragraph (b), and a person is deemed to have control of a transferable record, if the transferable record is created, stored, and assigned in such a manner that:

(1) a single authoritative copy of the transferable record exists which is unique, identifiable, and, except as otherwise provided in clauses (4), (5), and (6), unalterable;

(2) the authoritative copy identifies the person asserting control as:

(i) the person to which the transferable record was issued; or

(ii) if the authoritative copy indicates that the transferable record has been transferred, the person to which the transferable record was most recently transferred;

(3) the authoritative copy is communicated to and maintained by the person asserting control or its designated custodian;

(4) copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control;

(5) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(6) any revision of the authoritative copy is readily identifiable as authorized or unauthorized.

(d) Except as otherwise agreed, a person having control of a transferable record is the holder, as defined in section 336.1-201(20) of the Uniform Commercial Code, of the transferable record and has the same rights and defenses as a holder of an equivalent record or writing under the Uniform Commercial Code, including, if the applicable statutory requirements under section 336.3-302(a), 336.7-501, or ~~336.9-308~~ 336.9-330 of the Uniform Commercial Code are satisfied, the rights and defenses of a holder in due course, a holder to which a negotiable document of title has been duly negotiated, or a purchaser, respectively. Delivery, possession, and endorsement are not required to obtain or exercise any of the rights under this paragraph.

(e) Except as otherwise agreed, an obligor under a transferable record has the same rights and defenses as an equivalent obligor under equivalent records or writings under the Uniform Commercial Code.

(f) If requested by a person against which enforcement is sought, the person seeking to enforce the transferable record shall provide reasonable proof that the person is in control of the transferable record. Proof may include access to the authoritative copy of the transferable record and related business records sufficient to review the terms of the transferable record and to establish the identity of the person having control of the transferable record.

Sec. 21. Minnesota Statutes 2000, section 336A.01, subdivision 4, is amended to read:

Subd. 4. [COMPUTERIZED FILING SYSTEM.] "Computerized filing system" means the system created ~~under section 336.9-411~~ by the secretary of state with separate programs for filing and giving notice of effective financing statements and farm products statutory liens.

Sec. 22. Minnesota Statutes 2000, section 514.18, subdivision 2, is amended to read:

Subd. 2. [NONPOSSESSORY LIEN; NOTICE.] Notwithstanding the voluntary surrender or other loss of possession of the property on which the lien is claimed, the person entitled thereto may preserve the lien upon giving notice of the lien at any time within 60 days after the surrender or loss of possession, by filing in the appropriate filing office under the Uniform Commercial Code, Minnesota Statutes, section ~~336.9-401~~ 336.9-501 a verified statement and notice of intention to claim a lien. The statement shall contain a description of the property upon which the lien is claimed, the work performed or materials furnished and the amount due.

Sec. 23. Minnesota Statutes 2000, section 514.221, subdivision 2, is amended to read:

Subd. 2. [PERFECTION OF LIEN.] A person claiming a lien created by this section shall, within 90 days after performing the work or furnishing the materials, file in the appropriate filing office under the Uniform Commercial Code, section ~~336.9-401~~ 336.9-501, a verified statement and description of the aircraft and the work done or material furnished. The lien shall be in force from and after the date on which it is filed.

Sec. 24. Minnesota Statutes 2000, section 514.221, subdivision 3, is amended to read:

Subd. 3. [PRIORITY, FORECLOSURE; LIMITATION.] A lien created by this section is prior and paramount to all other liens upon the aircraft except those previously filed in the appropriate filing office. The lien shall be treated in all respects as a secured transaction under the Uniform Commercial Code, sections ~~336.9-401~~ 336.9-501 to ~~336.9-508~~ 336.9-628, except that:

(a) any foreclosure proceedings must be instituted within one year of the date the lien was filed; and

(b) the lien is subject to the rights of a purchaser of the aircraft in cases where the purchaser acquired the aircraft prior to the filing of the lien without knowledge or notice of the rights of the person performing the work or furnishing the material.

Sec. 25. Minnesota Statutes 2000, section 514.661, subdivision 3, is amended to read:

Subd. 3. [PERFECTION.] To perfect a lien under this section, the lien must attach and a person or entity entitled to the lien must file a lien statement in the appropriate filing office under section ~~336.9-401~~ 336.9-501 during mediation or within 30 days after the conclusion of mediation.

Sec. 26. Minnesota Statutes 2000, section 514.661, subdivision 4, is amended to read:

Subd. 4. [DUTIES OF FILING OFFICER.] The filing officer shall enter on the lien statement the time of day and date of filing. The filing officer shall file, amend, terminate, note the filing of a lien statement, and charge the fee for filing under this section in the manner provided by ~~section 336.9-403~~ sections 336.9-501 to 336.9-527 for a financing statement; ~~except that the social security number of an individual debtor or the Internal Revenue Service taxpayer identification number for a debtor other than an individual is not required.~~ A lien statement is void and may be removed from the filing system 18 months after the date of filing. The lien statement may be physically destroyed after 30 months from the date of filing.

Sec. 27. Minnesota Statutes 2000, section 514.661, subdivision 5, is amended to read:

Subd. 5. [PRIORITY.] (a) A perfected lien has priority over all other liens and security interests in crops produced by the debtor during the calendar year in which the mediation occurs except for a perfected landlord's lien under section 514.960.

(b) An unperfected lien has the priority of an unperfected security interest under ~~section 336.9-312~~ sections 336.9-317 and 336.9-322.

Sec. 28. Minnesota Statutes 2000, section 514.661, subdivision 6, is amended to read:

Subd. 6. [ENFORCEMENT OF LIEN.] (a) The holder of a lien under this section may enforce the lien in the manner provided in sections ~~336.9-501~~ 336.9-601 to 336.9-508 336.9-628, subject to section 550.17. For enforcement of the lien, the lienholder is the secured party and the person leasing the property is the debtor, and each has the respective rights and duties of a secured party and a debtor under sections ~~336.9-501~~ 336.9-601 to 336.9-508 336.9-628. If a right or duty under sections ~~336.9-501~~ 336.9-601 to 336.9-508 336.9-628 is contingent upon the existence of express language in a security agreement or may be waived by express language in a security agreement, the requisite language does not exist.

(b) The principal amount of debt secured by seasonal use machinery must be reduced by an amount equal to any amount paid in satisfaction of a lien created under this section, less interest accrued on the debt during mediation.

Sec. 29. Minnesota Statutes 2000, section 514.945, subdivision 2, is amended to read:

Subd. 2. [PERFECTION.] An agricultural producer's lien is perfected from the time the agricultural commodity is delivered until 20 days after the agricultural commodity is delivered without filing. An agricultural producer's lien may continue to be perfected if a lien statement under subdivision 3 is filed in the appropriate filing office under section ~~336.9-401~~ 336.9-501 by 20 days after the agricultural commodity is delivered.

Sec. 30. Minnesota Statutes 2000, section 514.945, subdivision 4, is amended to read:

Subd. 4. [PRIORITY.] (a) An agricultural producer's lien has priority over all other liens and encumbrances in:

(1) the agricultural commodity;

- (2) proceeds from the agricultural commodity;
 - (3) the proportionate share of the agricultural commodities or goods with which the agricultural commodity has been commingled; and
 - (4) the products manufactured or processed with the agricultural commodity.
- (b) An agricultural producer's lien that is continuously perfected from the time of delivery has priority over other liens and encumbrances whether they are filed before or after the agricultural producer's lien.
- (c) An agricultural producer's lien that is filed after 20 days after delivery of the agricultural commodity has priority in the order it is filed.
- (d) Priority among perfected agricultural producers' liens is according to the first lien filed.
- (e) An agricultural producer's lien that is not perfected has the priority of an unperfected security interest under ~~section 336.9-312~~ sections 336.9-317 and 336.9-322.

Sec. 31. Minnesota Statutes 2000, section 514.945, subdivision 6, is amended to read:

Subd. 6. [ENFORCEMENT.] The holder of an agricultural producer's lien may enforce the lien in the manner provided in ~~sections 336.9-501 336.9-601 to 336.9-508 336.9-628~~, subject to section 550.17. For enforcement of the lien, the lienholder is the secured party and the person receiving the agricultural commodity is the debtor, and each has the respective rights and duties of a secured party and a debtor under ~~sections 336.9-501 336.9-601 to 336.9-508 336.9-628~~. If a right or duty under ~~sections 336.9-501 336.9-601 to 336.9-508 336.9-628~~ is contingent upon the existence of express language in a security agreement or may be waived by express language in a security agreement, the requisite language does not exist.

Sec. 32. Minnesota Statutes 2000, section 515B.3-116, is amended to read:

515B.3-116 [LIEN FOR ASSESSMENTS.]

(a) The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. Unless the declaration otherwise provides, fees, charges, late charges, fines and interest charges pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable as assessments, under this section.

(b) A lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes, or takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or, in a cooperative, any first security interest encumbering only the unit owner's interest in the unit, and (iii) liens for real estate taxes and other governmental assessments or charges against the unit. If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no owner redeems during the owner's period of redemption provided by chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the unit subject to a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following the end of the owner's period of redemption. If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following either the disposition date of sale pursuant to ~~section 336.9-504 336.9-610~~ or the date on which the obligation of the unit owner is discharged pursuant to ~~section 336.9-505 336.9-622~~. This subsection shall not affect the priority of mechanics' liens.

(c) Recording of the declaration constitutes record notice and perfection of any lien under this section, and no further recordation of any notice of or claim for the lien is required.

(d) Proceedings to enforce an assessment lien shall be instituted within three years after the last installment of the assessment becomes payable, or shall be barred.

(e) The unit owner of a unit at the time an assessment is due shall be personally liable to the association for payment of the assessment levied against the unit. If there are multiple owners of the unit, they shall be jointly and severally liable.

(f) This section does not prohibit actions to recover sums for which subsection (a) creates a lien nor prohibit an association from taking a deed in lieu of foreclosure. The commencement of an action to recover the sums is not an election of remedies if it is dismissed before commencement of foreclosure of the lien provided for by this section.

(g) The association shall furnish to a unit owner or the owner's authorized agent upon written request of the unit owner or the authorized agent a statement setting forth the amount of unpaid assessments currently levied against the owner's unit. If the unit owner's interest is real estate, the statement shall be in recordable form. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

(h) The association's lien may be foreclosed as provided in this subsection.

(1) In a condominium or planned community, the association's lien may be foreclosed in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by action pursuant to chapter 581. The association shall have a power of sale to foreclose the lien pursuant to chapter 580.

(2) In a cooperative whose unit owners' interests are real estate, the association's lien shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph (1).

(3) In a cooperative whose unit owners' interests in the units are personal property, the association's lien shall be foreclosed in a like manner as a security interest under article 9 of chapter 336. In any disposition pursuant to section ~~336.9-504~~ 336.9-610 or retention pursuant to section ~~336.9-505~~ sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its reasonable costs and attorney fees not exceeding the amount provided by section 582.01, subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to disposition or retention, notwithstanding the value of the unit, and (iv) the notice of sale, disposition, or retention shall contain the following statement in capital letters with the name of the association or secured party filled in:

"THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS BEFORE THEN:

(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party) AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU:

(1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS

(2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS

(3) \$500 TO APPLY TO ATTORNEYS FEES ACTUALLY EXPENDED OR INCURRED; PLUS

(4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

(b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY."

(4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall be the same as those provided by law, except (i) the period of redemption for unit owners shall be six months from the date of sale or a lesser period authorized by law, (ii) in a foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorneys fees authorized by the declaration or bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorneys fees as the court shall determine, and (iv) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to foreclosure, notwithstanding the value of the unit.

(i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of redemption, pays any past due or current assessments, or any other charges lienable as assessments, with respect to the unit described in the sheriff's certificate, then the amount paid shall be a part of the sum required to be paid to redeem under section 582.03.

(j) In a cooperative, following foreclosure, the association may bring an action for unlawful detainer against the unit owner and any persons in possession of the unit, and in that case section 504B.291 shall not apply.

(k) An association may assign its lien rights in the same manner as any other secured party.

Sec. 33. Minnesota Statutes 2000, section 515B.3-117, is amended to read:

515B.3-117 [OTHER LIENS.]

(a) Except in a cooperative and except as otherwise provided in this chapter or in a security instrument, an individual unit owner may have the unit owner's unit released from a lien if the unit owner pays the lienholder the portion of the amount which the lien secures that is attributable to the unit. Upon the receipt of payment, the lienholder shall promptly deliver to the unit owner a recordable partial satisfaction and release of lien releasing the unit from the lien. The release shall be deemed to include a release of any rights in the common elements appurtenant to the unit. The portion of the amount which a lien secures that is attributable to the unit shall be equal to the total amount which the lien secures multiplied by a percentage calculated by dividing the common expense liability attributable to the unit by the common expense liability attributable to all units against which the lien has been recorded, or in the case of a lien under subsection (b), the units against which the lien is permitted or required to be recorded. At the request of a lien claimant or unit owners, the association shall provide a written statement of the percentage of common expense liability attributable to all units. After a unit owner's payment pursuant to this section, the association may not assess the unit for any common expense incurred thereafter in connection with the satisfaction or defense against the lien.

(b) Labor performed or materials furnished for the improvement of a unit shall be the basis for the recording of a lien against that unit pursuant to the provisions of chapter 514 but shall not be the basis for the recording of a lien against the common elements. Labor performed or materials furnished for the improvement of common elements,

if duly authorized by the association, shall be deemed to be performed or furnished with the express consent of each unit owner, and shall be perfected by recording a lien against all the units in the common interest community pursuant to the provisions of chapter 514, but shall not be the basis for the recording of a lien against the common elements. Where a lien is recorded against the units for labor performed or material furnished for the improvement of common elements, the association shall be deemed to be the authorized agent of the unit owners for purposes of receiving the notices required under sections 514.011 and 514.08, subdivision 1, clause (2).

(c) A security interest in a cooperative whose unit owners' interests in the units are personal property shall be perfected by recording a financing statement in the UCC filing section of the office of the recording officer for the county in which the unit is located. In any disposition by a secured party pursuant to section ~~336.9-504~~ 336.9-610 or retention pursuant to section ~~336.9-505~~ sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided by law, subject to the exceptions and requirements set forth in section 515B.3-116(h)(3), and except that the unit owner has the right to reinstate the debt owing to the secured party by paying to the secured party, prior to the effective date of the disposition or retention, the amount which would be required to reinstate the debt under section 580.30 if the unit were wholly real estate.

Sec. 34. Minnesota Statutes 2000, section 550.13, is amended to read:

550.13 [LEVY ON BULKY ARTICLES.]

When personal property, by reason of its bulk or other cause, cannot be immediately removed, it shall be a sufficient levy thereon if the officer, within three days thereafter, file in the appropriate filing office under the Uniform Commercial Code, section ~~336.9-401~~ 336.9-501, a certified copy of the execution, and of the officer's return and levy thereon. The officer shall pay the filing fee and include it in the charges.

Sec. 35. Minnesota Statutes 2000, section 557.12, subdivision 5, is amended to read:

Subd. 5. [FILING AND ENFORCEMENT OF LIENS.] (a) A planting crop owner's lien under subdivision 2 and a lien for the fair market rental value where the crop was grown under subdivision 4 are perfected against the crop and crop products by attaching and filing a financing statement covering the crop and crop products as provided under sections ~~336.9-401~~ 336.9-501 to ~~336.9-410~~ 336.9-527 by 90 days after the planting crop owner's right to harvest the crop is terminated. The financing statement must include a statement indicating whether it is a planting crop owner's lien or a lien for a crop harvested by a planting crop owner. A perfected lien may be enforced in the same manner as a security interest under sections ~~336.9-501~~ 336.9-601 to ~~336.9-508~~ 336.9-628.

(b) A lien against the real property under subdivision 2 must be recorded and foreclosed in the same manner as a mechanics' lien under sections 514.08 to 514.15 as if the planting crop owner was a contractor. For purposes of this paragraph, the lien statement must be filed and served under section 514.08, subdivision 1, by 120 days after the crop was harvested, or if the crop was not harvested, by 12 months after the crop was planted.

Sec. 36. Minnesota Statutes 2000, section 583.26, subdivision 1, is amended to read:

Subdivision 1. [MEDIATION NOTICE.] (a) A creditor desiring to start a proceeding to enforce a debt against agricultural property under chapter 580 or 581 or sections ~~336.9-501~~ 336.9-601 to ~~336.9-508~~ 336.9-628, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property, must serve an applicable mediation notice under sections ~~336.9-501~~ 336.9-601, 550.365, 559.209, and 582.039 on the debtor and the director. The creditor must also file with the director proof of the date the mediation notice was served on the debtor. The creditor may not begin the proceeding until the stay of the creditor's remedies is lifted under subdivision 5, or as allowed under sections 583.20 to 583.32.

(b) For purposes of the Farmer-Lender Mediation Act, starting a proceeding to enforce a debt means initiating a proceeding under chapter 550, 580, or 581; sections ~~336.9-501~~ 336.9-601 to ~~336.9-508~~ 336.9-628; or section 559.21.

(c) The director shall combine all mediation notices for the same debtor that are received prior to the initial mediation meeting into one mediation proceeding.

Sec. 37. Minnesota Statutes 2000, section 583.26, subdivision 2, is amended to read:

Subd. 2. [MEDIATION REQUEST.] (a) A debtor must file a mediation request form with the director by 14 days after receiving a mediation notice. The debtor must state all known creditors with debts secured for agricultural property. The mediation request form must include an instruction that the debtor must state all known creditors with debts secured by agricultural property and unsecured creditors that are necessary for the farm operation of the debtor. It is the debtor's discretion as to which unsecured creditors are necessary for the farm operation. The mediation request must state the date that the notice was served on the debtor. The director shall make mediation request forms available in the county recorder's and county extension office of each county.

(b) Except as provided in section 583.24, subdivision 4, paragraph (a), clause (3), a debtor who fails to file a timely mediation request waives the right to mediation for that debt under the Farmer-Lender Mediation Act. The director shall notify the creditor who served the mediation notice stating that the creditor may proceed against the agricultural property because the debtor has failed to file a mediation request.

(c) If a debtor has not received a mediation notice and is subject to a proceeding of a creditor enforcing a debt against agricultural property under chapter 580 or 581 or sections ~~336.9-501~~ 336.9-601 to ~~336.9-508~~ 336.9-628, terminating a contract for deed to purchase agricultural property under section 559.21, or garnishing, levying on, executing on, seizing, or attaching agricultural property, the debtor may file a mediation request with the director. The mediation request form must indicate that the debtor has not received a mediation notice.

Sec. 38. Minnesota Statutes 2000, section 583.284, is amended to read:

583.284 [RETENTION OF PURCHASE MONEY SECURITY INTEREST.]

If a creditor has a purchase money security interest ~~as defined in~~ under section ~~336.9-107~~ 336.9-103, and renegotiates the debt under the Farmer-Lender Mediation Act to reduce the principal balance or the interest rate or to extend the repayment period, the creditor retains the purchase money security interest for the renegotiated debt.

Sec. 39. [REPEALER.]

Minnesota Statutes 2000, sections 336.11-101; 336.11-102; 336.11-103; 336.11-104; 336.11-105; 336.11-106; 336.11-107; and 336.11-108, are repealed.

Sec. 40. [EFFECTIVE DATE.]

This act is effective July 1, 2001.

The motion prevailed and the amendment was adopted.

S. F. No. 1561, A bill for an act relating to commerce; revised Article 9 of the Uniform Commercial Code; making corrective and conforming amendments; appropriating money; amending Minnesota Statutes 2000, sections 27.138, subdivisions 2 and 3; 86B.820, subdivisions 10 and 11; 86B.880, subdivision 2; 168A.01, subdivisions 18 and 19; 168A.05, subdivision 8; 168A.17, subdivision 2; 169A.63, subdivisions 7 and 11; 268.058, subdivision 1; 270.69, subdivisions 2, 9, and 13; 270.7001, subdivision 4; 272.483; 272.484; 272.488, subdivision 3; 277.20, subdivision 8; 300.112, subdivision 1; 325L.16; 336.2-210; 336.9-102; 336.9-201; 336.9-203; 336.9-311; 336.9-317; 336.9-334; 336.9-407; 336.9-509; 336.9-521; 336.9-601; 336.9-607; 336.9-617; 336.9-619; 336A.01, subdivision 4; 507.24, subdivision 2; 514.18, subdivision 2; 514.221, subdivisions 2 and 3; 514.661, subdivisions 3, 4, 5, and 6; 514.945, subdivisions 2, 4, and 6; 515B.3-116; 515B.3-117; 550.13; 557.12, subdivision 5; 583.26, subdivisions 1 and 2; and

583.284; Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapters 336; 507; 508; and 508A; repealing Minnesota Statutes 2000, sections 168A.17, subdivision 3; 336.11-101; 336.11-102; 336.11-103; 336.11-104; 336.11-105; 336.11-106; 336.11-107; and 336.11-108; Minnesota Rules, parts 8260.0600; 8260.0700; 8260.0800; 8260.0900; 8260.1000; 8260.1100; 8270.0010; 8270.0050; 8270.0100; 8270.0105; 8270.0110; 8270.0115; 8270.0200; 8270.0205; 8270.0210; 8270.0215; 8270.0220; 8270.0225; 8270.0230; 8270.0235; 8270.0240; 8270.0245; 8270.0255; 8270.0260; 8270.0265; and 8270.0270.

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

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

Those who voted in the affirmative were:

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

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

S. F. No. 321 was reported to the House.

Knoblach moved to amend S. F. No. 321, the unofficial engrossment, as follows:

Page 2, line 4, before "When" insert "(a)"

Page 2, after line 17, insert:

"(b) To obtain criminal history data from the national criminal records repository under this chapter, the commissioner may require the background study subject to submit fingerprint images electronically. The commissioner may not require electronic fingerprint images until the electronic recording and transfer system is available for non-criminal-justice purposes and the necessary equipment is in use in the law enforcement agency in the background study subject's local community."

The motion prevailed and the amendment was adopted.

S. F. No. 321, A bill for an act relating to probate; providing for a background study before appointment of guardians or conservators; authorizing access to data on substantiated maltreatment of vulnerable adults; providing for background study systems and records in the department of human services; amending Minnesota Statutes 2000, section 525.539, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245A; 525.

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

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

Those who voted in the affirmative were:

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

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

H. F. No. 2093 was reported to the House.

Wenzel moved that H. F. No. 2093 be continued on the Calendar for the Day. The motion prevailed.

S. F. No. 1263 was reported to the House.

Anderson, B., moved to amend S. F. No. 1263 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1869, the first engrossment:

"Section 1. Minnesota Statutes 2000, section 6.65, is amended to read:

6.65 [MINIMUM PROCEDURES FOR AUDITORS, PRESCRIBED.]

The state auditor shall prescribe minimum procedures and the audit scope for auditing the books, records, accounts, and affairs of local governments in Minnesota. The minimum scope for audits of all local governments must include financial and legal compliance audits for fiscal years ending after January 15, 1984. Audits of all

school districts ~~shall~~ must include a determination of compliance with uniform financial accounting and reporting standards. The state auditor shall ~~establish a task force to~~ promulgate an audit guide for legal compliance audits: ~~The task force must include,~~ in consultation with representatives of the state auditor, the attorney general, towns, cities, counties, school districts, and private sector public accountants.

Sec. 2. Minnesota Statutes 2000, section 15.059, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION DATE.] (a) Unless a different date is specified by law, the existence of each advisory council and committee ~~established before January 1, 1997, terminates June 30, 1997. An advisory council or committee established by law and in existence after June 30, 1997,~~ expires on the date specified in the law establishing the group or on June 30, ~~2001~~ 2003, whichever is sooner. This subdivision applies whether or not the law establishing the group provides that the group is governed by this section.

(b) An advisory council or committee does not expire in accordance with paragraph (a) if it:

- (1) is an occupational licensure advisory group to a licensing board or agency;
- (2) administers and awards grants; or
- (3) is required by federal law or regulation.

~~A council or committee covered by this paragraph expires June 30, 2001.~~

Sec. 3. Minnesota Statutes 2000, section 15.50, subdivision 2, is amended to read:

Subd. 2. [CAPITOL AREA PLAN.] (a) The board shall prepare, prescribe, and from time to time, after a public hearing, amend a comprehensive use plan for the capitol area, called the area in this subdivision, which consists of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the center line of the Arch-Pennsylvania freeway and the center line of Marion Street, thence southerly along the center line of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the center line of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the center line of Summit Avenue to the center line of the new West Kellogg Boulevard, thence southerly along the east line of the new West Kellogg Boulevard, to the east line of the right-of-way of Interstate Highway 35-E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Exchange Street, thence easterly along the south line of Exchange Street to the west line of Cedar Street, thence northerly along the west line of Cedar Street to the center line of Tenth Street, thence northeasterly along the center line of Tenth Street to the center line of Minnesota Street, thence northwesterly along the center line of Minnesota Street to the center line of Eleventh Street, thence northeasterly along the center line of Eleventh Street to the center line of Jackson Street, thence northwesterly along the center line of Jackson Street to the center line of the Arch-Pennsylvania freeway extended, thence westerly along the center line of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin.

Under the comprehensive plan, or a portion of it, the board may regulate, by means of zoning rules adopted under the Administrative Procedure Act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty, and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty, and architectural integrity of the area. No person may undertake these construction activities as

defined in the board's rules in the capitol area without first submitting construction plans to the board, obtaining a zoning permit from the board, and receiving a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of Saint Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when it requests reports for its planning purpose.

(c) No public building, street, parking lot, or monument, or other construction may be built or altered on any public lands within the area unless the plans for the project conform to the comprehensive use plan as specified in paragraph (d) and to the requirement for competitive plans as specified in paragraph (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under paragraph (e) may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan must show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas, open spaces, monuments, and other memorials; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement may be made to public lands or buildings in the area without the written approval of the board.

(e) The board shall secure by competitions plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition that may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. A competition must be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected become the property of the state of Minnesota, and the board may award one or more premiums in each competition and may pay the costs and fees that may be required for its conduct. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided the plans have been considered by the advisory committee described in paragraph (h). Plans for projects estimated to cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) Notwithstanding paragraph (e), an architectural competition is not required for the design of any light rail transit station and alignment within the capitol area. The board and its advisory committee shall select a preliminary design for any transit station in the capitol area. Each stage of any station's design through working drawings must be reviewed by the board's advisory committee and approved by the board to ensure that the station's design is compatible with the comprehensive plan for the capitol area and the board's design criteria. The guideway and track design of any light rail transit alignment within the capitol area must also be reviewed by the board's advisory committee and approved by the board.

(g) Of the amount available for the light rail transit design, adequate funds must be available to the board for design framework studies and review of preliminary plans for light rail transit alignment and stations in the capitol area.

(h) The board may not adopt any plan under paragraph (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. The authority for appointment of an advisory committee does not expire. Members of the committee may not be contestants under paragraph (e). The comments and criticism must be a matter of

public information. The committee shall advise the board on all architectural and planning matters. For that purpose, the committee must be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the data are developed or in the process of preparation, whether by the commissioner of administration, the commissioner of trade and economic development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area, and a copy of any data prepared by any public employee or agency must be filed with the board promptly upon completion.

The board may employ stenographic or technical help that may be reasonable to assist the committee to perform its duties.

When so directed by the board, the committee may serve as, and any member or members of the committee may serve on, the jury or as professional advisor for any architectural competition, and the board shall select the architectural advisor and jurors for any competition with the advice of the committee.

The city of Saint Paul shall advise the board.

(i) The comprehensive plan for the area must be developed and maintained in close cooperation with the commissioner of trade and economic development, the planning department and the council for the city of Saint Paul, and the board of the arts, and no plan or amendment of a plan may be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts and without a public hearing with opportunity for public testimony.

(j) The board and the commissioner of administration, jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance, and cleanliness of the public and ceremonial areas of the state capitol building. The board shall consult with and receive advice from the director of the Minnesota state historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed under this paragraph are binding upon the commissioner of administration. The provisions of chapter 14, including section 14.386, do not apply to this paragraph.

(k) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program. The board shall report any changes to the comprehensive plan adopted by the board to the committee on governmental operations and gambling of the house of representatives and the committee on governmental operations and reform of the senate and upon request shall provide testimony concerning the changes. The board shall also provide testimony to the legislature on proposals for memorials in the capitol area as to their compatibility with the standards, policies, and objectives of the comprehensive plan.

(l) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase, or eminent domain proceedings any real property situated in the area described in this section, and it may also acquire an interest less than a fee simple interest in the property, if it finds that the property is needed for future expansion or beautification of the area.

(m) The board is the successor of the state veterans service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and amendments to it.

(n) The board shall meet at the call of the chair and at such other times as it may prescribe.

(o) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs, of which a part that the commissioner of administration and commissioner of veterans affairs may mutually determine must be on the first floor above the ground, and (2) the American Legion, Veterans

of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available, to other state departments and agencies as the commissioner may deem desirable.

Sec. 4. Minnesota Statutes 2000, section 16B.181, subdivision 2, is amended to read:

Subd. 2. [PUBLIC ENTITIES; PURCHASES FROM CORRECTIONS INDUSTRIES.] (a) The commissioner of corrections, in consultation with the commissioner of administration, shall prepare updated lists of the items available for purchase from department of corrections industries and annually forward a copy of the most recent list to all public entities within the state. A public entity that is supported in whole or in part with funds from the state treasury may purchase items directly from corrections industries. The bid solicitation process is not required for these purchases.

(b) The commissioner of administration shall develop a contract or contracts to enable public entities to purchase items directly from corrections industries. The commissioner of administration, in consultation with the commissioner of corrections, shall determine the fair market price for listed items. The commissioner of administration shall require that all requests for bids or proposals, for items provided by corrections industries, be forwarded to the commissioner of corrections to enable corrections industries to submit bids. The commissioner of corrections shall consult with the commissioner of administration prior to introducing new products to the state agency market.

(c) No public entity may evade the intent of this section by adopting slight variations in specifications, when Minnesota corrections industry items meet the reasonable needs and specifications of the public entity.

(d) The commissioners of administration and corrections shall develop annual performance measures outlining goals to maximize inmate work program participation. The commissioners of administration and corrections shall appoint cochairs for a task force whose purpose is to determine additional methods to achieve the performance goals for public entity purchasing. The task force shall include representatives from the Minnesota house of representatives, Minnesota senate, the Minnesota state colleges and universities, University of Minnesota, Minnesota League of Cities, Minnesota Association of Counties, and administrators with purchasing responsibilities from the Minnesota state departments of corrections, public safety, finance, transportation, natural resources, human services, health, and economic security. The task force required by this paragraph expires June 30, 2003.

(e) If performance goals for public entity purchasing are not achieved in two consecutive fiscal years, public entities shall purchase items available from corrections industries. The commissioner of administration shall be responsible for notifying public entities of this requirement.

Sec. 5. Minnesota Statutes 2000, section 16B.27, subdivision 3, is amended to read:

Subd. 3. [COUNCIL.] The governor's residence council consists of the following 19 members: the commissioner; the spouse; or a designee of the governor; the executive director of the Minnesota state arts board; the director of the Minnesota historical society; a member of the senate appointed pursuant to the rules of the senate; a member of the house of representatives appointed pursuant to the rules of the house of representatives; 13 persons appointed by the governor including one in the field of higher education, one member of the American Society of Interior Designers, Minnesota Chapter, one member of the American Institute of Architects, Minnesota chapter, one member of the American Society of Landscape Architects, Minnesota Chapter, one member of the family that donated the governor's residence to the state, if available, and eight public members with four public members' terms being coterminous with the governor who appoints them. Members of the council serve without compensation. Membership terms, removal, and filling of vacancies for members appointed by the governor are governed by section 15.0575. The council shall elect a chair and a secretary from among its members. The council expires on June 30, ~~2001~~ 2003.

Sec. 6. Minnesota Statutes 2000, section 16B.76, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] (a) The construction codes advisory council consists of the following members:

(1) the commissioner of administration or the commissioner's designee representing the department's building codes and standards division;

(2) the commissioner of health or the commissioner's designee representing an environmental health section of the department;

(3) the commissioner of public safety or the commissioner's designee representing the department's state fire marshal division;

(4) the commissioner of public service or the commissioner's designee representing the department's energy regulation and resource management division; and

(5) one member representing each of the following occupations or entities, appointed by the commissioner of administration:

(i) a certified building official;

(ii) a fire service representative;

(iii) a licensed architect;

(iv) a licensed engineer;

(v) a building owners and managers representative;

(vi) a licensed residential building contractor;

(vii) a commercial building contractor;

(viii) a heating and ventilation contractor;

(ix) a plumbing contractor;

(x) a representative of a construction and building trades union; and

(xi) a local unit of government representative.

(b) For members who are not state officials or employees, terms, compensation, removal, and the filling of vacancies are governed by section 15.059. The council shall select one of its members to serve as chair.

(c) The council expires June 30, ~~2001~~ 2003.

Sec. 7. Minnesota Statutes 2000, section 17.136, is amended to read:

17.136 [ANIMAL FEEDLOTS; POLLUTION CONTROL; FEEDLOT AND MANURE MANAGEMENT ADVISORY COMMITTEE.]

(a) The commissioner of agriculture and the commissioner of the pollution control agency shall establish a feedlot and manure management advisory committee to identify needs, goals, and suggest policies for research, monitoring, and regulatory activities regarding feedlot and manure management. In establishing the committee, the commissioner shall give first consideration to members of the existing feedlot advisory group.

(b) The committee must include representation from beef, dairy, pork, chicken, and turkey producer organizations. The committee shall not exceed 21 members, but, after June 30, 1999, must include representatives from at least four environmental organizations, eight livestock producers, four experts in soil and water science, nutrient management, and animal husbandry, one commercial solid manure applicator who is not a producer, one commercial liquid manure applicator who is not a producer, and one member from an organization representing local units of government, and chairs of the senate and the house of representatives committees that deal with agricultural policy or the designees of the chairs. In addition, the departments of agriculture, health, and natural resources, the pollution control agency, board of water and soil resources, soil and water conservation districts, the federal Natural Resource Conservation Service, the association of Minnesota counties, and the Farm Service Agency shall serve on the committee as ex officio nonvoting members.

(c) The advisory committee shall elect a chair and a vice-chair from its members. The department and the agency shall provide staff support to the committee.

(d) The commissioner of agriculture and the commissioner of the pollution control agency shall consult with the advisory committee during the development of any policies, rules, or funding proposals or recommendations relating to feedlots or feedlot-related manure management.

(e) The commissioner of agriculture shall consult with the advisory committee on establishing a list of manure management research needs and priorities.

(f) The advisory committee shall advise the commissioners on other appropriate matters.

(g) Nongovernment members of the advisory committee shall receive expenses, in accordance with section 15.059, subdivision 6. The advisory committee expires on June 30, ~~2001~~ 2003.

Sec. 8. Minnesota Statutes 2000, section 18B.305, subdivision 3, is amended to read:

Subd. 3. [PESTICIDE APPLICATOR EDUCATION AND EXAMINATION REVIEW BOARD.] (a) The commissioner shall establish and chair a pesticide applicator education and examination review board. This board, consisting of 15 members, must meet at least once a year before the initiation of pesticide educational planning programs. The purpose of the board is to discuss topics of current concern that can be incorporated into pesticide applicator training sessions and appropriate examinations. This board shall review and evaluate the various educational programs recently conducted and recommend options to increase overall effectiveness.

(b) Membership on this board must include applicators representing various licensing categories, such as agriculture, turf and ornamental, aerial, aquatic, and structural pest control and private pesticide applicators, and other governmental agencies, including the University of Minnesota, the pollution control agency, department of health, department of natural resources, and department of transportation.

(c) Membership on the board must include representatives from environmental protection organizations.

(d) This board shall review licensing and certification requirements for private, commercial, and noncommercial applicators and provide a report to the commissioner with recommendations by January 15, 1998. This board shall review category requirements and provide recommendations to the commissioner. This board expires on June 30, ~~2001~~ 2003.

Sec. 9. Minnesota Statutes 2000, section 21.112, subdivision 2, is amended to read:

Subd. 2. [ADVISORY SEED POTATO CERTIFICATION TASK FORCE.] The commissioner may appoint an advisory seed potato certification task force. If the task force is appointed each member shall be a grower in Minnesota of certified seed potatoes. The terms, compensation and removal of members shall be as provided in section 15.059. The task force shall expire June 30, ~~2001~~ 2003.

Sec. 10. Minnesota Statutes 2000, section 28A.20, is amended to read:

28A.20 [FOOD SAFETY ~~ADVISORY COMMITTEE~~ TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] A food safety ~~advisory committee~~ task force is established to advise the commissioner and the legislature on food issues and food safety.

Subd. 2. [MEMBERSHIP.] (a) The food safety ~~advisory committee~~ task force consists of:

- (1) the commissioner of agriculture;
- (2) the commissioner of health;
- (3) a representative of the United States Food and Drug Administration;
- (4) a representative of the United States Department of Agriculture;
- (5) a representative of the agricultural utilization research institute;
- (6) one person from the University of Minnesota knowledgeable in food and food safety issues; and
- (7) nine members appointed by the governor who are interested in food and food safety, of whom:
 - (i) two persons are health or food professionals;
 - (ii) one person represents a statewide general farm organization;
 - (iii) one person represents a local food inspection agency; and
 - (iv) one person represents a food-oriented consumer group.

(b) Members shall serve without compensation. Members appointed by the governor shall serve four-year terms.

Subd. 3. [ORGANIZATION.] (a) The ~~committee~~ task force shall meet monthly or as determined by the chair.

(b) The members of the ~~committee~~ task force shall annually elect a chair and other officers as they determine necessary.

Subd. 4. [STAFF.] The commissioner of agriculture shall provide support staff, office space, and administrative services for the ~~committee~~ task force.

Subd. 5. [DUTIES.] The ~~committee~~ task force shall:

- (1) coordinate educational efforts about various aspects of food safety;
- (2) provide advice and coordination to state agencies as requested by the agencies;
- (3) serve as a source of information and referral for the public, news media, and others concerned with food safety; and
- (4) make recommendations to Congress, the legislature, and others about appropriate action to improve food safety in the state.

Subd. 6. [EXPIRATION.] This section expires on June 30, ~~2001~~ 2003.

Sec. 11. Minnesota Statutes 2000, section 43A.316, subdivision 4, is amended to read:

Subd. 4. [LABOR-MANAGEMENT COMMITTEE.] The labor-management committee consists of ten members appointed by the commissioner. The labor-management committee must comprise five members who represent employees, including at least one retired employee, and five members who represent eligible employers. Committee members are eligible for expense reimbursement in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. The commissioner shall consult with the labor-management committee in major decisions that affect the program. The committee shall study issues relating to the insurance program including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency. The committee continues to exist while the program remains in operation.

Sec. 12. Minnesota Statutes 2000, section 62J.15, subdivision 1, is amended to read:

Subdivision 1. [HEALTH TECHNOLOGY ADVISORY COMMITTEE.] The legislative commission on health care access may convene or authorize the commissioner of health to convene an advisory committee to conduct evaluations of existing research and technology assessments conducted by other entities of new and existing health care technologies as designated by the legislative commission on health care access, the commissioner, or the advisory committee. The advisory committee must include at least one person representing physicians, at least one person representing hospitals, and at least one person representing the health care technology industry. Health care technologies include high-cost drugs, devices, procedures, or processes applied to human health care, such as high-cost transplants and expensive scanners and imagers. The advisory committee is governed by section 15.0575, ~~subdivision 3~~, except that members do not receive per diem payments.

Sec. 13. Minnesota Statutes 2000, section 62J.46, subdivision 1, is amended to read:

Subdivision 1. [LONG-TERM CARE COSTS.] The commissioner, ~~with the advice of the interagency long-term care planning committee established under section 144A.31~~, shall use existing state data resources to monitor trends in public and private spending on long-term care costs and spending in Minnesota. The commissioner shall recommend to the legislature any additional data collection activities needed to monitor these trends. State agencies collecting information on long-term care spending and costs shall coordinate with the interagency long-term care planning committee and the commissioner to facilitate the monitoring of long-term care expenditures in the state.

Sec. 14. Minnesota Statutes 2000, section 62J.692, subdivision 2, is amended to read:

Subd. 2. [MEDICAL EDUCATION AND RESEARCH ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee to provide advice and oversight on the distribution of funds appropriated for distribution under this section. In appointing the members, the commissioner shall:

- (1) consider the interest of all stakeholders;
- (2) appoint members that represent both urban and rural interests; and
- (3) appoint members that represent ambulatory care as well as inpatient perspectives.

The commissioner shall appoint to the advisory committee representatives of the following groups to ensure appropriate representation of all eligible provider groups and other stakeholders: public and private medical researchers; public and private academic medical centers, including representatives from academic centers offering accredited training programs for physicians, pharmacists, chiropractors, dentists, nurses, and physician assistants; managed care organizations; employers; consumers and other relevant stakeholders. The advisory committee is governed by section 15.059 ~~for membership terms and removal of members and expires on June 30, 2001.~~

Sec. 15. Minnesota Statutes 2000, section 62Q.03, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC PROGRAMS.] (a) A separate risk adjustment system must be developed for state-run public programs, including medical assistance, general assistance medical care, and MinnesotaCare. The system must be developed in accordance with the general risk adjustment methodologies described in this section, must include

factors in addition to age and sex adjustment, and may include additional demographic factors, different targeted conditions, and/or different payment amounts for conditions. The risk adjustment system for public programs must attempt to reflect the special needs related to poverty, cultural, or language barriers and other needs of the public program population.

~~(b) The commissioners of health and human services shall jointly convene a public programs risk adjustment work group responsible for advising the commissioners in the design of the public programs risk adjustment system. The public programs risk adjustment work group is governed by section 15.059 for purposes of membership terms, expiration, and removal of members. The work group shall meet at the discretion of the commissioners of health and human services. The commissioner of health shall work with the risk adjustment association to ensure coordination between the risk adjustment systems for the public and private sectors. The commissioner of human services shall seek any needed federal approvals necessary for the inclusion of the medical assistance program in the public programs risk adjustment system.~~

~~(c) The public programs risk adjustment work group must be representative of the persons served by publicly paid health programs and providers and health plans that meet their needs. To the greatest extent possible, the appointing authorities shall attempt to select representatives that have historically served a significant number of persons in publicly paid health programs or the uninsured. Membership of the work group shall be as follows:~~

~~(1) one provider member appointed by the Minnesota Medical Association;~~

~~(2) two provider members appointed by the Minnesota Hospital Association, at least one of whom must represent a major disproportionate share hospital;~~

~~(3) five members appointed by the Minnesota Council of HMOs, one of whom must represent an HMO with fewer than 50,000 enrollees located outside the metropolitan area and one of whom must represent an HMO with at least 50 percent of total membership enrolled through a public program;~~

~~(4) two representatives of counties appointed by the Association of Minnesota Counties;~~

~~(5) three representatives of organizations representing the interests of families, children, childless adults, and elderly persons served by the various publicly paid health programs appointed by the governor;~~

~~(6) two representatives of persons with mental health, developmental or physical disabilities, chemical dependency, or chronic illness appointed by the governor; and~~

~~(7) three public members appointed by the governor, at least one of whom must represent a community health board. The risk adjustment association may appoint a representative, if a representative is not otherwise appointed by an appointing authority.~~

~~(d) The commissioners of health and human services, with the advice of the public programs risk adjustment work group, shall develop a work plan and time frame and shall coordinate their efforts with the private sector risk adjustment association's activities and other state initiatives related to public program managed care reimbursement.~~

~~(e) Before including risk adjustment in a contract for the prepaid medical assistance program, the prepaid general assistance medical care program, or the MinnesotaCare program, the commissioner of human services shall provide to the contractor an analysis of the expected impact on the contractor of the implementation of risk adjustment. This analysis may be limited by the available data and resources, as determined by the commissioner, and shall not be binding on future contract periods. This paragraph shall not apply if the contractor has not supplied information to the commissioner related to the risk adjustment analysis.~~

(f) The commissioner of human services shall ~~report to the public program risk adjustment work group on the methodology the department will use for risk adjustment prior to implementation of the risk adjustment payment methodology. Upon completion of the report to the work group, the commissioner shall~~ phase in risk adjustment according to the following schedule:

- (1) for the first contract year, no more than ten percent of reimbursements shall be risk adjusted; and
- (2) for the second contract year, no more than 30 percent of reimbursements shall be risk adjusted.

Sec. 16. Minnesota Statutes 2000, section 82B.05, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The real estate appraiser advisory board consists of 15 members appointed by the commissioner of commerce. Three of the members must be public members, four must be consumers of appraisal services, and eight must be real estate appraisers of whom not less than two members shall be registered real property appraisers, licensed real property appraisers, or certified residential real property appraisers and not less than two members shall be certified general real property appraisers. The board is governed by section 15.0575.

Sec. 17. Minnesota Statutes 2000, section 115A.12, is amended to read:

115A.12 [ADVISORY COUNCILS.]

(a) The director shall establish a solid waste management advisory council and a prevention, reduction, and recycling advisory council that are broadly representative of the geographic areas and interests of the state.

(b) The solid waste council shall have not less than nine nor more than 21 members. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least three members experienced in the private recycling industry and at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery.

(c) The prevention, reduction, and recycling advisory council shall have not less than nine nor more than 24 members. The membership shall consist of one-third citizen representatives, one-third representatives of government, and one-third representatives of business and industry. The director may appoint nonvoting members from other environmental and business assistance providers in the state.

(d) The chairs of the advisory councils shall be appointed by the director. The director shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the director. The solid waste advisory council shall make recommendations to the office on its solid waste management activities. The prevention, reduction, and recycling advisory council shall make recommendations to the office on policy, programs, and legislation in pollution prevention, waste reduction, reuse and recycling, resource conservation, and the management of hazardous waste. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the director. Notwithstanding section 15.059, subdivision 5, the solid waste management advisory council and the prevention, reduction, and recycling advisory council expire June 30, ~~2001~~ 2003.

Sec. 18. Minnesota Statutes 2000, section 116P.06, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] (a) An advisory committee of 11 citizen members shall be appointed by the governor to advise the legislative commission on Minnesota resources on project proposals to receive funding from the trust fund and the development of budget and strategic plans. The governor shall appoint at least one member from each congressional district. ~~The governor members shall~~ appoint ~~elect~~ the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575. Notwithstanding section 15.059, subdivision 5, or other law to the contrary, the advisory committee does not expire.

Sec. 19. Minnesota Statutes 2000, section 122A.624, subdivision 2, is amended to read:

Subd. 2. [~~ADVISORY TASK FORCE; PROGRAM IMPLEMENTATION.~~] The commissioner of children, families, and learning shall develop and maintain a program of educational effectiveness and results-oriented education. ~~The commissioner may appoint an advisory task force to assist the department of children, families, and learning in developing an implementation program for providing staff development to school district staff in educational effectiveness.~~ The program shall be based on established principles of instructional design and the essential elements of effective instruction as determined by educational research. The program shall take into account the diverse needs of the school districts due to such factors as district size and location.

Sec. 20. Minnesota Statutes 2000, section 144.1481, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The commissioner of health shall establish a 15-member rural health advisory committee. The committee shall consist of the following members, all of whom must reside outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathy licensed under chapter 147;

(7) a midlevel practitioner;

(8) a registered nurse or licensed practical nurse;

(9) a licensed health care professional from an occupation not otherwise represented on the committee;

(10) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers; and

(11) three consumers, at least one of whom must be an advocate for persons who are mentally ill or developmentally disabled.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The terms, compensation, and removal of members are advisory committee is governed by section 15.059, except that the existence of the committee does not terminate and members do not receive per diem compensation.

Sec. 21. Minnesota Statutes 2000, section 144.672, subdivision 1, is amended to read:

Subdivision 1. [RULE AUTHORITY.] The commissioner of health shall collect cancer incidence information, analyze the information, and conduct special studies designed to determine the potential public health significance of an increase in cancer incidence.

The commissioner shall adopt rules to administer the system, collect information, and distribute data. The rules must include, but not be limited to, the following:

- (1) the type of data to be reported;
- (2) standards for reporting specific types of data;
- (3) payments allowed to hospitals, pathologists, and registry systems to defray their costs in providing information to the system;
- (4) criteria relating to contracts made with outside entities to conduct studies using data collected by the system. The criteria may include requirements for a written protocol outlining the purpose and public benefit of the study, the description, methods, and projected results of the study, peer review by other scientists, the methods and facilities to protect the privacy of the data, and the qualifications of the researcher proposing to undertake the study; and
- (5) specification of fees to be charged under section 13.03, subdivision 3, for all out-of-pocket expenses for data summaries or specific analyses of data requested by public and private agencies, organizations, and individuals, and which are not otherwise included in the commissioner's annual summary reports. Fees collected are appropriated to the commissioner to offset the cost of providing the data; ~~and~~
- ~~(6) establishment of a committee to assist the commissioner in the review of system activities. The committee is governed by section 15.059, except it expires June 30, 2001.~~

Sec. 22. Minnesota Statutes 2000, section 144A.073, subdivision 2, is amended to read:

Subd. 2. [REQUEST FOR PROPOSALS.] At the authorization by the legislature of additional medical assistance expenditures for exceptions to the moratorium on nursing homes, the ~~interagency committee~~ commissioner shall publish in the State Register a request for proposals for nursing home projects to be licensed or certified under section 144A.071, subdivision 4a, clause (c). The public notice of this funding and the request for proposals must specify how the approval criteria will be prioritized by the ~~advisory review panel, the interagency long-term care planning committee, and the commissioner.~~ The notice must describe the information that must accompany a request and state that proposals must be submitted to the ~~interagency committee~~ commissioner within 90 days of the date of publication. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the ~~interagency committee~~ commissioner shall publish a notice to that effect, and no proposals shall be requested. If money is appropriated, the ~~interagency committee~~ commissioner shall initiate the application and review process described in this section at least twice each biennium and up to four times each biennium, according to dates established by rule. Authorized funds shall be allocated proportionally to the number of processes. Funds not encumbered by an earlier process within a biennium shall carry forward to subsequent iterations of the process. Authorization for expenditures does not carry forward into the following biennium. To be considered for approval, a proposal must include the following information:

- (1) whether the request is for renovation, replacement, upgrading, conversion, or relocation;
- (2) a description of the problem the project is designed to address;
- (3) a description of the proposed project;

(4) an analysis of projected costs of the nursing facility proposal, which are not required to exceed the cost threshold referred to in section 144A.071, subdivision 1, to be considered under this section, including initial construction and remodeling costs; site preparation costs; financing costs, including the current estimated long-term financing costs of the proposal, which consists of estimates of the amount and sources of money, reserves if required under the proposed funding mechanism, annual payments schedule, interest rates, length of term, closing costs and fees, insurance costs, and any completed marketing study or underwriting review; and estimated operating costs during the first two years after completion of the project;

(5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;

(6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement;

(7) the proposed timetable for commencing construction and completing the project;

(8) a statement of any licensure or certification issues, such as certification survey deficiencies;

(9) the proposed relocation plan for current residents if beds are to be closed so that the department of human services can estimate the total costs of a proposal; and

(10) other information required by permanent rule of the commissioner of health in accordance with subdivisions 4 and 8.

Sec. 23. Minnesota Statutes 2000, section 144A.073, subdivision 3, is amended to read:

Subd. 3. [REVIEW AND APPROVAL OF PROPOSALS.] Within the limits of money specifically appropriated to the medical assistance program for this purpose, ~~the interagency long-term care planning committee may recommend that~~ the commissioner of health may grant exceptions to the nursing home licensure or certification moratorium for proposals that satisfy the requirements of this section. ~~The interagency committee shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the committee. The commissioners of human services and health shall provide staff and technical assistance to the committee for the review and analysis of proposals. The interagency committee shall hold a public hearing before submitting recommendations to the commissioner of health on project requests. The committee shall submit recommendations within 150 days of the date of the publication of the notice. The commissioner of health shall approve or disapprove a project within 30 days after receiving the committee's recommendations. The advisory review panel, the committee, and the commissioner of health shall base their recommendations, approvals, or disapprovals on a comparison and ranking of proposals using only the criteria in subdivision 4 and in rules adopted by the commissioner. The cost to the medical assistance program of the proposals approved must be within the limits of the appropriations specifically made for this purpose. Approval of a proposal expires 18 months after approval by the commissioner of health unless the facility has commenced construction as defined in section 144A.071, subdivision 1a, paragraph (d). The committee's report to the legislature, as required under section 144A.31, must include the projects approved, the criteria used to recommend proposals for approval, and the estimated costs of the projects, including the costs of initial construction and remodeling, and the estimated operating costs during the first two years after the project is completed.~~

Sec. 24. Minnesota Statutes 2000, section 144A.073, subdivision 3c, is amended to read:

Subd. 3c. [COST NEUTRAL RELOCATION PROJECTS.] (a) Notwithstanding subdivision 3, the ~~interagency committee~~ commissioner may at any time accept proposals, or amendments to proposals previously approved under this section, for relocations that are cost neutral with respect to state costs as defined in section 144A.071, subdivision 5a. ~~The committee~~ commissioner, in consultation with the commissioner of human services, shall review these applications and make recommendations to the commissioner within 90 days. The ~~committee~~ must evaluate proposals according to subdivision 4, clauses (1), (2), and (3), and other criteria established in rule. The

commissioner shall approve or disapprove a project within ~~30~~ 90 days ~~of receiving the committee's recommendation.~~ Proposals and amendments approved under this subdivision are not subject to the six-mile limit in subdivision 5, paragraph (e).

(b) For the purposes of paragraph (a), cost neutrality shall be measured over the first three 12-month periods of operation after completion of the project.

Sec. 25. Minnesota Statutes 2000, section 145A.10, subdivision 10, is amended to read:

Subd. 10. [STATE AND LOCAL ADVISORY COMMITTEES.] (a) A state community health advisory committee is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, funding, and evaluation of community health services. ~~Section 15.059, subdivision 5, applies to this committee.~~ Each community health board may appoint a member to serve on the committee. The committee must meet at least quarterly, and special meetings may be called by the committee chair or a majority of the members. Members or their alternates may receive a per diem and must be reimbursed for travel and other necessary expenses while engaged in their official duties.

(b) The city councils or county boards that have established or are members of a community health board must appoint a community health advisory committee to advise, consult with, and make recommendations to the community health board on matters relating to the development, maintenance, funding, and evaluation of community health services. The committee must consist of at least five members and must be generally representative of the population and health care providers of the community health service area. The committee must meet at least three times a year and at the call of the chair or a majority of the members. Members may receive a per diem and reimbursement for travel and other necessary expenses while engaged in their official duties.

(c) State and local advisory committees must adopt bylaws or operating procedures that specify the length of terms of membership, procedures for assuring that no more than half of these terms expire during the same year, and other matters relating to the conduct of committee business. Bylaws or operating procedures may allow one alternate to be appointed for each member of a state or local advisory committee. Alternates may be given full or partial powers and duties of members.

Sec. 26. Minnesota Statutes 2000, section 148C.11, subdivision 3, is amended to read:

Subd. 3. [FEDERALLY RECOGNIZED TRIBES; ETHNIC MINORITIES.] (a) Alcohol and drug counselors licensed to practice alcohol and drug counseling according to standards established by federally recognized tribes, while practicing under tribal jurisdiction, are exempt from the requirements of this chapter. In practicing alcohol and drug counseling under tribal jurisdiction, individuals licensed under that authority shall be afforded the same rights, responsibilities, and recognition as persons licensed pursuant to this chapter.

(b) The commissioner shall develop special licensing criteria for issuance of a license to alcohol and drug counselors who: (1) practice alcohol and drug counseling with a member of an ethnic minority population or with a person with a disability as defined by rule; or (2) are employed by agencies whose primary agency service focus addresses ethnic minority populations or persons with a disability as defined by rule. These licensing criteria may differ from the licensing criteria specified in section 148C.04. To develop, implement, and evaluate the effect of these criteria, the commissioner shall establish a committee comprised of, but not limited to, representatives from the Minnesota commission serving deaf and hard-of-hearing people, the council on affairs of Chicano/Latino people, the council on Asian-Pacific Minnesotans, the council on Black Minnesotans, the council on disability, and the Indian affairs council. The committee does not expire.

Sec. 27. Minnesota Statutes 2000, section 161.1419, subdivision 2, is amended to read:

Subd. 2. [MEMBERS.] (a) The commission shall be composed of ~~ten~~ 15 members of ~~which~~ whom:

(1) one shall be appointed by the commissioner of transportation;

(2) one shall be appointed by the commissioner of natural resources;

(3) one shall be appointed by the commissioner of trade and economic development;

(4) one shall be appointed by the commissioner of agriculture;

(5) one shall be appointed by the director of the Minnesota historical society;

(6) two shall be members of the senate to be appointed by the committee on committees; ~~and;~~

(7) two shall be members of the house of representatives to be appointed by the speaker. ~~The tenth member;~~

(8) one shall be the secretary appointed pursuant to subdivision 3; and

(9) ~~five shall be citizen members appointed by five citizen committees established by the members appointed under clauses (1) to (8), with each citizen committee established within and representing each of the following geographic segments along the Mississippi river:~~

(i) Lake Itasca to but not including the city of Grand Rapids;

(ii) Grand Rapids to but not including the city of Brainerd;

(iii) Brainerd to but not including the city of Elk River;

(iv) Elk River to but not including the city of Hastings; and

(v) Hastings to the Iowa border.

Each citizen committee member shall be a resident of the geographic segment that the committee and member represents.

~~(b) The members of the commission shall be selected immediately after May 27, 1963, and shall serve for a term expiring at the close of the next each regular session of the legislature and until their successors are appointed. Successor members shall be appointed at the close of each regular session of the legislature by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota historical society shall be ex officio members, and shall be in addition to the ten 15 members heretofore provided for. Immediately upon making the appointments to the commission the appointing authorities shall so notify the Mississippi river parkway commission, hereinafter called the national commission, giving the names and addresses of the members so appointed.~~

Sec. 28. Minnesota Statutes 2000, section 161.1419, subdivision 8, is amended to read:

Subd. 8. [EXPIRATION.] The commission shall expire on June 30, ~~2001~~ 2003.

Sec. 29. Minnesota Statutes 2000, section 161.17, subdivision 2, is amended to read:

Subd. 2. [INTERSTATE SYSTEM.] (a) It is hereby declared that construction of the interstate system of highways will vitally affect the future development of the cities through which these routes pass and such municipalities should have an important role in the development of this highway system; that on the other hand the future planning and programming of construction projects over a period of years is necessary to take maximum advantage of federal aid and to build a unified and coordinated interstate system; that excessive delay in local approval of plans for construction of one segment may seriously impede completion of the entire system and adversely affect other municipalities along the interstate routes; that the mutual exchange of information and close

cooperation between the department and local governing bodies should be encouraged by improved administrative processes for securing orderly review of plans and the resolution of differences over interstate routes and projects; and that the provisions of sections 161.171 to 161.177 for local approval of trunk highway plans must be modified for the interstate highway system in the light of these various considerations. Before proceeding with the preparation of the final plans for the construction, reconstruction, or improvement of any route on the interstate system lying within any city, the commissioner shall submit to its governing body preliminary plans covering the route location. The preliminary plans shall be submitted as part of a report containing such supporting data that the commissioner deems helpful to the governing body in appraising the plans submitted.

(b) Any public hearing on location of an interstate route held in compliance with federal requirements shall be held at least one month after submission to the governing body of the report provided for in this subdivision. After the public hearing and on preparing final plans, the commissioner shall submit the final plans to the governing body for approval. If the governing body does not approve the final plans within three months after submitted, the commissioner may refer the plans to (1) the ~~Twin Cities Metropolitan Area Planning Commission~~ metropolitan council, if the project is within the area of its jurisdiction, or (2) the municipal advisory committee on state-aid rules established under section 162.09, subdivision 2, if the project is elsewhere in the state. If a member of the advisory committee is from the municipality concerned that member shall be excused. If the plans are so referred, the ~~commission council~~ or committee shall give the commissioner and the governing body ample opportunity to present the case for or against approval of the plans so referred. Not later than three months after such hearings and independent study as it deems desirable, it shall approve or disapprove such plans, making such additional recommendations consistent with state and federal requirements as it deems appropriate, and it shall submit a written report containing its findings and recommendations to the commissioner and the governing body. The commissioner shall not proceed with the proposed construction, reconstruction, or improvement except in accordance with plans approved by the governing body or, if referred to the ~~commission council~~ or committee, until after the ~~commission council~~ or committee has made its report, and then only after the governing body has had an additional 90 days within which to consider the plans originally submitted or such modified plans as may be submitted to it by the commissioner following the report of the ~~commission council~~ or committee. If within such 90-day period, the governing body does not approve the plans submitted to it, and if the commissioner then wishes to proceed with the project according to plans differing substantially from the plans recommended by the ~~commission council~~ or committee in its report, the commissioner shall, before proceeding with the project, file a written report with the ~~commission council~~ or committee and the governing body stating fully the reasons for doing so. Whenever plans are referred to the ~~Twin Cities Metropolitan Area Planning Commission~~ metropolitan council, the ~~commission council~~ shall be reimbursed from the trunk highway fund for actual and necessary expenses incurred by the ~~commission council~~ in staff work incident to consideration of plans and action thereon by the ~~commission council~~. Whenever plans are referred to the advisory committee on rules, members of the committee shall be paid their necessary expenses to the same extent and in the same manner as for its duties in considering the commissioner's rules.

Sec. 30. Minnesota Statutes 2000, section 174.55, subdivision 1, is amended to read:

Subdivision 1. [CREATION AND PURPOSE.] ~~★ The major transportation projects commission is created to~~ shall review and comment on proposed major transportation projects in which the department of transportation is involved. The commission does not expire.

Sec. 31. Minnesota Statutes 2000, section 175.007, subdivision 1, is amended to read:

Subdivision 1. [CREATION; COMPOSITION.] (a) There is created a permanent council on workers' compensation consisting of 12 voting members as follows: the presidents of the largest statewide Minnesota business and organized labor organizations as measured by the number of employees of its business members and in its affiliated labor organizations in Minnesota on July 1, 1992, and every five years thereafter; five additional members representing business, and five additional members representing organized labor. The commissioner of labor and industry shall serve as chair of the council and shall be a nonvoting member. Notwithstanding section 15.059, this council does not expire unless the council no longer fulfills the purpose for which the council was established, the council has not met in the last 18 months, or the council does not comply with the registration requirements of section 15.0599, subdivision 3.

(b) The governor, the majority leader of the senate, the speaker of the house of representatives, the minority leader of the senate, and the minority leader of the house of representatives shall each select a business and a labor representative. At least four of the labor representatives shall be chosen from the affiliated membership of the Minnesota AFL-CIO. At least two of the business representatives shall be representatives of small employers as defined in section 177.24, subdivision 1, paragraph (a), clause (2). None of the council members shall represent attorneys, health care providers, qualified rehabilitation consultants, or insurance companies. If the appointing officials cannot agree on a method of appointing the required number of Minnesota AFL-CIO and small business representatives by the second Monday in June of the year in which appointments are made, they shall notify the secretary of state. The distribution of appointments shall then be determined publicly by lot by the secretary of state or a designee in the presence of the appointing officials or their designees on the third Monday in June.

(c) Each council member shall appoint an alternate. Alternates shall serve in the absence of the member they replace.

(d) The ten appointed voting members shall serve for terms of five years and may be reappointed.

(e) The council shall designate liaisons to the council representing workers' compensation insurers; medical, hospital, and rehabilitation providers; and the legal profession. The speaker and minority leader of the house of representatives shall each appoint a caucus member as a liaison to the council. The majority and minority leaders of the senate shall each appoint a caucus member to serve as a liaison to the council.

(f) The compensation and removal of members shall be as provided in section 15.059.

Sec. 32. Minnesota Statutes 2000, section 175.008, is amended to read:

175.008 [CODE ENFORCEMENT ADVISORY COUNCIL; CREATION.]

The commissioner shall appoint an 11 member advisory council on code enforcement. The terms, compensation, removal of council members, and expiration of the council are governed by section 15.059, except that the advisory council shall not expire before June 30, ~~2001~~ 2003. The council shall advise the commissioner on matters within the council's expertise or under the regulation of the commissioner.

Sec. 33. Minnesota Statutes 2000, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an ex officio member and two members each from employers, insurers, rehabilitation, and medicine, one member representing chiropractors, and four members representing labor. The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Terms, compensation, and removal for members shall be governed by section 15.0575. Notwithstanding section 15.059, this panel does not expire unless the panel no longer fulfills the purpose for which the panel was established, the panel has not met in the last 18 months, or the panel does not comply with the registration requirements of section 15.0599, subdivision 3. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 34. Minnesota Statutes 2000, section 176.103, subdivision 3, is amended to read:

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, one physical therapist, and six physicians representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner

and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board may appoint from its members whatever subcommittees it deems appropriate. Notwithstanding section 15.059, this board does not expire unless the board no longer fulfills the purpose for which the board was established, the board has not met in the last 18 months, or the board does not comply with the registration requirements of section 15.0599, subdivision 3.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one chiropractor, one physical therapist, one hospital administrator, three physicians, one employee representative, one employer or insurer representative, and one representative of the general public.

The board shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.

The board shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The board shall assist the commissioner in accomplishing public education.

In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:

- (1) the clinical effectiveness of the treatment;
- (2) the clinical cost of the treatment; and
- (3) the length of time of treatment.

The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The medical services review board may upon petition from the commissioner and after hearing, issue a warning, a penalty of \$200 per violation, a restriction on providing treatment that requires preauthorization by the board, commissioner, or compensation judge for a plan of treatment, disqualify, or suspend a provider from receiving payment for services rendered under this chapter if a provider has violated any part of this chapter or rule adopted under this chapter, or where there has been a pattern of, or an egregious case of, inappropriate, unnecessary, or excessive treatment by a provider. The hearings are initiated by the commissioner under the contested case procedures of chapter 14. The board shall make the final decision following receipt of the recommendation of the administrative law judge. The board's decision is appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

(c) The board may adopt rules of procedure. The rules may be joint rules with the rehabilitation review panel.

Sec. 35. Minnesota Statutes 2000, section 178.02, subdivision 2, is amended to read:

Subd. 2. [TERMS.] The council shall expire and the terms, compensation, and removal of appointed members shall be as provided in section 15.059, except that the council shall not expire before June 30, ~~2001~~ 2003.

Sec. 36. Minnesota Statutes 2000, section 182.656, subdivision 3, is amended to read:

Subd. 3. A majority of the council members constitutes a quorum. The council shall meet at the call of its chair, or upon request of any six members. A tape recording of the meeting with the tape being retained for a one-year period will be available upon the request and payment of costs to any interested party. The council shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059, except that the council shall not expire before June 30, ~~2001~~ 2003.

Sec. 37. Minnesota Statutes 2000, section 214.001, is amended by adding a subdivision to read:

Subd. 4. [INFORMATION FROM COUNCIL OF HEALTH BOARDS.] The chair of a standing committee in either house of the legislature may request information from the council of health boards on proposals relating to the regulation of health occupations.

Sec. 38. Minnesota Statutes 2000, section 214.002, subdivision 1, is amended to read:

Subdivision 1. [WRITTEN REPORT.] Within 15 days of the introduction of a bill proposing new or expanded regulation of an occupation, the proponents of the new or expanded regulation shall submit a written report to the chair of the standing committee in each house of the legislature to which the bill was referred and to the council of health boards setting out the information required by this section. If a committee chair requests that the report be submitted earlier, but no fewer than five days from introduction of the bill, the proponents shall comply with the request.

Sec. 39. Minnesota Statutes 2000, section 214.01, is amended by adding a subdivision to read:

Subd. 1a. [COUNCIL OF HEALTH BOARDS.] "Council of health boards" means a collaborative body established by the health-related licensing boards.

Sec. 40. [214.025] [COUNCIL OF HEALTH BOARDS.]

The health-related licensing boards may establish a council of health boards consisting of representatives of the health-related licensing boards and the emergency medical services regulatory board. When reviewing legislation or legislative proposals relating to the regulation of health occupations, the council shall include the commissioner of health or a designee.

Sec. 41. Minnesota Statutes 2000, 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. 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.

The advisory committee expires June 30, ~~2001~~ 2003.

Sec. 42. [245.699] [AMERICAN INDIAN MENTAL HEALTH ADVISORY COUNCIL.]

The commissioner shall appoint an American Indian mental health advisory council to help formulate policies and procedures relating to Indian mental health services and programs and to make recommendations regarding approval of grants provided under section 245.713, subdivision 2. The council consists of 15 members appointed by the commissioner and must include representatives who are authorized by tribal resolution from each of the 11 Minnesota reservations; one representative from the Duluth urban Indian community; two from the Minneapolis urban Indian community; and one from the St. Paul urban Indian community. Representatives from the urban Indian communities must be selected through an open appointments process under section 15.059. The terms, compensation, and removal of American Indian mental health advisory council members are governed by section 15.059.

Sec. 43. Minnesota Statutes 2000, section 248.10, is amended to read:

248.10 [REHABILITATION ~~ADVISORY~~ COUNCIL FOR THE BLIND.]

The commissioner shall establish a rehabilitation ~~advisory~~ council for the blind consistent with the federal Rehabilitation Act of 1973, Public Law Number 93-112, as amended. ~~Advisory~~ Council members shall be compensated as provided in section 15.059, subdivision 3. ~~Members of the council for the blind appointed before July 1, 1993, shall serve on the advisory council until the end of their appointed terms. The advisory council shall advise the commissioner about programs of the division of state services for the blind and visually disabled. The advisory council is limited to 15 members, a majority of whom must be blind or visually disabled.~~

Sec. 44. Minnesota Statutes 2000, section 254A.03, subdivision 2, is amended to read:

Subd. 2. [AMERICAN INDIAN PROGRAMS.] There is hereby created a section of American Indian programs, within the alcohol and drug abuse section of the department of human services, to be headed by a special assistant for American Indian programs on alcoholism and drug abuse and ~~an assistant~~ two assistants to that position. The section shall be staffed with all personnel necessary to fully administer programming for alcohol and drug abuse for American Indians in the state. The special assistant position shall be filled by a person with considerable practical experience in and understanding of alcohol and other drug abuse problems in the American Indian community, who shall be responsible to the director of the alcohol and drug abuse section created in subdivision 1 and shall be in the unclassified service. The special assistant shall meet and consult with the American Indian advisory council as described in section 254A.035 and serve as a liaison to the Minnesota Indian affairs council and tribes to report on the status of alcohol and other drug abuse among American Indians in the state of Minnesota. The special assistant with the approval of the director shall:

(a) administer funds appropriated for American Indian groups, organizations and reservations within the state for American Indian alcoholism and drug abuse programs; ~~;~~

(b) establish policies and procedures for such American Indian programs with the assistance of the American Indian advisory board; ~~;~~ and

(c) hire and supervise staff to assist in the administration of the American Indian program section within the alcohol and drug abuse section of the department of human services.

Sec. 45. Minnesota Statutes 2000, section 256.482, subdivision 8, is amended to read:

Subd. 8. [SUNSET.] Notwithstanding section 15.059, subdivision 5, the council on disability shall not sunset until June 30, ~~2001~~ 2003.

Sec. 46. Minnesota Statutes 2000, section 256B.0917, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE, MISSION, GOALS, AND OBJECTIVES.] (a) The purpose of implementing seniors' agenda for independent living (SAIL) projects under this section is to demonstrate a new cooperative strategy for the long-term care system in the state of Minnesota.

The projects are part of the initial plan for a 20-year strategy. The mission of the 20-year strategy is to create a new community-based care paradigm for long-term care in Minnesota in order to maximize independence of the older adult population, and to ensure cost-effective use of financial and human resources. The goals for the 20-year strategy are to:

- (1) achieve a broad awareness and use of low-cost home care and other residential alternatives to nursing homes;
- (2) develop a statewide system of information and assistance to enable easy access to long-term care services;
- (3) develop sufficient alternatives to nursing homes to serve the increased number of people needing long-term care;

(4) maintain the moratorium on new construction of nursing home beds and to lower the percentage of elderly persons served in institutional settings; and

(5) build a community-based approach and community commitment to delivering long-term care services for elderly persons in their homes.

(b) The objective for the fiscal years 1994 and 1995 biennial plan is to continue at least four but not more than six projects in anticipation of a statewide program. These projects will continue the process of implementing:

- (1) a coordinated planning and administrative process;
- (2) a refocused function of the preadmission screening program;
- (3) the development of additional home, community, and residential alternatives to nursing homes;
- (4) a program to support the informal caregivers for elderly persons;
- (5) programs to strengthen the use of volunteers; and
- (6) programs to support the building of community commitment to provide long-term care for elderly persons.

~~This is done in conjunction with an expanded role of the interagency long-term care planning committee as described in section 144A.31.~~ The services offered through these projects ~~will be~~ are available to those who have their own funds to pay for services, as well as to persons who are eligible for medical assistance and to persons who are 180-day eligible clients to the extent authorized in this section.

Sec. 47. Minnesota Statutes 2000, section 256B.0917, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF SAIL PROJECTS; LOCAL LONG-TERM CARE COORDINATING TEAM.] (a) The commissioner of human services ~~in conjunction with the interagency long-term care planning committee's long-range strategic plan~~ shall contract with SAIL projects in four to six counties or groups of counties to

demonstrate the feasibility and cost-effectiveness of a local long-term care strategy that is consistent with the state's long-term care goals identified in subdivision 1. The commissioner shall publish a notice in the State Register announcing the availability of project funding and giving instructions for making an application. The instructions for the application shall identify the amount of funding available for project components.

(b) To be selected for the project, a county board or boards must establish a long-term care coordinating team consisting of county social service agencies, public health nursing service agencies, local boards of health, a representative of local nursing home providers, a representative of local home care providers, and the area agencies on aging in a geographic area which is responsible for:

(1) developing a local long-term care strategy consistent with state goals and objectives;

(2) submitting an application to be selected as a project;

(3) coordinating planning for funds to provide services to elderly persons, including funds received under Title III of the Older Americans Act, Community Social Services Act, Title XX of the Social Security Act and the Local Public Health Act; and

(4) ensuring efficient services provision and nonduplication of funding.

(c) The board or boards shall designate a public agency to serve as the lead agency. The lead agency receives and manages the project funds from the state and is responsible for the implementation of the local strategy. If selected as a project, the local long-term care coordinating team must semiannually evaluate the progress of the local long-term care strategy in meeting state measures of performance and results as established in the contract.

(d) Each member of the local coordinating team must indicate its endorsement of the local strategy. The local long-term care coordinating team may include in its membership other units of government which provide funding for services to the frail elderly. The team must cooperate with consumers and other public and private agencies, including nursing homes, in the geographic area in order to develop and offer a variety of cost-effective services to the elderly and their caregivers.

(e) The board or boards shall apply to be selected as a project. If the project is selected, the commissioner of human services shall contract with the lead agency for the project and shall provide additional administrative funds for implementing the provisions of the contract, within the appropriation available for this purpose.

(f) Projects shall be selected according to the following conditions.

No project may be selected unless it demonstrates that:

(i) the objectives of the local project will help to achieve the state's long-term care goals as defined in subdivision 1;

(ii) in the case of a project submitted jointly by several counties, all of the participating counties are contiguous;

(iii) there is a designated local lead agency that is empowered to make contracts with the state and local vendors on behalf of all participants;

(iv) the project proposal demonstrates that the local cooperating agencies have the ability to perform the project as described and that the implementation of the project has a reasonable chance of achieving its objectives;

(v) the project will serve an area that covers at least four counties or contains at least 2,500 persons who are 85 years of age or older, according to the projections of the state demographer or the census if the data is more recent; and

(vi) the local coordinating team documents efforts of cooperation with consumers and other agencies and organizations, both public and private, in planning for service delivery.

Sec. 48. Minnesota Statutes 2000, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. [STATE TRAUMATIC BRAIN INJURY PROGRAM.] The commissioner of human services shall:

- (1) maintain a statewide traumatic brain injury program;
- (2) supervise and coordinate services and policies for persons with traumatic brain injuries;
- (3) contract with qualified agencies or employ staff to provide statewide administrative case management and consultation;
- (4) maintain an advisory committee to provide recommendations in reports to the commissioner regarding program and service needs of persons with traumatic brain injuries. ~~The advisory committee shall consist of no less than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair;~~

(5) investigate the need for the development of rules or statutes for the traumatic brain injury home and community-based services waiver; ~~and~~

(6) investigate present and potential models of service coordination which can be delivered at the local level; and

(7) the advisory committee required by clause (4) must consist of no fewer than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one or two-year terms and appoint one member as chair. Notwithstanding section 15.059, subdivision 5, the advisory committee does not terminate until June 30, 2005.

Sec. 49. Minnesota Statutes 2000, section 256B.69, subdivision 5b, is amended to read:

Subd. 5b. [PROSPECTIVE REIMBURSEMENT RATES.] (a) For prepaid medical assistance and general assistance medical care program contract rates set by the commissioner under subdivision 5 and effective on or after January 1, 1998, capitation rates for nonmetropolitan counties shall on a weighted average be no less than 88 percent of the capitation rates for metropolitan counties, excluding Hennepin county. The commissioner shall make a pro rata adjustment in capitation rates paid to counties other than nonmetropolitan counties in order to make this provision budget neutral.

(b) For prepaid medical assistance program contract rates set by the commissioner under subdivision 5 and effective on or after January 1, 2001, capitation rates for nonmetropolitan counties shall, on a weighted average, be no less than 89 percent of the capitation rates for metropolitan counties, excluding Hennepin county.

(c) This subdivision shall not affect the nongeographically based risk adjusted rates established under section 62Q.03, subdivision 5a, ~~paragraph (f).~~

Sec. 50. Minnesota Statutes 2000, section 256E.115, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS; COMMISSIONER DUTIES.] (a) The following definitions apply to this section:

(1) "Targeted youth" means children who are ages 16 to 21 and who are in out-of-home placement, leaving out-of-home placement, at risk of becoming homeless, or homeless.

(2) "Safe house" means a facility providing emergency housing for homeless targeted youth with the goal of reuniting the family if appropriate and possible.

(3) "Transitional housing" means congregate or cooperative housing for targeted youth who are transitioning to independent living.

(4) "Independent living assistance" means services provided to assist targeted youth who are not living in a safe house or transitional housing to make the transition to independent living.

(b) The commissioner shall issue a request for proposals from organizations that are knowledgeable about the needs of targeted youth for the purpose of establishing a system of safe houses, transitional housing, and independent living assistance for such youth. ~~The commissioner shall appoint a review committee of up to eight members to evaluate the proposals. The review panel must include representation from communities of color, youth, and other community providers and agency representatives who understand the needs and problems of targeted youth.~~ The commissioner shall also assist in coordinating funding from federal and state grant programs and funding available from a variety of sources for efforts to promote a continuum of services for targeted youth through a consolidated grant application. The commissioner shall analyze the needs of targeted youth and gaps in services throughout the state and determine how to best serve those needs within the available funding.

Sec. 51. Minnesota Statutes 2000, section 268.29, is amended to read:

268.29 [JUVENILE JUSTICE PROGRAM.]

The governor shall designate the department of economic security as the sole agency responsible for supervising the preparation and administration of the state plan for juvenile justice required by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

The governor shall designate the juvenile justice advisory committee as the supervisory board for the department of economic security with respect to preparation and administration of the state plan and award of grants.

The governor shall appoint members to the juvenile justice advisory committee in accordance with the membership requirements of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended. Section 15.059, subdivision 3, governs the compensation of the members.

Sec. 52. Minnesota Statutes 2000, section 268A.02, subdivision 2, is amended to read:

Subd. 2. [REHABILITATION ~~ADVISORY~~ COUNCIL.] The commissioner shall establish a state rehabilitation ~~advisory council~~ and a statewide independent living council consistent with the federal Rehabilitation Act of 1973, Public Law Number 93-112, as amended. ~~Members of the advisory council~~ councils shall be compensated as provided in section 15.059, subdivision 3. ~~Members of the consumer advisory council appointed prior to July 1, 1993, shall serve on the rehabilitation advisory council until the end of their appointed terms.~~

Sec. 53. Minnesota Statutes 2000, section 402.03, is amended to read:

402.03 [ADVISORY COMMITTEE.]

Each human services board shall appoint an advisory committee, which shall actively participate in the formulation of the plan for the development, implementation and operation of the programs and services by the board, and shall make a formal recommendation to the board at least annually concerning the annual budget of the board and the implementation of the plan during the ensuing year.

Membership on the advisory committee shall consist of no more than 25 persons serving two year terms not to exceed three consecutive terms. Up to one-half of the terms of the initial advisory committee may be for one year; upon their expiration all terms shall be for two years. The chair shall be appointed by the human services board and may not be a member of a county board.

One-third of the members of the advisory committee shall be representatives of those persons receiving services provided by the human services board. Up to one-third may be providers or employees of providers of services and must include representatives of private providers if such providers exist in the county or counties party to the agreement. ~~At least one member shall be a member of the health advisory committee established pursuant to section 145A.10, subdivision 10, if any.~~ At least one member shall be a member of the corrections advisory board established pursuant to section 401.08, if any. The remaining members shall represent the citizens of the counties.

The advisory committee shall appoint permanent task forces to assist in planning for corrections, social, mental health and public health services.

Task force membership shall be constituted to fulfill state agency requirements for receiving categorical funds. Where appropriately constituted, these task forces may, at the option of the human services boards, replace those advisory bodies required by statute and rule to advise local social services agencies and other county and area boards. Individuals not members of the advisory committee may be appointed to the task forces; provided, however, that each task force shall be chaired by a member of the advisory committee.

The human services board shall provide staff assistance to the advisory committee.

Sec. 54. [COUNCILS AND COMMITTEES; CONTINUATION.]

Notwithstanding Minnesota Statutes, section 15.059, the following councils and committees do not expire unless federal law no longer requires the existence of the council or committee:

- (1) rehabilitation council for the blind, created in Minnesota Statutes, section 248.10;
- (2) juvenile justice advisory committee, created in Minnesota Statutes, section 268.29;
- (3) governor's workforce development council, created in Minnesota Statutes, section 268.665;
- (4) local workforce councils, created in Minnesota Statutes, section 268.666, subdivision 2;
- (5) rehabilitation council, created in Minnesota Statutes, section 268A.02, subdivision 2; and
- (6) statewide independent living council, created in Minnesota Statutes, section 268A.02, subdivision 2.

Sec. 55. [TASK FORCE.]

The chair of the legislative commission on Minnesota resources shall organize a task force consisting of the members of the commission's executive committee and an equal number of members of the citizen advisory committee created under Minnesota Statutes, section 116P.06. The task force shall explore options to better integrate the citizen advisory committee in the process of making expenditures from the environment and natural resources trust fund. The task force shall make recommendations to the chair of the legislative commission on Minnesota resources by January 15, 2002.

Sec. 56. [LEGISLATIVE REVIEW.]

Before the 2003 legislative session, legislative committees must conduct hearings on advisory groups within their jurisdictions. At the hearings, each advisory group must submit a report, the date of its last meeting, and a list of recommendations. The committees must make recommendations to the legislature on which groups should continue in existence after June 30, 2003.

Sec. 57. [REVISOR'S INSTRUCTION.]

The revisor shall delete "17.703" and insert "17.702" in Minnesota Statutes, sections 17.696, 17.697, 17.70, 17.701, and 17.9442.

Sec. 58. [REPEALER.]

Minnesota Statutes 2000, sections 15.059, subdivision 5a, as amended by Laws 2001, chapter 7, section 7; 17.49, subdivision 1; 17.703; 17.76; 40A.14, subdivision 3; 52.061; 60K.19, subdivision 4; 93.002; 97A.055, subdivision 4a; 116C.711; 124D.894; 124D.95, subdivision 6; 134.31, subdivision 5; 137.342, subdivision 2; 144A.31; 162.09, subdivision 2; 256B.071, subdivision 5; 256B.0911, subdivision 8; 256B.434, subdivision 13; 299A.295, subdivision 2; and 299K.03, subdivision 4, are repealed.

Sec. 59. [EFFECTIVE DATE.]

Sections 1 to 9, 11 to 13, 15 to 17, 19, 21 to 24, 26, 29 to 36, 44, 46 to 50, 53, and 58 are effective June 30, 2001. Sections 10, 14, 18, 20, 25, 42, 43, 51, 52, 54, and 55 are effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to state government; changing the expiration dates of certain advisory councils and committees and other multimember entities; establishing the council of health boards; amending Minnesota Statutes 2000, sections 6.65; 15.059, subdivision 5; 15.50, subdivision 2; 16B.181, subdivision 2; 16B.27, subdivision 3; 16B.76, subdivision 1; 17.136; 18B.305, subdivision 3; 21.112, subdivision 2; 28A.20; 43A.316, subdivision 4; 62J.15, subdivision 1; 62J.46, subdivision 1; 62J.692, subdivision 2; 62Q.03, subdivision 5a; 82B.05, subdivision 1; 115A.12; 116P.06, subdivision 1; 122A.624, subdivision 2; 144.1481, subdivision 1; 144.672, subdivision 1; 144A.073, subdivisions 2, 3, 3c; 145A.10, subdivision 10; 148C.11, subdivision 3; 161.1419, subdivisions 2, 8; 161.17, subdivision 2; 174.55, subdivision 1; 175.007, subdivision 1; 175.008; 176.102, subdivision 3; 176.103, subdivision 3; 178.02, subdivision 2; 182.656, subdivision 3; 214.001, by adding a subdivision; 214.002, subdivision 1; 214.01, by adding a subdivision; 214.32, subdivision 1; 248.10; 254A.03, subdivision 2; 256.482, subdivision 8; 256B.0917, subdivisions 1, 2; 256B.093, subdivision 1; 256B.69, subdivision 5b; 256E.115, subdivision 1; 268.29; 268A.02, subdivision 2; 402.03; proposing coding for new law in Minnesota Statutes, chapters 214; 245; repealing Minnesota Statutes 2000, sections 15.059, subdivision 5a, as amended; 17.49, subdivision 1; 17.703; 17.76; 40A.14, subdivision 3; 52.061; 60K.19, subdivision 4; 93.002; 97A.055, subdivision 4a; 116C.711; 124D.894; 124D.95, subdivision 6; 134.31, subdivision 5; 137.342, subdivision 2; 144A.31; 162.09, subdivision 2; 256B.071, subdivision 5; 256B.0911, subdivision 8; 256B.434, subdivision 13; 299A.295, subdivision 2; 299K.03, subdivision 4."

The motion prevailed and the amendment was adopted.

Osskopp moved to amend S. F. No. 1263, as amended, as follows:

Page 50, line 20, delete "116C.711;"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1263, A bill for an act relating to state government; changing the expiration dates of certain advisory councils and committees and other multimember entities; amending Minnesota Statutes 2000, sections 6.65; 15.059, subdivision 5; 15.50, subdivision 2; 16B.181, subdivision 2; 16B.27, subdivision 3; 16B.76, subdivision 1; 17.136; 18B.305, subdivision 3; 21.112, subdivision 2; 28A.20; 43A.316, subdivision 4; 62J.15, subdivision 1; 62J.46,

subdivision 1; 62J.692, subdivision 2; 62Q.03, subdivision 5a; 82B.05, subdivision 1; 115A.12; 116P.06, subdivision 1; 122A.624, subdivision 2; 144.1481, subdivision 1; 144.672, subdivision 1; 144A.073, subdivisions 2, 3, 3c; 145A.10, subdivision 10; 148C.11, subdivision 3; 161.1419, subdivisions 2, 8; 161.17, subdivision 2; 174.55, subdivision 1; 175.007, subdivision 1; 175.008; 176.102, subdivision 3; 176.103, subdivision 3; 178.02, subdivision 2; 182.656, subdivision 3; 214.32, subdivision 1; 248.10; 254A.03, subdivision 2; 256.482, subdivision 8; 256B.0917, subdivisions 1, 2; 256B.093, subdivision 1; 256B.69, subdivision 5b; 256E.115, subdivision 1; 268.29; 268A.02, subdivision 2; 402.03; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 2000, sections 15.059, subdivision 5a, as amended; 17.49, subdivision 1; 17.703; 17.76; 40A.14, subdivision 3; 52.061; 60K.19, subdivision 4; 93.002; 97A.055, subdivision 4a; 116C.711; 124D.894; 124D.95, subdivision 6; 134.31, subdivision 5; 137.342, subdivision 2; 144A.31; 162.09, subdivision 2; 256B.071, subdivision 5; 256B.0911, subdivision 8; 256B.434, subdivision 13; 299A.295, subdivision 2; 299K.03, subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 1680 was reported to the House.

Kahn moved to amend S. F. No. 1680 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1938, the first engrossment:

"Section 1. Minnesota Statutes 2000, section 13.64, is amended to read:

13.64 [DEPARTMENT OF ADMINISTRATION DATA.]

(a) Notes and preliminary drafts of reports created, collected, or maintained by the management analysis division, department of administration, and prepared during management studies, audits, reviews, consultations, or investigations are classified as confidential or protected nonpublic data until the final report has been published or preparation of the report is no longer being actively pursued.

(b) Data that support the conclusions of the report and that the commissioner of administration reasonably believes will result in litigation are confidential or protected nonpublic until the litigation has been completed or until the litigation is no longer being actively pursued.

(c) Data on individuals that could reasonably be used to determine the identity of an individual supplying data for a report are private if ~~(a)~~:

(1) the data supplied by the individual were needed for a report; and

~~(b) (2) the data would not have been provided to the management analysis division without an assurance to the individual that the individual's identity would remain private, or the management analysis division reasonably believes that the individual would not have provided the data.~~

Sec. 2. Minnesota Statutes 2000, section 16B.055, is amended by adding a subdivision to read:

Subd. 3. [EXPIRATION.] Notwithstanding section 15.059, the council expires June 30, 2003.

Sec. 3. Minnesota Statutes 2000, section 16B.27, subdivision 3, is amended to read:

Subd. 3. [COUNCIL.] The governor's residence council consists of the following 19 members: the commissioner; the spouse, or a designee of the governor; the executive director of the Minnesota state arts board; the director of the Minnesota historical society; a member of the senate appointed pursuant to the rules of the senate; a member of the house of representatives appointed pursuant to the rules of the house of representatives; 13 persons appointed by the governor including one in the field of higher education, one member of the American Society of Interior Designers, Minnesota Chapter, one member of the American Institute of Architects, Minnesota chapter, one member of the American Society of Landscape Architects, Minnesota Chapter, one member of the family that donated the governor's residence to the state, if available, and eight public members with four public members' terms being coterminous with the governor who appoints them. Members of the council serve without compensation. Membership terms, removal, and filling of vacancies for members appointed by the governor are governed by section 15.0575. The council shall elect a chair and a secretary from among its members. ~~The council expires on June 30, 2003~~ does not expire.

Sec. 4. Minnesota Statutes 2000, section 16B.32, subdivision 2, is amended to read:

Subd. 2. [ENERGY CONSERVATION GOALS; EFFICIENCY PROGRAM.] (a) The commissioner of administration in consultation with the department of public service, in cooperation with one or more public utilities or comprehensive energy services providers, may conduct a shared-savings program involving energy conservation expenditures on state-owned buildings. The public utility or energy services provider shall contract with appropriate state agencies to implement energy efficiency improvements in the selected buildings. A contract must require the public utility or energy services provider to include all energy efficiency improvements in selected buildings that are calculated to achieve a cost payback within ten years. The contract must require that the public utility or energy services provider be repaid solely from energy cost savings and only to the extent of energy cost savings. Repayments must be interest-free. The goal of the program in this paragraph is to demonstrate that through effective energy conservation the total energy consumption per square foot of state-owned and wholly state-leased buildings could be reduced by at least 25 percent from consumption in the base year of 1990. All agencies participating in the

program must report to the commissioner of administration their monthly energy usage, building schedules, inventory of energy-consuming equipment, and other information as needed by the commissioner to manage and evaluate the program.

(b) The commissioner may exclude from the program of paragraph (a) a building in which energy conservation measures are carried out. "Energy conservation measures" means measures that are applied to a state building that improve energy efficiency and have a simple return of investment in ten years or within the remaining period of a lease, whichever time is shorter, and involves energy conservation, conservation facilities, renewable energy sources, improvements in operations and maintenance efficiencies, or retrofit activities.

(c) This subdivision expires January 1, ~~2001~~ 2006.

Sec. 5. Minnesota Statutes 2000, section 16B.465, subdivision 1a, is amended to read:

Subd. 1a. [CREATION.] Except as provided in subdivision 4, the commissioner, through the state information infrastructure, shall arrange for the provision of voice, data, video, and other telecommunications transmission services to state agencies. The state information infrastructure may also serve educational institutions, including public schools as defined in section 120A.05, subdivisions 9, 11, 13, and 17, nonpublic, church or religious organization schools that provide instruction in compliance with sections 120A.22, 120A.24, and 120A.41, and private colleges; public corporations; Indian tribal governments; and state political subdivisions. It is not a telephone company for purposes of chapter 237. The commissioner may purchase, own, or lease any telecommunications network facilities or equipment after first seeking bids or proposals and having determined that the private sector cannot, will not, or is unable to provide these services, facilities, or equipment as bid or proposed in a reasonable or timely fashion consistent with policy set forth in this section. The commissioner shall not resell or sublease any services or facilities to nonpublic entities except to serve private schools and colleges. The commissioner has the responsibility for planning, development, and operations of the state information infrastructure in order to provide cost-effective telecommunications transmission services to state information infrastructure users consistent with the policy set forth in this section.

Sec. 6. Minnesota Statutes 2000, section 16B.76, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] (a) The construction codes advisory council consists of the following members:

(1) the commissioner of administration or the commissioner's designee representing the department's building codes and standards division;

(2) the commissioner of health or the commissioner's designee representing an environmental health section of the department;

(3) the commissioner of public safety or the commissioner's designee representing the department's state fire marshal division;

(4) the commissioner of ~~public service~~ commerce or the commissioner's designee representing the department's energy regulation and resource management division; and

(5) one member representing each of the following occupations or entities, appointed by the commissioner of administration:

(i) a certified building official;

(ii) a fire service representative;

(iii) a licensed architect;

- (iv) a licensed engineer;
- (v) a building owners and managers representative;
- (vi) a licensed residential building contractor;
- (vii) a commercial building contractor;
- (viii) a heating and ventilation contractor;
- (ix) a plumbing contractor;
- (x) a representative of a construction and building trades union; and
- (xi) a local unit of government representative.

(b) For members who are not state officials or employees, terms, compensation, removal, and the filling of vacancies are governed by section 15.059. The council shall select one of its members to serve as chair.

(c) The council expires June 30, ~~2001~~ 2003.

Sec. 7. Minnesota Statutes 2000, section 16B.85, subdivision 2, is amended to read:

Subd. 2. [RISK MANAGEMENT FUND.] (a) All state agencies, political subdivisions, and the Minnesota state colleges and universities, may, in cooperation with the commissioner, participate in insurance programs and other funding alternative programs provided by the risk management fund.

(b) When an ~~agency or agencies enter~~ entity described in paragraph (a) enters into an insurance or self-insurance program, each ~~agency~~ entity shall contribute the appropriate share of its costs as determined by the commissioner.

(c) The money in the fund to pay claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner.

(d) Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision.

(e) The fund is exempt from the provisions of section 16A.152, subdivision 4. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of finance, may assess ~~state agencies~~ entities participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each ~~agency~~ entity.

Sec. 8. Minnesota Statutes 2000, section 16B.85, subdivision 3, is amended to read:

Subd. 3. [RESPONSIBILITIES.] The commissioner shall:

(1) review the state's exposure to various types of potential risks in consultation with affected ~~agencies~~ entities and advise ~~state agencies~~ them as to the reduction of risk and fiscal management of those losses;

(2) be responsible for statewide risk management coordination, evaluation of funding and insuring alternatives, and the approval of all insurance purchases in consultation with affected ~~agencies~~ entities;

(3) identify ways to eliminate redundant efforts in the management of state risk management and insurance programs;

(4) maintain the state risk management information system; and

(5) administer and maintain the state risk management fund.

Sec. 9. Minnesota Statutes 2000, section 16C.17, subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] The small business procurement advisory council consists of 13 members appointed by the commissioner of administration. A chair of the advisory council shall be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms, compensation, and removal of members are as provided in section 15.059. Notwithstanding section 15.059, the council expires June 30, 2005.

Sec. 10. [REPEALER.]

Minnesota Statutes 2000, section 16B.58, subdivision 7; and Laws 2000, chapter 326, are repealed.

Sec. 11. [EFFECTIVE DATE.]

Section 4 is effective retroactively to January 1, 2001. Sections 3, 6, and 9 are effective June 30, 2001.

Delete the title and insert:

"A bill for an act relating to state government; programs administered by the department of administration; modifying privacy provisions; extending the expiration date of certain advisory councils; extending the term of the shared-savings program for energy conservation in state-owned buildings; authorizing Indian tribal governments to be served by the state information infrastructure; adding political subdivisions to the state risk management program; repealing the parking surcharge for vehicles occupied by one person; canceling the conveyance of surplus land to Sauk Centre; amending Minnesota Statutes 2000, sections 13.64; 16B.055, by adding a subdivision; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.465, subdivision 1a; 16B.76, subdivision 1; 16B.85, subdivisions 2 and 3; and 16C.17, subdivision 2; repealing Minnesota Statutes 2000, section 16B.58, subdivision 7; Laws 2000, chapter 326."

The motion prevailed and the amendment was adopted.

Kahn moved to amend S. F. No. 1680, as amended, as follows:

Page 3, line 3, reinstate the stricken language

Page 3, line 4, reinstate the stricken "June 30," and delete "does not expire" and insert "2003"

Page 7, line 12, delete "2005" and insert "2003"

The motion prevailed and the amendment was adopted.

S. F. No. 1680, A bill for an act relating to state government; programs administered by the department of administration; extending the expiration date of certain advisory councils; extending the term of the shared-savings program for energy conservation in state-owned buildings; authorizing Indian tribal governments to be served by the state information infrastructure; adding political subdivisions to the state risk management program; repealing statutory authority for the citizens council on Voyageurs National Park; canceling the conveyance of surplus land

to Sauk Centre; amending Minnesota Statutes 2000, sections 16B.055, by adding a subdivision; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.465, subdivision 1a; 16B.76, subdivision 1; 16B.85, subdivisions 2 and 3; and 16C.17, subdivision 2; repealing Minnesota Statutes 2000, section 84B.11; Laws 2000, chapter 326.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Boudreau Swenson Workman

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

S. F. No. 577 was reported to the House.

Hausman moved to amend S. F. No. 577 as follows:

Page 1, line 9, after the headnote, insert "(a)"

Page 2, line 5, before "The" insert "(b)"

Page 3, after line 8, insert:

"(c) If the five-member joint board determines that regular route transit shall not operate on Gateway Drive between North Chatsworth Street and Como Boulevard in St. Paul, then the metropolitan council shall operate the regular route transit on an alternate routing."

Page 3, delete lines 9 to 15

Page 3, line 17, delete "Sections 1 and 2 are" and insert "Section 1 is"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 577, A bill for an act relating to metropolitan government; regulating transit on park roads in St. Paul; preserving an existing transit route; amending Minnesota Statutes 2000, section 473.411, subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 104 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Abeler	Entenza	Huntley	Mahoney	Pawlenty	Sykora
Anderson, I.	Erhardt	Jacobson	Mares	Paymar	Thompson
Bakk	Evans	Jaros	Mariani	Pelowski	Tingelstad
Bernardy	Finseth	Jennings	Marko	Penas	Tuma
Biernat	Folliard	Johnson, R.	Marquart	Peterson	Vandever
Bishop	Gleason	Johnson, S.	McElroy	Pugh	Wagenius
Carlson	Goodno	Juhnke	McGuire	Rhodes	Walker
Cassell	Goodwin	Kahn	Milbert	Rukavina	Wasiluk
Clark, K.	Gray	Kalis	Mulder	Schumacher	Wenzel
Daggett	Greiling	Kelliher	Mullery	Sertich	Westrom
Davnie	Gunther	Koskinen	Murphy	Skoe	Winter
Dawkins	Haas	Kubly	Ness	Skoglund	Wolf
Dehler	Hackbarth	Larson	Nornes	Slawik	Workman
Dempsey	Harder	Leighton	Opatz	Solberg	Spk. Sviggum
Dibble	Hausman	Lenczewski	Osskopp	Stanek	
Dorman	Hilstrom	Leppik	Osthoff	Stang	
Dorn	Hilty	Lieder	Otremba	Swapinski	
Eastlund	Holsten	Luther	Ozment	Swenson	

Those who voted in the negative were:

Abrams	Clark, J.	Howes	Lindner	Rifenberg	Westerberg
Anderson, B.	Davids	Kielkucki	Lipman	Ruth	Wilkin
Boudreau	Erickson	Knoblach	Molnau	Seifert	
Bradley	Gerlach	Krinkie	Olson	Smith	
Buesgens	Holberg	Kuisle	Paulsen	Walz	

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

S. F. No. 1614, A bill for an act relating to civil law; providing for civil actions against the state under the federal Age Discrimination in Employment Act, the federal Fair Labor Standards Act, the federal Family and Medical Leave Act, and the federal Americans With Disabilities Act; proposing coding for new law in Minnesota Statutes, chapter 1.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 453 was reported to the House.

Westerberg moved to amend S. F. No. 453 as follows:

Page 2, line 19, delete "Section 1 is" and insert "Sections 1 and 2 are"

The motion prevailed and the amendment was adopted.

The Speaker assumed the Chair.

S. F. No. 453, A bill for an act relating to bleacher safety; providing exemptions for bleachers owned or erected by certain organizations; providing an extension for county agricultural societies; amending Minnesota Statutes 2000, section 16B.616, subdivision 3.

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

The question was taken on the passage of the bill and the roll was called. There were 26 yeas and 106 nays as follows:

Those who voted in the affirmative were:

Abeler	Finseth	Kuisle	Nornes	Tingelstad	Spk. Sviggum
Boudreau	Gerlach	Lindner	Olson	Tuma	
Bradley	Hackbarth	Mares	Ozment	Westerberg	
Cassell	Holberg	Mulder	Seifert	Westrom	
Erhardt	Holsten	Ness	Stang	Workman	

Those who voted in the negative were:

Abrams	Dorman	Hilty	Leighton	Osthoff	Smith
Anderson, B.	Dorn	Howes	Lenczewski	Otremba	Solberg
Anderson, I.	Eastlund	Huntley	Leppik	Paulsen	Stanek
Bakk	Entenza	Jacobson	Lieder	Pawlenty	Swapinski
Bernardy	Erickson	Jaros	Lipman	Paymar	Swenson
Biernat	Evans	Jennings	Luther	Pelowski	Sykora
Bishop	Folliard	Johnson, R.	Mahoney	Penas	Thompson
Buesgens	Fuller	Johnson, S.	Mariani	Peterson	Vandever
Carlson	Gleason	Juhnke	Marko	Pugh	Wagenius
Clark, J.	Goodno	Kahn	Marquart	Rhodes	Walker
Clark, K.	Goodwin	Kalis	McElroy	Rifenberg	Walz
Daggett	Gray	Kelliher	McGuire	Rukavina	Wasiluk
Davids	Greiling	Kielkucki	Milbert	Schumacher	Wenzel
Davnie	Gunther	Knoblach	Molnau	Seagren	Wilkin
Dawkins	Haas	Koskinen	Mullery	Sertich	Winter
Dehler	Harder	Krinkie	Murphy	Skoe	Wolf
Dempsey	Hausman	Kubly	Opatz	Skoglund	
Dibble	Hilstrom	Larson	Osskopp	Slawik	

The bill, as amended, was not passed.

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 179:

Greiling; Anderson, B., and Bradley.

ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 9:00 a.m., Friday, May 18, 2001. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Friday, May 18, 2001.

EDWARD A. BURDICK, Chief Clerk, House of Representatives