

STATE OF MINNESOTA

EIGHTY-SECOND SESSION — 2001

 FIFTY-NINTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 21, 2001

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

Prayer was offered by the Reverend Lonnie E. Titus, House Chaplain.

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

The roll was called and the following members were present:

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

A quorum was present.

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

REPORTS OF CHIEF CLERK

S. F. No. 2208 and H. F. No. 2037, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Abrams moved that the rules be so far suspended that S. F. No. 2208 be substituted for H. F. No. 2037 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 17, 2001

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

Dear Speaker Sviggum:

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

H. F. No. 926, relating to health; modifying content and format requirements for Minnesota uniform health care identification cards; requiring uniform prescription drug information to be included on cards; establishing requirements for issuance of cards.

H. F. No. 1248, relating to veterans homes; changing certain resident deposit accounts.

H. F. No. 1596, relating to transportation; expanding definition of small vehicle passenger service to include certain transportation provided in wheelchair-accessible vehicles; imposing restrictions on transfer of former metro mobility vehicles by the metropolitan council.

H. F. No. 208, urging authorization of funding for improvement and rehabilitation of waterways.

Sincerely,

JESSE VENTURA
Governor

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

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2001 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2001</i>	<i>Date Filed 2001</i>
	208	Resolution No. 4	10:28 a.m. May 17	May 17
510		105	10:35 a.m. May 17	May 17
780		106	10:36 a.m. May 17	May 17
824		107	10:38 a.m. May 17	May 17
333		108	10:33 a.m. May 17	May 17
859		109	10:25 a.m. May 17	May 17
	926	110	10:29 a.m. May 17	May 17
	1248	111	10:40 a.m. May 17	May 17
	1596	112	10:26 a.m. May 17	May 17
2005		113	10:26 a.m. May 17	May 17
1269		115	10:41 a.m. May 17	May 17
1613		116	10:31 a.m. May 17	May 17
1826		117	10:24 a.m. May 17	May 17
910		119	10:27 a.m. May 17	May 17
560		120	10:30 a.m. May 17	May 17

Sincerely,

MARY KIFFMEYER
Secretary of State

SECOND READING OF SENATE BILLS

S. F. No. 2208 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Goodno introduced:

H. F. No. 2558, A bill for an act relating to capitol improvements; appropriating money to construct the Trollwood Arts Village in the city of Moorhead; authorizing the sale of state bonds.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Mares introduced:

H. F. No. 2559, A bill for an act relating to retirement; modifying annuity computation provisions for members of the state troopers plan and PERA police and fire plan; amending Minnesota Statutes 2000, sections 352B.01, subdivision 11; 353.651, subdivision 2; and 356.30, subdivision 1.

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

Lenczewski introduced:

H. F. No. 2560, A bill for an act relating to insurance; auto; regulating accident prevention courses; authorizing single-session courses of study; amending Minnesota Statutes 2000, section 65B.28, subdivision 2; repealing Minnesota Rules, part 7411.7600, subpart 2.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Kahn introduced:

H. F. No. 2561, A bill for an act relating to finance; authorizing the Minneapolis park and recreation board to lease certain property for the repayment of certain state bond expenditures.

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

Leighton; Tuma; Johnson, J.; Clark, J.; Entenza; McElroy and Larson introduced:

H. F. No. 2562, A bill for an act relating to uniform laws; proposing enactment of the Uniform Principal and Income Act of 1997; proposing coding for new law as Minnesota Statutes, chapter 501C; repealing Minnesota Statutes 2000, sections 501B.59; 501B.60; 501B.61; 501B.62; 501B.63; 501B.64; 501B.65; 501B.66; 501B.67; 501B.68; 501B.69; 501B.70; 501B.71; 501B.72; 501B.73; 501B.74; 501B.75; and 501B.76.

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

Evans introduced:

H. F. No. 2563, A bill for an act relating to capital improvements; appropriating money for capital improvements at the New Brighton area history center.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1569, A bill for an act relating to state government; reclassifying certain Minnesota state colleges and universities positions as classified; amending Minnesota Statutes 2000, section 43A.08, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1892, A bill for an act relating to human rights; making technical changes; amending Minnesota Statutes 2000, sections 363.03, subdivision 8; 363.05, subdivision 1; 363.073, subdivision 1; and 363.074; repealing Minnesota Statutes 2000, sections 363.01, subdivision 20; and 363.03, subdivision 8b.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1941, A bill for an act relating to economic development; clarifying provisions in the job skills partnership program; amending Minnesota Statutes 2000, sections 116L.02; 116L.04, subdivision 1a; and 116L.06, subdivision 5.

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. 1487, A bill for an act relating to natural resources; modifying provisions rendered obsolete by the electronic licensing system; modifying the disposition of certain taxes and proceeds; clarifying certain licensing and training requirements; providing for removal of submerged vehicles; modifying watercraft license and title provisions; clarifying sale of live animals and animal portions; modifying rulemaking authority; modifying certain license revocation provisions; clarifying taxidermy and bow fishing provisions; modifying fish house requirements; repealing certain fleeing provisions; amending Minnesota Statutes 2000, sections 6.48; 84.788, subdivisions 3 and 4; 84.796; 84.798, subdivisions 3 and 5; 84.82, subdivision 2; 84.83, subdivisions 3 and 5; 84.862, subdivisions 1

and 2; 84.872, subdivision 1; 84.922, subdivisions 2 and 3; 86B.401, subdivisions 1, 3, and 4; 86B.705, subdivision 2; 86B.820, subdivision 13; 86B.825, subdivision 1; 86B.830, subdivision 1; 97A.065, subdivision 2; 97A.105, subdivisions 4 and 9; 97A.421, subdivision 1; 97A.425, subdivision 1; 97A.441, subdivision 1; 97A.512; 97B.055, subdivision 2; 97C.355, subdivision 1, and by adding a subdivision; and 297A.94; proposing coding for new law in Minnesota Statutes, chapter 86B; repealing Minnesota Statutes 2000, sections 84.792; and 84.801.

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. 2036, A bill for an act relating to Goodhue county; permitting the appointment of the auditor-treasurer and recorder.

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. 2107, A bill for an act relating to education; specifying student conduct as grounds for dismissal or removal from class; amending Minnesota Statutes 2000, sections 121A.45, subdivision 2, by adding a subdivision; 121A.61, subdivision 2.

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. 1310, A bill for an act relating to construction; giving the state building official final authority for interpreting the State Building Code and prescribing its enforcement; requiring municipalities to submit annual reports on construction-related fees; regulating construction-related fees; prohibiting municipalities from requiring

waivers of rights as a condition for issuance of a construction-related permit; amending Minnesota Statutes 2000, sections 16B.61, subdivision 1; 16B.62, subdivision 1; 16B.63, by adding a subdivision; 326.90, subdivision 1; 462.353, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16B; 462.

The Senate has appointed as such committee:

Senators Johnson, Doug; Rest and Stevens.

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. 1406, A bill for an act relating to health; establishing maternal death reviews; amending Minnesota Statutes 2000, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 2000, sections 13.3806, subdivision 19; and 145.90.

The Senate has appointed as such committee:

Senators Kiscaden, Sams and Foley.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 708, A bill for an act relating to motor vehicles; clarifying exemption from registration taxes for certain well drilling machines, pump hoists, and other equipment; requiring safety inspection of special mobile equipment that is mounted on a commercial motor vehicle chassis; amending Minnesota Statutes 2000, sections 168.012, subdivision 5; 169.781, subdivisions 2, 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Workman moved that the House concur in the Senate amendments to H. F. No. 708 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 708, A bill for an act relating to motor vehicles; clarifying exemption from registration taxes for certain well drilling machines, pump hoists, and other equipment; amending Minnesota Statutes 2000, sections 168.012, subdivision 5; 169.781, subdivisions 2, 5.

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

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1973, A bill for an act relating to transportation; regulating state highways in municipalities; making conforming changes; amending Minnesota Statutes 2000, sections 160.85, subdivision 3; and 161.1245, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 2000, sections 161.17; 161.171; 161.172; 161.173; 161.174; 161.175; 161.176; 161.177; and 473.181, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Workman moved that the House concur in the Senate amendments to H. F. No. 1973 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1973, A bill for an act relating to transportation; regulating state highways in municipalities; making conforming changes; amending Minnesota Statutes 2000, sections 160.85, subdivision 3; and 161.1245, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 2000, sections 161.17; 161.171; 161.172; 161.173; 161.174; 161.175; 161.176; 161.177; and 473.181, subdivision 1.

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

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

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

The Speaker called Boudreau to the Chair.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1051, A bill for an act relating to civil actions; regulating certifications of expert reviews in medical malpractice actions; clarifying a reference to the medical malpractice statute of limitations; amending Minnesota Statutes 2000, sections 145.682, subdivision 6; 573.02, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Smith moved that the House concur in the Senate amendments to H. F. No. 1051 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1051, A bill for an act relating to civil actions; regulating certifications of expert reviews in medical malpractice actions; modifying liens for attorney fees; clarifying a reference to the medical malpractice statute of limitations; modifying effective date for medical malpractice provision; amending Minnesota Statutes 2000, sections 145.682, subdivision 6; 481.13; 573.02, subdivision 1; Laws 1999, chapter 23, section 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 118 yeas and 15 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Erickson	Kielkucki	Lipman	Vandever
Bradley	Jacobson	Krinkie	Olson	Westerberg
Davids	Johnson, J.	Kuisle	Rifenberg	Wilkin

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1182, A bill for an act relating to commerce; modifying requirements for invention developers; amending Minnesota Statutes 2000, sections 325A.04, by adding a subdivision; 325A.06, subdivisions 1 and 2; and 325A.09, subdivision 5, and by adding a subdivision; repealing Minnesota Statutes 2000, section 325A.06, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Clark, J., moved that the House concur in the Senate amendments to H. F. No. 1182 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1182, A bill for an act relating to commerce; modifying requirements for invention developers; amending Minnesota Statutes 2000, sections 325A.04, by adding a subdivision; 325A.06, subdivision 1; and 325A.09, subdivision 5, and by adding a subdivision; repealing Minnesota Statutes 2000, section 325A.06, subdivision 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 2 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, J.	Marko	Peterson	Tuma
Boudreau	Folliard	Johnson, R.	Marquart	Pugh	Vandevveer
Bradley	Fuller	Johnson, S.	McElroy	Rhodes	Wagenius
Buesgens	Gleason	Juhnke	McGuire	Rifenberg	Walker
Carlson	Goodno	Kahn	Milbert	Rukavina	Walz
Cassell	Goodwin	Kalis	Molnau	Ruth	Wasiluk
Clark, J.	Gray	Kelliher	Mulder	Schumacher	Wenzel
Clark, K.	Greiling	Kielkucki	Mullery	Seagren	Westerberg
Daggett	Gunther	Knoblach	Murphy	Seifert	Westrom
Davids	Haas	Koskinen	Ness	Sertich	Wilkin
Davnie	Hackbarth	Kubly	Nornes	Skoe	Winter
Dawkins	Harder	Kuisle	Olson	Skoglund	Wolf
Dehler	Hausman	Larson	Opatz	Slawik	Workman
Dempsey	Hilstrom	Leighton	Osskopp	Smith	Spk. Sviggum
Dibble	Hilty	Lenczewski	Osthoff	Solberg	

Those who voted in the negative were:

Gerlach Krinkie

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2514, A bill for an act relating to agriculture; expanding emergency authority of the board of animal health to eradicate any dangerous, infectious, or communicable disease affecting domestic animals in the state; amending Minnesota Statutes 2000, section 35.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 35.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Finseth moved that the House concur in the Senate amendments to H. F. No. 2514 and that the bill be repassed as amended by the Senate.

Osskopp moved that the House refuse to concur in the Senate amendments to H. F. No. 2514, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses.

A roll call was requested and properly seconded.

POINT OF ORDER

Kahn raised a point of order pursuant to rule 2.31 relating to Offensive Words in Debate. Speaker pro tempore Boudreau ruled the point of order not well taken.

The question recurred on the Osskopp motion and the roll was called. There were 43 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kielkucki	Murphy	Ruth	Walz
Bakk	Fuller	Krinkie	Olson	Schumacher	Westerberg
Bishop	Gerlach	Kuisle	Osskopp	Sertich	Wilkin
Boudreau	Holberg	Larson	Osthoff	Solberg	
Bradley	Howes	Leppik	Paulsen	Swenson	
Buesgens	Jacobson	Lipman	Pugh	Thompson	
Clark, J.	Johnson, J.	McElroy	Rifenberg	Tuma	
Clark, K.	Kahn	Milbert	Rukavina	Vandev eer	

Those who voted in the negative were:

Abeler	Carlson	Dawkins	Dorn	Finseth	Gray
Abrams	Cassell	Dehler	Eastlund	Folliard	Greiling
Anderson, I.	Daggett	Dempsey	Entenza	Gleason	Gunther
Bernardy	Davids	Dibble	Erhardt	Godno	Haas
Biernat	Davnie	Dorman	Evans	Goodwin	Hackbarth

Harder	Juhnke	Luther	Nornes	Seagren	Tingelstad
Hausman	Kalis	Mahoney	Opatz	Seifert	Wagenius
Hilstrom	Kelliher	Mares	Otremba	Skoe	Walker
Hilty	Knoblach	Mariani	Ozment	Skoglund	Wasiluk
Holsten	Koskinen	Marquart	Pawlenty	Slawik	Wenzel
Huntley	Kubly	McGuire	Paymar	Smith	Westrom
Jaros	Leighton	Molnau	Pelowski	Stanek	Winter
Jennings	Lenczewski	Mulder	Penas	Stang	Wolf
Johnson, R.	Lieder	Mullery	Peterson	Swapinski	Workman
Johnson, S.	Lindner	Ness	Rhodes	Sykora	Spk. Sviggum

The motion did not prevail.

The question recurred on the Finseth motion that the House concur in the Senate amendments to H. F. No. 2514 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2514, A bill for an act relating to agriculture; expanding emergency authority of the board of animal health to eradicate any dangerous, infectious, or communicable disease affecting domestic animals in the state; providing a temporary rule waiver; amending Minnesota Statutes 2000, section 35.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 35.

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

The question was taken on the repassage of the bill and the roll was called. There were 104 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abeler	Eastlund	Hilty	Luther	Paymar	Swenson
Abrams	Entenza	Holsten	Mahoney	Pelowski	Sykora
Anderson, I.	Erhardt	Huntley	Mares	Penas	Tingelstad
Bernardy	Erickson	Jaros	Mariani	Peterson	Tuma
Biernat	Evans	Jennings	Marko	Pugh	Wagenius
Bishop	Finseth	Johnson, R.	Marquart	Rhodes	Walker
Carlson	Folliard	Johnson, S.	McGuire	Ruth	Wasiluk
Cassell	Gleason	Juhnke	Molnau	Schumacher	Wenzel
Clark, K.	Goodno	Kahn	Mulder	Seifert	Westerberg
Daggett	Goodwin	Kalis	Mullery	Sertich	Westrom
Davids	Gray	Kelliher	Murphy	Skoe	Winter
Davnie	Greiling	Knoblach	Ness	Skoglund	Wolf
Dawkins	Gunther	Koskinen	Nornes	Slawik	Workman
Dehler	Haas	Kubly	Opatz	Smith	Spk. Sviggum
Dempsey	Hackbarth	Leighton	Otremba	Solberg	
Dibble	Harder	Lenczewski	Ozment	Stanek	
Dorman	Hausman	Lieder	Paulsen	Stang	
Dorn	Hilstrom	Lindner	Pawlenty	Swapinski	

Those who voted in the negative were:

Anderson, B.	Clark, J.	Jacobson	Larson	Olson	Seagren
Bakk	Fuller	Johnson, J.	Leppik	Osskopp	Thompson
Boudreau	Gerlach	Kielkucki	Lipman	Osthoff	Vandever
Bradley	Holberg	Krinkie	McElroy	Rifenberg	Walz
Buesgens	Howes	Kuisele	Milbert	Rukavina	Wilkin

The bill was repassed, as amended by the Senate, 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. 2377, 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.

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

Senators Pogemiller, Hottinger, Wiener, Scheid and Orfield.

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

Paulsen moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 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. 2377. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1541, A bill for an act relating to landlords and tenants; requiring a study of rental application fees.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mullery moved that the House refuse to concur in the Senate amendments to H. F. No. 1541, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2028, A bill for an act relating to the environment; modifying provisions relating to environmental audits; changing the reporting date for the pollution control agency's annual performance report; amending Minnesota Statutes 2000, sections 114C.21, subdivision 8; 114C.24, subdivision 3; and 116.011.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Nornes moved that the House concur in the Senate amendments to H. F. No. 2028 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2028, A bill for an act relating to the environment; modifying provisions relating to environmental audits; changing the reporting date for the pollution control agency's annual performance report; amending Minnesota Statutes 2000, sections 114C.21, subdivision 8; 114C.24, subdivision 3; and 116.011.

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

The question was taken on the repassage of the bill and the roll was called. There were 89 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Howes	Lipman	Pelowski	Sykora
Abrams	Dorn	Jacobson	Mares	Penas	Thompson
Anderson, B.	Eastlund	Johnson, J.	Marquart	Peterson	Tingelstad
Anderson, I.	Erhardt	Johnson, R.	McElroy	Rhodes	Tuma
Bakk	Erickson	Kalis	Molnau	Rifenberg	Vandever
Bishop	Finseth	Kielkucki	Mulder	Ruth	Walz
Boudreau	Fuller	Knoblach	Ness	Seagren	Westerberg
Bradley	Gerlach	Krinkie	Nornes	Seifert	Westrom
Buesgens	Goodno	Kubly	Olson	Skoe	Wilkin
Cassell	Gunther	Kuisle	Opatz	Slawik	Winter
Clark, J.	Haas	Leighton	Osskopp	Smith	Wolf
Daggett	Hackbarth	Lenczewski	Otremba	Solberg	Workman
Davids	Harder	Leppik	Ozment	Stanek	Spk. Sviggum
Dehler	Holberg	Lieder	Paulsen	Stang	
Dempsey	Holsten	Lindner	Pawlenty	Swenson	

Those who voted in the negative were:

Bernardy	Dawkins	Gleason	Hilstrom	Johnson, S.	Larson
Biernat	Dibble	Goodwin	Hilty	Juhnke	Luther
Carlson	Entenza	Gray	Huntley	Kahn	Mahoney
Clark, K.	Evans	Greiling	Jaros	Kelliher	Mariani
Davnie	Folliard	Hausman	Jennings	Koskinen	Marko

McGuire	Murphy	Pugh	Skoglund	Walker
Milbert	Osthoff	Rukavina	Swapinski	Wasiluk
Mullery	Paymar	Sertich	Wagenius	

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

Mr. Speaker:

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

S. F. No. 1215.

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. 1215

A bill for an act relating to human rights; changing provisions pertaining to business discrimination and inquiry into a charge; permitting discretionary disclosure during investigation; amending Minnesota Statutes 2000, sections 363.01, subdivision 41; 363.03, subdivision 8a; 363.06, subdivision 4; 363.061, subdivision 2.

May 18, 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. 1215, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

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

Senate Conferees: RICHARD J. COHEN, DON BETZOLD AND THOMAS M. NEUVILLE.

House Conferees: MARY LIZ HOLBERG, STEVE SMITH AND DALE SWAPINSKI.

Holberg moved that the report of the Conference Committee on S. F. No. 1215 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1215, A bill for an act relating to human rights; changing provisions pertaining to business discrimination and inquiry into a charge; permitting discretionary disclosure during investigation; amending Minnesota Statutes 2000, sections 363.01, subdivision 41; 363.03, subdivision 8a; 363.06, subdivision 4; 363.061, subdivision 2.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 1561.

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. 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.

May 18, 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. 1561, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

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

Senate Conferees: JOHN C. HOTTINGER, SATVEER CHAUDHARY AND THOMAS M. NEUVILLE.

House Conferees: MATT ENTENZA, GREGORY M. DAVIDS AND DOUG STANG.

Entenza moved that the report of the Conference Committee on S. F. No. 1561 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. Nos. 1202 and 829.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1202, A bill for an act relating to crime prevention; retroactively repealing a provision of the predatory offender registration law and specifying the legislative intent in so doing; repealing Minnesota Statutes 2000, section 243.166, subdivision 10.

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

S. F. No. 829, A bill for an act relating to motor vehicles; modifying filing fee for vehicle transactions; making clarifying changes; amending Minnesota Statutes 2000, section 168.33, subdivision 7.

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1541:

Mullery, Davids and Gunther.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Pawlenty from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day for Monday, May 21, 2001:

S. F. Nos. 1965 and 1507; H. F. Nos. 12 and 643; S. F. No. 2208; H. F. No. 1338; S. F. Nos. 1367, 969, 866, 1344, 861 and 1297; H. F. No. 632; S. F. No. 761; and H. F. No. 1080.

CALENDAR FOR THE DAY

S. F. No. 1965 was reported to the House.

McElroy moved to amend S. F. No. 1965 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 2116:

"Section 1. [REVISOR INSTRUCTION.]

The revisor of statutes shall delete "41A.066" in Minnesota Statutes, sections 41A.02 and 41A.04, and insert "41A.09."

Sec. 2. [REPEALER.]

Subdivision 1. [LOANS FOR HAZARDOUS WASTE PROCESSING FACILITIES.] Minnesota Statutes 2000, section 41A.066, is repealed.

Subd. 2. [ANALYSIS OF EFFECT OF BUSINESS-RELATED TAX REDUCTIONS.] Minnesota Statutes 2000, sections 116J.541; and 116J.542, are repealed.

Subd. 3. [ELECTRONIC ACCESS TO INTERNATIONAL MARKETS.] Minnesota Statutes 2000, section 116J.8755, is repealed.

Subd. 4. [DTED TO ENCOURAGE AND DEVELOP COMMERCE AND REMOVE TRADE BARRIERS.] Minnesota Statutes 2000, section 116J.9671, is repealed.

Subd. 5. [OUTDOOR RECREATION GRANTS.] Minnesota Statutes 2000, section 116J.980, subdivision 4, is repealed.

Subd. 6. [TACONITE MINING GRANT PROGRAM.] Minnesota Statutes 2000, section 116J.992, is repealed.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective on the day following final enactment.

Delete the title and insert:

"A bill for an act relating to state government; repealing certain obsolete and redundant trade and economic development department programs and duties; repealing Minnesota Statutes 2000, sections 41A.066; 116J.541; 116J.542; 116J.8755; 116J.9671; 116J.980, subdivision 4; 116J.992."

The motion prevailed and the amendment was adopted.

McElroy moved to amend S. F. No. 1965, as amended, as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 2000, section 116J.01, subdivision 4, is amended to read:

Subd. 4. [APPOINTMENT OF ~~DIRECTOR~~ DEPUTY COMMISSIONER OF THE OFFICE OF TOURISM.] The ~~director~~ deputy commissioner of the office of tourism shall be appointed by the governor. The ~~director~~ deputy commissioner is under the supervision of the commissioner and serves in the unclassified service.

Sec. 2. Minnesota Statutes 2000, section 116J.01, subdivision 5, is amended to read:

Subd. 5. [DEPARTMENTAL ORGANIZATION.] (a) The commissioner shall organize the department as provided in section 15.06.

(b) The commissioner may establish divisions and offices within the department. The commissioner may employ ~~three~~ four deputy commissioners in the unclassified service. One deputy must direct the Minnesota trade office and must be experienced and knowledgeable in matters of international trade. One must direct the office of tourism and be knowledgeable in matters of tourism.

(c) The commissioner shall:

(1) employ assistants and other officers, employees, and agents that the commissioner considers necessary to discharge the functions of the commissioner's office;

(2) define the duties of the officers, employees, and agents, and delegate to them any of the commissioner's powers, duties, and responsibilities, subject to the commissioner's control and under conditions prescribed by the commissioner.

(d) The commissioner shall ensure that there are at least three trade and economic development officers in state offices in nonmetropolitan areas of the state who will work with local units of government on developing local trade and economic development."

Page 2, after line 2, insert:

"Subd. 7. [BUSINESS LICENSES.] Minnesota Statutes 2000, section 116J.75, is repealed."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1965, A bill for an act relating to economic development; allowing nonprofit organizations to receive funding under the contamination cleanup, livable communities tax base revitalization, and livable communities demonstration account programs; repealing certain obsolete and redundant trade and economic development department programs and duties; amending Minnesota Statutes 2000, sections 116J.552, by adding a subdivision; 116J.553, subdivision 1; 116J.554, subdivisions 1, 1a; 116J.556; 116J.557, subdivisions 1, 2, 3; 473.252, subdivision 3, by adding a subdivision; 473.253, subdivision 2; repealing Minnesota Statutes 2000, sections 41A.066; 116J.541; 116J.542; 116J.75; 116J.8755; 116J.9671; 116J.980, subdivision 4; 116J.992.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 1752.

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. 1752

A bill for an act relating to liquor; authorizing on-sale intoxicating liquor licenses in Minneapolis, St. Paul, Blaine, Elk River, Moorhead, and St. Louis Park; clarifying regulations with respect to premix machines; removing certain intoxicating liquor license restrictions relating to Metropolitan State University; authorizing Minneapolis to issue an intoxicating liquor license; removing certain temporary license restrictions; amending Minnesota Statutes 2000, sections 340A.404, subdivisions 2, 2b; 340A.410, subdivision 10; 340A.508, by adding a subdivision.

May 18, 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. 1752, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1752 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 340A.404, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PROVISION; CITY OF MINNEAPOLIS.] (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, and the State Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, ~~and~~ the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, and the Brave New Institute located at 2605 Hennepin Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

Sec. 2. Minnesota Statutes 2000, section 340A.404, subdivision 2b, is amended to read:

Subd. 2b. [SPECIAL PROVISION; CITY OF ST. PAUL.] The city of St. Paul may issue an on-sale intoxicating liquor license to the Fitzgerald Theatre, the Great American History Theater at 30 East 10th Street, and the Brave New Workshop at the Palace Theater at 17 West Seventh Place, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The license authorizes sales on all days of the week to holders of tickets for performances presented by the theatre and to members of the nonprofit corporation holding the license and to their guests.

Sec. 3. Minnesota Statutes 2000, section 340A.412, subdivision 4, is amended to read:

Subd. 4. [LICENSES PROHIBITED IN CERTAIN AREAS.] (a) No license to sell intoxicating liquor may be issued within the following areas:

(1) where restricted against commercial use through zoning ordinances and other proceedings or legal processes regularly had for that purpose, except licenses may be issued to restaurants in areas which were restricted against commercial uses after the establishment of the restaurant;

(2) within the capitol or on the capitol grounds, except as provided under Laws 1983, chapter 259, section 9, or section 13, paragraph (b), of this act;

(3) on the state fairgrounds or at any place in a city of the first class within one-half mile of the fairgrounds, except as otherwise provided by charter;

(4) on the campus of the college of agriculture of the University of Minnesota or at any place in a city of the first class within one-half mile of the campus, provided that a city may issue one on-sale wine license in this area that is not included in the area described in clause (3), except as provided by charter;

(5) within 1,000 feet of a state hospital, training school, reformatory, prison, or other institution under the supervision or control, in whole or in part, of the commissioner of human services or the commissioner of corrections;

(6) in a town or municipality in which a majority of votes at the last election at which the question of license was voted upon were not in favor of license under section 340A.416, or within one-half mile of any such town or municipality, except that intoxicating liquor manufactured within this radius may be sold to be consumed outside it;

(7) at any place on the east side of the Mississippi River within one-tenth of a mile of the main building of the University of Minnesota unless (i) the licensed establishment is on property owned or operated by a nonprofit corporation organized prior to January 1, 1940, for and by former students of the University of Minnesota, or (ii) the licensed premises is Northrop Auditorium;

(8) within 1,500 feet of a state university, except that:

(i) the minimum distance in the case of Winona and Southwest State University is 1,200 feet;

(ii) within 1,500 feet of St. Cloud State University one on-sale wine and two off-sale intoxicating liquor licenses may be issued, measured by a direct line from the nearest corner of the administration building to the main entrance of the licensed establishment;

(iii) at Mankato State University the distance is measured from the front door of the student union of the Highland campus; and

(iv) a temporary license under section 340A.404, subdivision 10, may be issued to a location on the grounds of a state university for an event sponsored or approved by the state university; and

(v) this restriction does not apply to the area surrounding the premises leased by Metropolitan State University at 730 Hennepin Avenue South in Minneapolis; and

(9) within 1,500 feet of any public school that is not within a city.

(b) The restrictions of this subdivision do not apply to a manufacturer or wholesaler of intoxicating liquor or to a drugstore or to a person who had a license originally issued lawfully prior to July 1, 1967.

Sec. 4. Minnesota Statutes 2000, section 340A.508, is amended by adding a subdivision to read:

Subd. 4. [PREMIX AND DISPENSING MACHINES.] Nothing in this section prohibits use by an on-sale intoxicating liquor licensee of a machine to premix and dispense frozen or iced cocktails, provided that the machine is emptied on a daily basis. A machine described in this subdivision need not be visible to the consuming public.

Sec. 5. [CITY OF BLAINE; LIQUOR LICENSES.]

The city of Blaine may issue six on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized by this section.

Sec. 6. [CITY OF ELK RIVER; LIQUOR LICENSES.]

The city of Elk River may issue six on-sale liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized by this section.

Sec. 7. [CITY OF MOORHEAD; LIQUOR LICENSES.]

The city of Moorhead may issue six on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized under this section.

Sec. 8. [CITY OF ST. LOUIS PARK; LIQUOR LICENSES.]

The city of St. Louis Park may issue 12 on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized by this section.

Sec. 9. [CITY OF MINNEAPOLIS; LIQUOR LICENSE.]

Notwithstanding any law, ordinance, or charter provision to the contrary, the city of Minneapolis may issue an intoxicating liquor license to an establishment located at 4415 Nicollet Avenue South, which currently holds an intoxicating malt liquor and wine license.

Sec. 10. [CAPITOL CAFETERIA; WINE AND BEER LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, paragraph (a), clause (2), the city of St. Paul may issue an on-sale wine and malt liquor license for the premises known as the capitol cafeteria, for special events held at the capitol cafeteria.

Sec. 11. [LEGISLATIVE STUDY COMMITTEE; SMALL BREWER/WHOLESALE RELATIONS.]

Subdivision 1. [APPOINTMENT.] The chairs of the senate committee on commerce and the house of representatives committee on commerce, jobs and economic development shall establish a study committee to study aspects of the relationship between beer wholesalers and small brewers. The committee shall consist of:

- (1) two members of the senate appointed by the chair of the committee on commerce;
- (2) two members of the house of representatives appointed by the chair of the committee on commerce, jobs and economic development;
- (3) five nonlegislative members appointed jointly by the two chairs, representing small brewers, large brewers, labor, alcoholic beverage retailers, and beer wholesalers; and
- (4) the director of the division of alcohol and gambling enforcement of the department of public safety or the director's designee. Nonlegislative members of the study committee shall serve without compensation.

Subd. 2. [STUDY.] The legislative study committee shall study and report on the following issues:

- (1) contractual relationships between brewers and beer wholesalers, including terms under which such contracts may be terminated;
- (2) the feasibility and desirability of allowing small brewers to sell their own products at wholesale; and
- (3) compliance with laws and rules establishing the three-tier system.

Subd. 3. [REPORT.] The study committee shall report to the legislature on the results of its study by February 15, 2002.

Sec. 12. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to liquor; authorizing issuance of on-sale wine and beer licenses to the Brave New Institute and Loring Playhouse in Minneapolis and to the Great American History Theater and the Palace Theatre in St. Paul; providing an exception to a licensing restriction; permitting use of premix and dispensing machines to dispense frozen and iced cocktails; authorizing additional on-sale intoxicating liquor licenses in Blaine, Elk River, Moorhead, and St. Louis Park; authorizing Minneapolis to issue an on-sale intoxicating liquor license; authorizing St. Paul to issue an on-sale wine and malt liquor license to the capitol cafeteria; creating a legislative study committee to study small brewer and wholesaler relations; requiring a report; amending Minnesota Statutes 2000, sections 340A.404, subdivisions 2, 2b; 340A.412, subdivision 4; 340A.508, by adding a subdivision."

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

Senate Conferees: SAM G. SOLON, JAMES P. METZEN AND BOB LESSARD.

House Conferees: DOUG STANG, GREGORY M. DAVIDS AND MATT ENTENZA.

Stang moved that the report of the Conference Committee on S. F. No. 1752 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1752, A bill for an act relating to liquor; authorizing on-sale intoxicating liquor licenses in Minneapolis, St. Paul, Blaine, Elk River, Moorhead, and St. Louis Park; clarifying regulations with respect to premix machines; removing certain intoxicating liquor license restrictions relating to Metropolitan State University; authorizing Minneapolis to issue an intoxicating liquor license; removing certain temporary license restrictions; amending Minnesota Statutes 2000, sections 340A.404, subdivisions 2, 2b; 340A.410, subdivision 10; 340A.508, by adding a subdivision.

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 100 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorman	Holsten	Larson	Ozment	Stanek
Anderson, B.	Dorn	Howes	Leighton	Paulsen	Stang
Anderson, I.	Eastlund	Huntley	Leppik	Pawlenty	Swapinski
Bakk	Entenza	Jacobson	Lieder	Paymar	Sykora
Biernat	Erhardt	Jaros	Lipman	Pelowski	Thompson
Bishop	Erickson	Jennings	Luther	Peterson	Tingelstad
Boudreau	Folliard	Johnson, J.	Mahoney	Pugh	Tuma
Bradley	Gerlach	Johnson, R.	Mares	Rhodes	Walker
Buesgens	Gleason	Johnson, S.	Marquart	Rukavina	Wenzel
Carlson	Goodno	Juhnke	McElroy	Ruth	Westerberg
Cassell	Goodwin	Kahn	Milbert	Schumacher	Westrom
Clark, J.	Gunther	Kalis	Molnau	Seifert	Wilkin
Daggett	Haas	Kelliher	Mullery	Sertich	Winter
Davids	Hackbarth	Kielkucki	Murphy	Skoe	Wolf
Dawkins	Harder	Knoblach	Ness	Slawik	Spk. Sviggum
Dempsey	Hausman	Kubly	Nornes	Smith	
Dibble	Hilty	Kuisle	Opatz	Solberg	

Those who voted in the negative were:

Abeler	Finseth	Koskinen	McGuire	Penas	Wagenius
Bernardy	Fuller	Krinkie	Mulder	Rifenberg	Walz
Clark, K.	Gray	Lenczewski	Olson	Seagren	Wasiluk
Davnie	Greiling	Lindner	Osskopp	Skoglund	Workman
Dehler	Hilstrom	Mariani	Osthoff	Swenson	
Evans	Holberg	Marko	Otremba	Vandever	

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

CALENDAR FOR THE DAY

S. F. No. 2208, which was substituted for H. F. No. 2037 and read for the second time earlier today, was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Abrams moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2208 be given its third reading and be placed upon its final passage. The motion prevailed.

Abrams moved that the rules of the House be so far suspended that S. F. No. 2208 be given its third reading and be placed upon its final passage. The motion prevailed.

Abrams moved to amend S. F. No. 2208 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 103B.555, is amended by adding a subdivision to read:

Subd. 4. [DISTRICT OBLIGATIONS.] The district, with approval of the county board or joint county authority, expressed in a resolution identifying each specific improvement to which the approval applies, may exercise the powers of a city under chapter 429 and section 444.075, including, but not limited to:

(1) the levy of special assessments;

(2) the imposition of rates and charges; and

(3) the issuance of bonds

to finance improvements that the district may undertake.

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

Sec. 2. Minnesota Statutes 2000, section 165.10, subdivision 2, is amended to read:

Subd. 2. [BONDS ISSUED, SOLD, AND RETIRED.] Such bonds shall be general obligations of the county and issued, sold, and retired in the manner provided in chapter 475.

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

Sec. 3. Minnesota Statutes 2000, section 275.60, is amended to read:

275.60 [LEVY OR BOND REFERENDUM; BALLOT NOTICE.]

(a) Notwithstanding any general or special law or any charter provisions, but subject to section 126C.17, subdivision 9, any question submitted to the voters by any local governmental subdivision at a general or special election after June 8, 1995, authorizing a property tax levy or tax rate increase, including the issuance of debt obligations payable in whole or in part from property taxes, must include on the ballot the following notice in boldface type:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE."

(b) For purposes of this section and section 275.61, "local governmental subdivision" includes counties, home rule and statutory cities, towns, school districts, and all special taxing districts. This statement is in addition to any general or special laws or any charter provisions that govern the contents of a ballot question and, in the case of a question on the issuance of debt obligations, may be supplemented by a description of revenues pledged to payment of the obligations that are intended as the primary source of payment.

(c) This section does not apply to a school district bond election if the debt service payments are to be made entirely from transfers of revenue from the capital fund to the debt service fund.

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

Sec. 4. Minnesota Statutes 2000, section 373.40, subdivision 1, is amended to read:

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

(a) "Bonds" means an obligation as defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, development rights in the form of conservation easements under chapter 84C, buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, qualified indoor ice arena, and roads and bridges. An improvement must have an expected useful life of five years or more to qualify. "Capital improvement" does not include light rail transit, commuter rail, busway, or any activity related to it any of them, or a recreation or sports facility building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation.

(c) "Commissioner" means the commissioner of trade and economic development.

(d) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.

(e) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):

(1) the federal decennial census,

(2) a special census conducted under contract by the United States Bureau of the Census, or

(3) a population estimate made either by the metropolitan council or by the state demographer under section 4A.02.

(f) "Qualified indoor ice arena" means a facility that meets the requirements of section 373.43.

(g) "Tax capacity" means total taxable market value, but does not include captured market value.

Sec. 5. Minnesota Statutes 2000, section 373.40, subdivision 7, is amended to read:

Subd. 7. [REPEALER.] This section is repealed effective for bonds issued after July 1, ~~2003~~ 2008, but continues to apply to bonds issued before that date.

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

Sec. 6. Minnesota Statutes 2000, section 373.45, subdivision 3, is amended to read:

Subd. 3. [AGREEMENT.] (a) ~~In order~~ For specified debt obligations of a county to be covered by ~~the provisions of~~ this section, the county must enter an agreement with the authority obligating the county to be bound by ~~the provisions of~~ this section.

(b) This agreement must be in a form prescribed by the authority and contain any provisions required by the authority, including, at least, an obligation to:

(1) deposit with the paying agent three days before the date on which the payment is due an amount sufficient to make that payment;

(2) notify the authority, if the county will be unable to make all or a portion of the payment; and

(3) include a provision in the bond resolution and county's agreement with the paying agent for the debt obligation that requires the paying agent to inform the commissioner if it becomes aware of a default or potential default in the payment of principal or interest on that issue or if, on the day two business days before the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent.

(c) Funds invested in a refunding escrow account established under section 475.67 that are to become available to the paying agent on a principal or interest payment date are deemed to be on deposit with the paying agent three business days before the payment date.

(d) The provisions of an agreement under this subdivision are binding as to an issue as long as any debt obligation of the issue remains outstanding.

~~(e) This section is a contract with bondholders and may not be amended or repealed for the covered bonds so long as the covered bonds are outstanding and the obligations of the state under this section are not a public debt of the state under article XI, section 4, of the Minnesota Constitution, and the legislature may, at any time, choose not to appropriate amounts under subdivision 4, paragraph (b).~~

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

Sec. 7. Minnesota Statutes 2000, section 376.06, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE, POWERS, PAY, ELECTION.] A county board which has purchased and constructed buildings for hospital purposes may operate these buildings as a hospital and may appoint a superintendent. The board shall set the superintendent's salary, term of employment, and powers and duties; provide for the management and operation of the hospital; and operate, control, and manage the hospital. The superintendent shall serve at the pleasure of the board. If the board determines that it is in the public interest, it may appoint a hospital board of at least three, but not more than nine members, who ~~must be county residents and landowners, to serve~~ may include some or all of the county commissioners except as otherwise provided in subdivision 2. Persons appointed to the hospital board must reside in the hospital's service area and 80 percent of the board members, including any commissioners appointed to serve on the hospital board, must be residents of the county. The hospital board serves without compensation unless the county board authorizes the payment of compensation and reimbursement of expenses for service on the hospital board. Notwithstanding section 375.44, if compensation and reimbursement are authorized, they shall be the same as authorized for service on the local social services agency. Subject to its supervision, the county board may commit the care, management, and operation of the hospital to the hospital board. The county board may provide for the organization and regulation of the hospital board, its duties and the duties of the members, and regulations for the management, operation, and control of the hospital. The county board may lease the hospital grounds and buildings to a ~~hospital association nonprofit or governmental hospital organization~~ hospital association nonprofit or governmental hospital organization for terms it considers advisable. ~~Sections 376.01 to 376.06 do not permit any county board to purchase and construct any hospital buildings or to pay for them without first submitting the question to the vote of the people. No purchase or construction of buildings or payment may be made unless a majority of the electors voting upon the proposition vote in favor.~~

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

Sec. 8. Minnesota Statutes 2000, section 376.07, is amended to read:

376.07 [ADDITION TO COUNTY HOSPITAL.]

~~When the county board of a county has been authorized by the voters to construct an addition to the county hospital of the county under sections 376.01 to 376.06, whether or not also authorized to equip the addition, and the board has determined that the addition, whether with or without equipment, cannot be completed within the cost authorized, or has determined that, to complete the improvement, certain alterations should be made, or fixtures or equipment added, either in the original building, or in the addition, or both, the board may be authorized to spend a specified additional amount for any of the purposes mentioned in this chapter, either by vote of the people of the county at a general or special election or by petition. If an election is held, the proposition shall be submitted and disposed of in the same manner as provided by sections 376.01 to 376.06. If by petition, the petition must be signed by a majority of those voting at the last preceding general election. The petition may be in the form of one document or of several documents in the same form, and shall be filed with the county auditor. A special election may be called in the manner provided for calling special county elections. When authority is granted by the voters, in either manner provided, the board may proceed accordingly. If the board made or attempted to make a contract or contracts for more than the authority first granted, it may ratify and carry out the contracts. The county board, hospital board, or board of directors of a nonprofit or governmental hospital organization that has leased a county hospital may authorize the remodeling, improvement, alteration, or construction of an addition to the county hospital or of another building on the county hospital's existing premises by a majority vote of the board. Financing for any project under this section is governed by other law, including sections 373.40 and 447.45 and chapter 475.~~

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

Sec. 9. Minnesota Statutes 2000, section 376.08, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATIONS.] ~~Except as provided in subdivision 2 and 4, the board of county commissioners in any county with a population of 50,000 or less may appropriate up to \$65,000 annually from the general revenue fund of the county for the acquisition of lands for hospital purposes, and the construction, improvement, alterations, equipment and maintenance of hospitals within the county, including public or nonprofit hospitals that are not county hospitals. The board may also appropriate up to \$25,000 from the general revenue fund of the county for the acquisition of land and construction of municipally owned nursing homes within the county.~~

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

Sec. 10. Minnesota Statutes 2000, section 376.08, subdivision 2, is amended to read:

Subd. 2. [REMODELING OR ADDITIONS.] ~~A county hospital may by majority vote of its board of commissioners, or if the hospital has been leased to another entity under section 376.06, subdivision 1, or 447.47, by majority vote of the board of directors of that entity, enter into projects for the construction of an addition or remodeling to its presently existing facility or the acquisition of equipment as described in this subdivision without complying with the dollar limitation of subdivision 1 or the election requirements of section 376.03. This subdivision applies only to projects in which the funds for the project are derived from dedicated, restricted, or other designated accounts or, from the hospital's depreciation fund and do not require incurring debt by the county through, or from the issuance of bonds or otherwise authorized under other law. An addition to a current hospital under this subdivision may include construction of buildings physically separate from the present hospital building, as well as additions to the present building, if the new buildings are constructed on the hospital's existing premises.~~

This subdivision does not affect the ability of the hospital board to approve funds for improvements or remodeling of a hospital facility under other law.

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

Sec. 11. Minnesota Statutes 2000, section 376.08, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON HOSPITAL CAPACITY.] Section 144.551 applies to any project authorized by subdivision 2 or 4. ~~Subdivision Subdivisions 2 does and 4 do~~ not authorize an increase in the license capacity of the hospital or the licensing, relocation, or redistribution of hospital beds except as provided by section 144.551, subdivision 1, paragraph (b).

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

Sec. 12. Minnesota Statutes 2000, section 376.08, is amended by adding a subdivision to read:

Subd. 4. [NO ELECTION FOR EXPENDITURE OF CERTAIN BOND PROCEEDS.] Notwithstanding section 376.03, a county may by vote of the majority of the board of county commissioners acquire, construct, remodel, renovate, and equip hospital facilities to the extent of money derived from general obligation bonds authorized for that purpose by an election under section 475.58, capital improvement bonds issued under a capital improvement plan approved in accordance with section 373.40, or revenue bonds issued under sections 447.45 to 447.50.

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

Sec. 13. Minnesota Statutes 2000, section 376.09, is amended to read:

376.09 [AID TO HOSPITALS IN COUNTIES HAVING NO COUNTY HOSPITAL.]

In any county in which there is no county hospital, or a county hospital is leased to a nonprofit or governmental hospital organization pursuant to section 376.06, subdivision 1, or 447.47, the county board may appropriate and pay money from the general fund of the county, for the construction, maintenance, and operation of a private, nonprofit, or public hospital in the county for the treatment of sick, diseased, and injured persons. Admission preference shall always be given to patients who are, in whole or in part, public charges, and are sent to the hospital by the county board.

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

Sec. 14. Minnesota Statutes 2000, section 383B.79, is amended by adding a subdivision to read:

Subd. 5. [FINANCING.] Hennepin county may appropriate funds for any of the activities described in subdivision 1, whether or not state funds are appropriated for the activity. Hennepin county may include any part of the costs of a project described in section 469.002, subdivision 12, in a capital improvement plan adopted under section 373.40, and may issue bonds for such purposes pursuant to and subject to the procedures and limitations set forth in section 373.40, whether or not the capital improvement to be financed is to be owned by the county or any other governmental entity. Such purposes are in addition to the capital improvements described in section 373.40, but shall not include light rail transit, commuter rail, or any activity related to either of those, or a sports facility building designed or used primarily for professional sports. No funds appropriated under this subdivision may be used to pay operating expenses.

Sec. 15. Minnesota Statutes 2000, section 473.39, is amended by adding a subdivision to read:

Subd. 1h. [OBLIGATIONS.] After July 1, 2001, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, and 1g, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$44,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations, but not for computer software, or for construction, maintenance, or operation of light rail transit or commuter rail, or construction or maintenance of busways.

[EFFECTIVE DATE; APPLICATION.] This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 16. Minnesota Statutes 2000, section 474A.02, subdivision 8, is amended to read:

Subd. 8. [FEDERAL TAX LAW.] "Federal tax law" means those provisions of the Internal Revenue Code of 1986, as amended ~~through December 31, 1990~~, that limit the aggregate amount of obligations of a specified type or types which may be issued by an issuer during a calendar year whose interest is excluded from gross income for purposes of federal income taxation.

Sec. 17. Minnesota Statutes 2000, section 474A.02, subdivision 13a, is amended to read:

Subd. 13a. [SMALL ISSUE POOL.] "Small issue pool" means the amount of the annual volume cap allocated under section 474A.061, that is available for the issuance of enterprise zone facility bonds authorized under Public Law Number 103-66, section 13301, small issue bonds to finance manufacturing projects, ~~and~~ the agricultural development bond beginning farmer and agricultural business enterprise loan program authorized in sections 41C.01 to 41C.13, and student loan bonds issued by the Minnesota higher education services office.

Sec. 18. Minnesota Statutes 2000, section 474A.02, subdivision 22a, is amended to read:

Subd. 22a. [PUBLIC FACILITIES POOL.] "Public facilities pool" means the amount of the annual volume cap allocated under section 474A.061, which is available for the issuance of public facility bonds ~~or student loan bonds.~~

Sec. 19. Minnesota Statutes 2000, section 474A.02, subdivision 22b, is amended to read:

Subd. 22b. [PUBLIC FACILITIES PROJECT.] "Public facilities project" means any publicly owned facility, or facility owned by a nonprofit organization that is used for district heating or cooling, that is eligible to be financed with the proceeds of public facilities bonds as defined under section 474A.02, subdivision 23a.

Sec. 20. Minnesota Statutes 2000, section 474A.02, subdivision 23a, is amended to read:

Subd. 23a. [QUALIFIED BONDS.] "Qualified bonds" means the specific type or types of obligations that are subject to the annual volume cap. Qualified bonds include the following types of obligations as defined in federal tax law:

(a) "public facility bonds" means "exempt facility bonds" as defined in federal tax law, except for residential rental project bonds, which are those obligations issued to finance airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water, sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electric energy or gas, local district heating or cooling facilities, and qualified hazardous waste facilities. New bonds and other obligations are ineligible to receive state allocations or entitlement authority for public facility projects under this section if they have been issued:

(1) for the purpose of refinancing, refunding, or otherwise defeasing existing debt; and

(2) more than one calendar year prior to the date of application;

(b) "residential rental project bonds" which are those obligations issued to finance qualified residential rental projects;

(c) "mortgage bonds";

(d) "small issue bonds" issued to finance manufacturing projects and the acquisition or improvement of agricultural real or personal property under sections 41C.01 to 41C.13;

(e) "student loan bonds" issued by or on behalf of the Minnesota higher education services office;

(f) "redevelopment bonds";

(g) "governmental bonds" with a nonqualified amount in excess of \$15,000,000 as set forth in section 141(b)5 of federal tax law; and

(h) "enterprise zone facility bonds" issued to finance facilities located within empowerment zones or enterprise communities, as authorized under Public Law Number 103-66, section 13301.

Sec. 21. Minnesota Statutes 2000, section 474A.03, subdivision 1, is amended to read:

Subdivision 1. [UNDER FEDERAL TAX LAW; ALLOCATIONS.] At the beginning of each calendar year after December 31, ~~1997~~ 2001, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

- (1) ~~\$63,000,000~~ \$74,530,000 to the small issue pool;
- (2) ~~\$59,000,000~~ \$122,060,000 to the housing pool, ~~\$37,000,000~~ of which 31 percent of the adjusted allocation is reserved until the ~~day after the first last~~ Monday in February ~~July~~ for single-family housing programs;
- (3) ~~\$10,500,000~~ \$12,750,000 to the public facilities pool; and
- (4) amounts to be allocated as provided in subdivision 2a.

If the annual volume cap is greater or less than the amount of bonding authority allocated under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation must be adjusted so that each adjusted allocation is the same percentage of the annual volume cap as each original allocation is of the total bonding authority originally allocated.

Sec. 22. Minnesota Statutes 2000, section 474A.03, subdivision 2a, is amended to read:

Subd. 2a. [ENTITLEMENT ISSUER ALLOCATION.] (a) The commissioner shall make the following allocation to the Minnesota housing finance agency and the following cities and county:

- (1) ~~\$53,750,000~~ \$84,940,000 per year to the Minnesota housing finance agency, ~~less any amount received in the previous year under section 474A.091, subdivision 6;~~
- (2) ~~\$21,000,000~~ \$33,190,000 per year to the city of Minneapolis;
- (3) ~~\$15,750,000~~ \$24,890,000 per year to the city of Saint Paul; and
- (4) ~~\$10,500,000~~ \$16,600,000 per year to the Dakota county community development agency for the county of Dakota and all political subdivisions located within the county.

(b) Entitlement allocations provided under this subdivision must be used for mortgage bonds, mortgage credit certificates, public facility bonds, or residential rental project bonds, except that entitlement issuers ~~may also use their allocations for public facility bonds, and~~ may carry forward their allocations for any qualified bond as defined under section 474A.02, subdivision 23a.

(c) Data on the home purchase price amount, mortgage amount, income, household size, and race of the households served with the proceeds of mortgage revenue bonds and mortgage credit certificates in the previous year must be submitted by each entitlement issuer to the Minnesota housing finance agency by December 31 of each year. Compliance by the Minnesota housing finance agency with the provisions of section 462A.073, subdivision 5, shall be deemed compliance with the reporting requirements of this subdivision.

Sec. 23. Minnesota Statutes 2000, section 474A.03, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] Every entitlement issuer and other issuer shall pay to the commissioner a nonrefundable application fee to offset the state cost of program administration. The application fee is \$20 for each \$100,000 of entitlement or allocation requested, with the request rounded to the nearest \$100,000. The minimum fee is \$20. Fees received by the commissioner must be credited to the general fund. ~~Application fees for projects of entitlement issuers must be submitted to the commissioner with the notice of issuance of bonds, notice of use of mortgage credit certificates, and notice of carry forward. Each entitlement issuer must pay its application fee in full for that calendar year to the commissioner no later than when the first notice of issuance of bonds, notice of use of mortgage credit certificates, or notice of carry forward is submitted to the commissioner by that issuer.~~

Sec. 24. Minnesota Statutes 2000, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. [ENTITLEMENT RESERVATIONS; CARRYFORWARD; DEDUCTION.] Any amount returned by an entitlement issuer before July 15 shall be reallocated through the housing pool. Any amount returned on or after July 15 shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota housing finance agency. Any amount of bonding authority that an entitlement issuer carries forward under federal tax law that is not permanently issued or for which the governing body of the entitlement issuer has not enacted a resolution electing to use the authority for mortgage credit certificates ~~by July 15 and has not provided a notice of issue to the commissioner before 4:30 p.m. on the last business day in December of the succeeding calendar year shall be deducted from the entitlement allocation for that entitlement issuer for the current calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be reallocated through the unified pool. An entitlement issuer must permanently issue all carryforward authority or enact a resolution electing to use all carryforward authority for mortgage credit certificates prior to issuing any current year authority of that entitlement issuer in the next succeeding calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be reallocated to other entitlement issuers, the housing pool, the small issue pool, and the public facilities pool on a proportional basis consistent with section 474A.03.~~

Sec. 25. Minnesota Statutes 2000, section 474A.04, subdivision 5, is amended to read:

Subd. 5. [NOTICE OF ENTITLEMENT ALLOCATION.] As soon as possible in each calendar year, the commissioner shall provide to each entitlement issuer a written notice of the amount of its post on the department's Web site the amount of each entitlement allocation.

Sec. 26. Minnesota Statutes 2000, section 474A.045, is amended to read:

474A.045 [SCORING SYSTEM FOR ENTERPRISE ZONE FACILITY PROJECTS AND MANUFACTURING PROJECTS.]

The following criteria must be used in determining the allocation of enterprise zone facility bonds and small issue bonds for manufacturing projects. The issuer must prepare and submit to the commissioner a public purpose scoring worksheet that presents the data and methods used in determining the total score under this section. The total score is the sum of the following:

(1) the number of direct new jobs in the state generated by the proposed project for the next two years per \$100,000 of proposed allocation multiplied by 15;

(2) the number of direct existing jobs in the state multiplied by .625 due to the proposed project for the next two years per \$100,000 of proposed allocation multiplied by 15;

(3) the average hourly wage paid to employees by the proposed project for the next two years, exclusive of benefits mandated by law, based on the following scale:

Wages paid per hour	\$8	\$10	\$12	\$15
Non-Metro area points awarded	10	15	20	20
Seven-County Metro Area points awarded	0	10	15	20

For purposes of this section, the seven-county metropolitan area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties;

(4) the quotient of the estimated total net increase in property taxes generated in the state by the project in the first full year of operation divided by the proposed bond allocation, multiplied by 500; ~~and~~

(5) the seasonally unadjusted unemployment rate in the community where the proposed project is located measured as a percent of the state's unemployment rate, multiplied by ten.

The community seasonally unadjusted unemployment rate used in determining the points under clause (5) must be the most recent rate for the city or county in which the proposed project is located, as provided by the commissioner of economic security.

(6) 20 points for projects that locate in an incorporated area or a planned urban growth area as defined by section 462.352, subdivision 18;

(7) 20 points for brownfield projects located in a state or federal Superfund site, a voluntary investigation and cleanup site, or a brownfield site, all as defined by the Minnesota pollution control agency; and

(8) 20 points for projects with favorable environmental citizenship as evidenced by no nonforgivable or combination administrative penalty orders, stipulation agreements, consent decrees, or other enforcement orders containing a monetary penalty by the Minnesota pollution control agency over the past three years or pending at the time of application.

Sec. 27. Minnesota Statutes 2000, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) An issuer may only use the proceeds from residential rental bonds if the proposed project meets one of the following requirements:

~~(1) the proposed project is a single room occupancy project and all the units of the project will be occupied by individuals whose incomes at the time of their initial residency in the project are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development;~~

~~(2) the proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and at least one-third of the 75 percent have three or more bedrooms; or~~

(3) the proposed project is a multifamily project that meets the following requirements:

~~(i) the proposed project is the rehabilitation of an existing building which meets the requirements for minimum rehabilitation expenditures in sections 42(c)(2) and 42(c)(3)(A) of the Internal Revenue Code;~~

~~(ii) the proposed project involves participation by the Minnesota housing finance agency or a local unit of government in the financing of the acquisition or rehabilitation of the project. For purposes of this subdivision, "participation" means an activity other than the issuance of the bonds; and~~

(iii) the proposed project must be occupied by individuals or families whose incomes at the time of their initial residency in the project meet the requirements of section 42(g) of the Internal Revenue Code:

(1) the proposed residential rental project meets the requirements of section 142(d) of the Internal Revenue Code regarding the incomes of the occupants of the housing; and

(2) the maximum rent for at least 20 percent of the units in the proposed residential rental project do not exceed the area fair market rent or exception fair market rents for existing housing, if applicable, as established by the federal Department of Housing and Urban Development.

(b) The maximum rent for a proposed single room occupancy unit under paragraph (a), clause (1), is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for at least 75 percent of the units of a multifamily project under paragraph (a), clause (2), is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with 1.5 persons per bedroom.

(c) The proceeds from residential rental bonds may be used for a project for which project-based federal rental assistance payments are made only if:

(1) the owner of the project enters into a binding agreement with the Minnesota housing finance agency under which the owner is obligated to extend any existing low-income affordability restrictions and any contract or agreement for rental assistance payments for the maximum term permitted, including any renewals thereof; and

(2) the Minnesota housing finance agency certifies that project reserves will be maintained at closing of the bond issue and budgeted in future years at the lesser of:

(i) the level described in Minnesota Rules, part 4900.0010, subpart 7, item A, subitem (2), effective May 1, 1997; or

(ii) the level of project reserves available prior to the bond issue, provided that additional money is available to accomplish repairs and replacements needed at the time of bond issue.

Sec. 28. Minnesota Statutes 2000, section 474A.047, subdivision 2, is amended to read:

Subd. 2. [15-YEAR AGREEMENT.] Prior to the issuance of residential rental bonds, the developer of the project for which the bond proceeds will be used must enter into a 15-year agreement with the issuer that specifies the maximum rental rates of the rent-restricted units in the project and the income levels of the residents of the project occupying income-restricted units. ~~The Such~~ rental rates and income levels must be within the limitations established under subdivision 1. The developer must annually certify to the issuer over the term of the agreement that the rental rates for the rent-restricted units are within the limitations under subdivision 1. The issuer may request individual certification of the income of ~~all~~ residents of the project income-restricted units. The commissioner may request from the issuer a copy of the annual certification prepared by the developer. The commissioner may require the issuer to request individual certification of all residents of the project income-restricted units.

Sec. 29. Minnesota Statutes 2000, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in July, or in the amount of two percent of the requested allocation on or after the last Monday in July, (5) a public purpose scoring worksheet for manufacturing

project and enterprise zone facility project applications, and (6) for residential rental projects, a statement from the applicant or bond counsel as to whether the project preserves existing federally subsidized housing for residential rental project applications and whether the project is restricted to persons who are 55 years of age or older. The issuer must pay the application deposit by a check made payable to the department of finance. The Minnesota housing finance agency, the Minnesota rural finance authority, and the Minnesota higher education services office may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph does not apply to an application from the Minnesota housing finance agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Sec. 30. Minnesota Statutes 2000, section 474A.061, subdivision 2a, is amended to read:

Subd. 2a. [HOUSING POOL ALLOCATION.] (a) ~~On the first business day that falls on a Monday of the calendar year and the first Monday in February Commencing on the second Tuesday in January and continuing on each Monday through July 15, the commissioner shall allocate available bonding authority in from the housing pool to applications received by on or before the Monday of the previous preceding week for residential rental projects that are not restricted to persons who are 55 years of age or older and that meet the eligibility criteria under section 474A.047; except that allocations may be made to projects that are restricted to persons who are 55 years of age or older, if the project preserves existing federally subsidized housing. Projects that preserve existing federally subsidized housing shall be allocated available bonding authority in the housing pool for residential rental projects prior to the allocation of available bonding authority to other eligible residential rental projects. Allocations of available bonding authority from the housing pool for eligible residential rental projects shall be awarded in the following order of priority: (1) projects that preserve existing federally subsidized housing; (2) projects that are not restricted to persons who are 55 years of age or older; and (3) other residential rental projects. Prior to May 15, no allocation shall be made to a project restricted to persons who are 55 years of age or older. If an issuer that receives an allocation under this paragraph does not issue obligations equal to all or a portion of the allocation received within 120 days of the allocation or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the housing pool or to the unified pool after July 15.~~

(b) After ~~February January~~ 1, and through ~~February January~~ 15, the Minnesota housing finance agency may accept applications from cities for single-family housing programs which meet program requirements as follows:

- (1) the housing program must meet a locally identified housing need and be economically viable;
- (2) the adjusted income of home buyers may not exceed 80 percent of the greater of statewide or area median income as published by the Department of Housing and Urban Development, adjusted for household size;
- (3) house price limits may not exceed the federal price limits established for mortgage revenue bond programs. Data on the home purchase price amount, mortgage amount, income, household size, and race of the households served in the previous year's single-family housing program, if any, must be included in each application; and

(4) for applicants who choose to have the agency issue bonds on their behalf, an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to one percent of the requested allocation must be submitted to the Minnesota housing finance agency before the agency forwards the list specifying the amounts allocated to the commissioner under paragraph (c) (d). The agency shall submit the city's application fee and application deposit to the commissioner when requesting an allocation from the housing pool.

Applications by a consortium shall include the name of each member of the consortium and the amount of allocation requested by each member.

~~The Minnesota housing finance agency may accept applications from June 15 through June 30 from cities for single-family housing programs which meet program requirements specified under clauses (1) to (4) if bonding authority is available in the housing pool. Applications will be accepted from June 15 to June 30 only from cities that received an allotment in the same calendar year and used at least 75 percent of their allotment by June 1.~~

(c) Any amounts remaining in the housing pool after July 15 are available for single-family housing programs for cities that applied in January and received an allocation under this section in the same calendar year. For a city that chooses to issue bonds on its own behalf or pursuant to a joint powers agreement, the agency must allot available bonding authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by loan, on a first come, first served basis among applicant cities on whose behalf the Minnesota housing finance agency issues bonds. The agency must allot available bonding authority.

Any city that received an allocation pursuant to paragraph (f) in the same calendar year that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an amount becoming available for single-family housing programs after July 15 shall notify the Minnesota housing finance agency by July 15. The Minnesota housing finance agency shall notify each city making a request of the amount of its allocation within three business days after July 15. The city must comply with paragraph (f).

For purposes of paragraphs (a) to ~~(g)~~ (h), "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota housing finance agency.

~~(c) (d)~~ (d) The total amount of allocation for mortgage bonds for one city is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the housing pool, multiplied by the ratio of each applicant's population as determined by the most recent estimate of the city's population released by the state demographer's office to the total of all the applicants' population, except that each applicant shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount determined under the formula in clause (ii). If a city applying for an allocation is located within a county that has also applied for an allocation, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

Upon determining the amount of each applicant's allocation, the agency shall forward to the commissioner a list specifying the amounts allotted to each application and application deposit checks to the commissioner with all application fees and deposits from applicants who choose to have the agency issue bonds on their behalf.

Total allocations from the housing pool for single-family housing programs may not exceed 31 percent of the adjusted allocation to the housing pool until after July 15.

~~(d) (e)~~ (e) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time after the first Monday second Tuesday in February January and through the last Monday in July, but may request an allocation no later than the last Monday in July. After awarding an allocation and receiving a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposits

to the Minnesota housing finance agency to be returned to the participating cities. The ~~commissioner~~ Minnesota housing finance agency shall return any application deposit to a city that paid an application deposit under paragraph (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph ~~(e)~~ (d).

~~(e)~~ (f) A city may choose to issue bonds on its own behalf or through a joint powers agreement ~~or may use bonding authority for mortgage credit certificates~~ and may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and a one percent application deposit to the commissioner no later than the Monday of the week preceding an allocation. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the amount it would have received under the list forwarded by the Minnesota housing finance agency to the commissioner. No city may request or receive an allocation from the commissioner until the list under paragraph ~~(e)~~ (d) has been forwarded to the commissioner. A city must request an allocation from the commissioner no later than ~~14 days before the unified pool is created pursuant to section 474A.091, subdivision 1~~ the last Monday in July. ~~On and after the first Monday in February and through the last Monday in July,~~ No city may receive an allocation from the housing pool for mortgage bonds which has not first applied to the Minnesota housing finance agency. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota housing finance agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

~~(f)~~ (g) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the housing pool. No city in an entitlement county may apply for or be allocated authority to issue residential rental bonds from the housing pool or the unified pool.

~~(g)~~ (h) A city that does not use at least 50 percent of its allotment by the date applications are due for the first allocation that is made from the housing pool for single-family housing programs in the immediately succeeding calendar year may not apply to the housing pool for a single-family mortgage bond or mortgage credit certificate program allocation that exceeds the amount of its allotment for the preceding year that was used by the city in the immediately preceding year or receive an allotment from the housing pool in the succeeding calendar year that exceeds the amount of its allotment for the preceding year that was used in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to July 15, regardless of the amount used in the preceding calendar year, except that a city whose allocation in the preceding year was the minimum amount of \$100,000 and who did not use at least 50 percent of its allocation from the preceding year is ineligible for an allocation in the immediate succeeding calendar year. Each local government unit in a consortium must meet the requirements of this paragraph.

Sec. 31. Minnesota Statutes 2000, section 474A.061, subdivision 2b, is amended to read:

Subd. 2b. [SMALL ISSUE POOL ALLOCATION.] ~~On the first Monday in January that is a business day through the last Monday in July~~ Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in July, the commissioner shall allocate available bonding authority from the small issue pool ~~on Monday of each week~~ to applications received on or before the Monday of the preceding week for manufacturing projects and enterprise zone facility projects. From the ~~first Monday in January that is a business day~~ second Tuesday in January through the last Monday in July, the commissioner shall reserve \$5,000,000 of the available bonding authority from the small issue pool for applications for agricultural development bond loan projects of the Minnesota rural finance authority.

Beginning in calendar year 2002, on the second Tuesday in January through the last Monday in July, the commissioner shall reserve \$10,000,000 of available bonding authority in the small issue pool for applications for student loan bonds of or on behalf of the Minnesota higher education services office. The total amount of allocations for student loan bonds from the small issue pool may not exceed \$10,000,000 per year.

The commissioner shall reserve \$10,000,000 until the day after the last Monday in February, \$10,000,000 until the day after the last Monday in April, and \$10,000,000 until the day after the last Monday in June in the small issue pool for enterprise zone facility projects and manufacturing projects. The amount of allocation provided to an issuer for a specific enterprise zone facility project or manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. ~~Proposed projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed projects that receive less than 50 points are eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received.~~

If there are two or more applications for manufacturing and enterprise zone facility projects from the small issue pool and there is insufficient bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045, with those projects receiving the greatest number of points receiving allocation first. If two or more applications receive an equal number of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 32. Minnesota Statutes 2000, section 474A.061, subdivision 2c, is amended to read:

Subd. 2c. [PUBLIC FACILITIES POOL ALLOCATION.] From the beginning of the calendar year and continuing for a period of 120 days, the commissioner shall reserve ~~\$5,000,000~~ \$3,000,000 of the available bonding authority from the public facilities pool for applications for public facilities projects to be financed by the Western Lake Superior Sanitary District. ~~On the first Monday in January that is a business day through the last Monday in July~~ Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in July, the commissioner shall allocate available bonding authority from the public facilities pool ~~on Monday of each week~~ to applications for eligible public facilities projects received on or before the Monday of the preceding week. If there are two or more applications for public facilities projects from the pool and there is insufficient available bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 33. Minnesota Statutes 2000, section 474A.061, subdivision 4, is amended to read:

Subd. 4. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 120 days of allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 120-day period since allocation has expired prior to the last Monday in July, the amount of allocation is canceled and returned for reallocation through the pool from which it was originally allocated. If the issuer notifies the department or the 120-day period since allocation has expired on or after the last Monday in July, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota housing finance agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 120 days of allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 120 days of receiving allocation.

(c) No refund shall be available for allocations returned 120 or more days after receiving the allocation or beyond the last Monday in November. ~~This subdivision does not apply to the Minnesota housing finance agency or the Minnesota rural finance authority.~~

Sec. 34. [474A.062] [HESO 120-DAY ISSUANCE EXEMPTION.]

The Minnesota higher education services office is exempt from the 120-day issuance requirements in this chapter and may carry forward allocations for student loan bonds into three successive calendar years, subject to carryforward notice requirements of section 474A.131, subdivision 2. The maximum cumulative carryforward is limited to \$25,000,000.

Sec. 35. Minnesota Statutes 2000, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Issuers may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, ~~and~~ (5) a public purpose scoring worksheet for manufacturing and enterprise zone applications, and (6) for residential rental projects, a statement from the applicant or bond counsel as to whether the project preserves existing federally subsidized housing and whether the project is restricted to persons who are 55 years of age or older. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

Notwithstanding the restrictions imposed on entitlement issuers under this subdivision, the Minnesota housing finance agency may not apply for receive an allocation for mortgage bonds under this section until after prior to the last first Monday in August. Notwithstanding the restrictions imposed on unified pool allocations after September 1 under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency October, but may be awarded allocations for mortgage bonds from the unified pool on or after September 1 the first Monday in October. The Minnesota housing finance agency, the Minnesota higher education services office, and the Minnesota rural finance authority may apply for and receive an allocation under this section without submitting an application deposit.

Sec. 36. Minnesota Statutes 2000, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in August through and on the last Monday in November. Applications for allocations must be received by the department by 4:30 p.m. on the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

~~(b) On or before September 1, allocations shall be awarded from the unified pool in the following order of priority:~~

- ~~(1) applications for enterprise zone facility bonds;~~
- ~~(2) applications for small issue bonds for manufacturing projects;~~
- ~~(3) applications for small issue bonds for agricultural development bond loan projects;~~
- ~~(4) applications for residential rental project bonds;~~
- ~~(5) applications for public facility projects funded by public facility bonds;~~

- (6) applications for redevelopment bonds;
- (7) applications for mortgage bonds; and
- (8) applications for governmental bonds.

Allocations for residential rental projects may only be made during the first allocation in August. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received.

(b) Prior to October 1, only the following applications shall be awarded allocations from the unified pool. Allocations shall be awarded in the following order of priority:

- (1) applications for residential rental project bonds;
- (2) applications for small issue bonds for manufacturing projects; and
- (3) applications for small issue bonds for agricultural development bond loan projects.

(c) On the first Monday in October through the last Monday in November, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for student loan bonds issued by or on behalf of the Minnesota higher education services office;
- (2) applications for mortgage bonds;
- (3) applications for public facility projects funded by public facility bonds;
- (4) applications for small issue bonds for manufacturing projects;
- (5) applications for small issue bonds for agricultural development bond loan projects;
- (6) applications for residential rental project bonds;
- (7) applications for enterprise zone facility bonds;
- (8) applications for governmental bonds; and
- (9) applications for redevelopment bonds.

(d) If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for manufacturing projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(e) If there are two or more applications for enterprise zone facility projects from the unified pool and there is insufficient bonding authority to provide allocations for all enterprise zone facility projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under

section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for enterprise zone facility projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(f) If there are two or more applications for residential rental projects from the unified pool and there is insufficient bonding authority to provide allocations for all residential rental projects in any one allocation period, the available bonding authority shall be awarded in the following order of priority: (1) projects that preserve existing federally subsidized housing; (2) projects that are not restricted to persons who are 55 years of age or older; and (3) other residential rental projects.

~~(e)(1) (g) From the first Monday in August through the last Monday in November, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds to the extent such amounts are available within the unified pool. On the first Monday in September through the last Monday in November, \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds to the extent such amounts are available within the unified pool.~~

~~(2) (h) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:~~

~~(i) (1) \$10,000,000 for any one city; or~~

~~(ii) (2) \$20,000,000 for any number of cities in any one county.~~

~~An allocation for mortgage bonds may be used for mortgage credit certificates.~~

~~(d) After September 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds to finance publicly owned facility projects, residential rental project bonds, and enterprise zone facility bonds.~~

(i) The total amount of allocations for student loan bonds from the unified pool may not exceed \$10,000,000 per year.

(j) If there is insufficient bonding authority to fund all projects within any qualified bond category other than enterprise zone facility projects, manufacturing projects, and residential rental projects, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers.

(k) If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted.

(l) The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 37. Minnesota Statutes 2000, section 474A.091, is amended by adding a subdivision to read:

Subd. 3a. [MORTGAGE BONDS.] (a) Bonding authority remaining in the unified pool on October 1 is available for single-family housing programs for cities that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year. The Minnesota housing finance agency shall receive an allocation for mortgage bonds pursuant to this section, minus any amounts for a city or consortium that intends to issue bonds on its own behalf under paragraph (c).

(b) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. Allocations shall be awarded by the commissioner each Monday commencing on the first Monday in October through the last Monday in November for applications received by 4:30 p.m. on the Monday of the week preceding an allocation.

For cities who choose to have the agency issue bonds on their behalf, allocations will be made loan by loan, on a first come, first served basis among the cities. The agency shall submit an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to two percent of the requested allocation to the commissioner when requesting an allocation from the unified pool. After awarding an allocation and receiving a notice of issuance for mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposit to the Minnesota housing finance agency.

For purposes of paragraphs (a) to (d), "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota housing finance agency.

(c) Any city that received an allocation pursuant to section 474A.061, subdivision 2a, paragraph (f), in the current year that wishes to receive an additional allocation from the unified pool and issue bonds on its own behalf or pursuant to a joint powers agreement shall notify the Minnesota housing finance agency by the third Monday in September. The total amount of allocation for mortgage bonds for a city choosing to issue bonds on its own behalf or through a joint powers agreement is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the unified pool, multiplied by the ratio of the population of each city that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year, as determined by the most recent estimate of the city's population released by the state demographer's office to the total of the population of all the cities that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year. If a city choosing to issue bonds on its own behalf or through a joint powers agreement is located within a county that has also chosen to issue bonds on its own behalf or through a joint powers agreement, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

The Minnesota housing finance agency shall notify each city choosing to issue bonds on its own behalf or pursuant to a joint powers agreement of the amount of its allocation by October 15. Upon determining the amount of the allocation of each choosing to issue bonds on its own behalf or through a joint powers agreement, the agency shall forward a list specifying the amounts allotted to each city.

A city that chooses to issue bonds on its own behalf or through a joint powers agreement may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to two percent of the requested amount to the commissioner no later than 4:30 p.m. on the Monday of the week preceding an allocation. Allocations to cities that choose to issue bonds on their own behalf shall be awarded by the commissioner on the first Monday after October 15 through the last Monday in November. No city may receive an allocation from the commissioner after the last Monday in November. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this subdivision.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota housing finance agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

(d) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the unified pool.

(e) An allocation awarded to the agency for mortgage bonds under this section may be carried forward by the agency into the next succeeding calendar year subject to notice requirements under section 474A.131 and is available until the last business day in December of that succeeding calendar year.

Sec. 38. Minnesota Statutes 2000, section 474A.091, subdivision 4, is amended to read:

Subd. 4. ~~[MORTGAGE BONDS REMAINING BONDING AUTHORITY.]~~ All remaining bonding authority available for allocation under this section on December 1, is allocated to the Minnesota housing finance agency.

Sec. 39. Minnesota Statutes 2000, section 474A.091, subdivision 5, is amended to read:

Subd. 5. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 120 days of the allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 120-day period since allocation has expired prior to the last Monday in November, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department on or after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota housing finance agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 120 days of the allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving the allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving the allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 120 days of receiving the allocation.

(c) No refund of the application deposit shall be available for allocations returned on or after the last Monday in November. ~~This subdivision does not apply to the Minnesota housing finance agency, or the Minnesota rural finance authority.~~

Sec. 40. Minnesota Statutes 2000, section 474A.091, subdivision 6, is amended to read:

Subd. 6. [FINAL ALLOCATION; CARRYFORWARD.] Notwithstanding the notice requirements of section 474A.131, subdivision 2, any bonding authority remaining unissued by the Minnesota housing finance agency on the last business day in December shall be carried forward into the next calendar year by the commissioner for the Minnesota housing finance agency in accordance with section 474A.131, subdivision 2.

Sec. 41. Minnesota Statutes 2000, section 474A.131, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ISSUE.] Each issuer that issues bonds with an allocation received under this chapter shall provide a notice of issue to the department on forms provided by the department stating:

- (1) the date of issuance of the bonds;
- (2) the title of the issue;
- (3) the principal amount of the bonds;

(4) the type of qualified bonds under federal tax law; ~~and~~

(5) the dollar amount of the bonds issued that were subject to the annual volume cap; and

(6) for entitlement issuers, whether the allocation is from current year entitlement authority or is from carry forward authority.

For obligations that are issued as a part of a series of obligations, a notice must be provided for each series. A penalty of one-half of the amount of the application deposit not to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not provided to the department within five business days after issuance or before the last Monday in December, whichever occurs first. Within 30 days after receipt of a notice of issue the department shall refund a portion of the application deposit equal to one percent of the amount of the bonding authority actually issued if a one percent application deposit was made, or equal to two percent of the amount of the bonding authority actually issued if a two percent application deposit was made, less any penalty amount.

Sec. 42. Minnesota Statutes 2000, section 474A.131, is amended by adding a subdivision to read:

Subd. 1b. [DEADLINE FOR ISSUANCE OF QUALIFIED BONDS.] If an issuer fails to notify the department before 4:30 p.m. on the last business day in December of issuance of obligations pursuant to an allocation received for any qualified bond project or issuance of an entitlement allocation, the allocation is canceled and the bonding authority is allocated to the Minnesota housing finance agency for carryforward by the commissioner under section 474A.091, subdivision 6.

Sec. 43. Minnesota Statutes 2000, section 474A.131, subdivision 2, is amended to read:

Subd. 2. [CARRYFORWARD NOTICE.] If an issuer intends to carry forward an allocation received under this chapter, it must notify the department in writing before 4:30 p.m. on the last Monday of business day in December. This notice requirement does not apply to the Minnesota housing finance agency for the carryforward of unallocated unified pool balances.

Sec. 44. Minnesota Statutes 2000, section 474A.14, is amended to read:

474A.14 [NOTICE OF AVAILABLE AUTHORITY.]

The department shall ~~publish in the State Register a~~ provide at its official Web site a written notice of the amount of bonding authority in the housing, small issue, and public facilities pools as soon after January 1 as possible. The department shall ~~publish in the State Register a~~ provide at its official Web site a written notice of the amount of bonding authority available for allocation in the unified pool as soon after August 1 as possible.

Sec. 45. Minnesota Statutes 2000, section 475.54, subdivision 1, is amended to read:

Subdivision 1. [IN INSTALLMENTS; EXCEPTION; ANNUAL LIMIT.] Except as provided in subdivision 3, 5a, 15, or 17, or as expressly authorized in another law, all obligations of each issue shall mature or be subject to mandatory sinking fund redemption in installments, the first not later than three years and the last not later than 30 years from the date of the issue; or 40 years or the useful life of the asset, whichever is less, for municipal water and wastewater treatment systems and essential community facilities financed or guaranteed by the United States Department of Agriculture. No amount of principal of the issue payable in any calendar year shall exceed ~~five times the~~ an amount of equal to the smallest amount payable in any preceding calendar year ending three years or more after the issue date multiplied:

(1) by five, in the case of obligations maturing not later than 25 years from the date of issue; and

(2) by six, in the case of obligations maturing 25 years or later from the date of issue.

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

Sec. 46. Minnesota Statutes 2000, section 475.58, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL BY ELECTORS; EXCEPTIONS.] Obligations authorized by law or charter may be issued by any municipality upon obtaining the approval of a majority of the electors voting on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

(1) to pay any unpaid judgment against the municipality;

(2) for refunding obligations;

(3) for an improvement or improvement program, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement or by an improvement within the improvement program, or of taxes levied upon the increased value of property within a district for the development of which the improvement is undertaken, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or taxes and not less than 20 percent of the cost of the improvement or the improvement program is to be assessed against benefited property or is to be paid from the proceeds of federal grant funds or a combination thereof, or is estimated to be received from such taxes within the district;

(4) payable wholly from the income of revenue producing conveniences;

(5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election;

(6) under the provisions of a law which permits the issuance of obligations of a municipality without an election, subject to the reverse referendum requirement in subdivision 1b;

(7) to fund pension or retirement fund liabilities pursuant to section 475.52, subdivision 6;

(8) under a capital improvement plan under section 373.40;

(9) to fund facilities as provided in subdivision 3; and

(10) under sections 469.1813 to 469.1815 (property tax abatement authority bonds).

Sec. 47. Minnesota Statutes 2000, section 475.58, subdivision 1a, is amended to read:

Subd. 1a. [RESUBMISSION LIMITATION.] If the electors do not approve the issuing of obligations at an election required by subdivision 1 or subdivision 1b, the question of authorizing the obligations for the same purpose and in the same amount may not be submitted to the electors within a period of 180 days from the date the election was held. If the question of authorizing the obligations for the same purpose and in the same amount is not approved a second time it may not be submitted to the electors within a period of one year after the second election.

Sec. 48. Minnesota Statutes 2000, section 475.58, is amended by adding a subdivision to read:

Subd. 1b. [REVERSE REFERENDUM REQUIRED.] Any authority given to a statutory or home rule charter city, county, or town in general or special law to issue general obligation bonds under this chapter that is exempt from the election requirement under subdivision 1, clause (6), is subject to the reverse referendum requirement in this subdivision. The city, county, or town must publish a notice of its intention to issue the bonds and the date and time of a hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the local government unit or in a newspaper of general circulation in the local government's jurisdiction. The notice must be published at least 14 but not more than 28 days before the date of the hearing. The local government unit may issue the bonds only upon obtaining approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast

in the local government's last general election and is filed with the chief clerical officer of the city, county, or town within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at election.

Sec. 49. Laws 1974, chapter 473, is amended to read:

Section 1. [SCOTT COUNTY; HOUSING AND REDEVELOPMENT AUTHORITY.]

(a) There is hereby created in Scott county a public body corporate and politic, to be known as the Scott county housing and redevelopment authority, having all the powers and duties of a housing and redevelopment authority under the provisions of ~~the municipal housing and redevelopment act~~, Minnesota Statutes, sections ~~462.411 to 462.711~~, and acts amendatory thereof, which act applies to the county of Scott 469.001 to 469.047, and having those powers of an economic development authority under the provisions of Minnesota Statutes, sections 469.090 to 469.180, as are granted to it by Scott county as provided below. For the purposes of applying the provisions of ~~the municipal housing and redevelopment act~~ Minnesota Statutes, sections 469.001 to 469.047 and 469.090 to 469.180, to Scott county, the county has all the powers and duties of a municipality, the county board has all of the powers and duties of a governing body, the chairman of the county board has all of the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.

Sec. 2. [APPLICATION.]

Subdivision 1. This act shall not limit or restrict any existing housing and redevelopment authority or prevent a municipality from creating an authority. ~~The county shall not exercise jurisdiction in any municipality where a municipal housing and redevelopment authority is established.~~

Subd. 2. A municipal housing and redevelopment authority may request the Scott county housing and redevelopment authority to handle the housing duties of the authority and, in such an event, the Scott county housing and redevelopment authority shall act and have exclusive jurisdiction for housing in the municipality pursuant to the provisions of ~~the municipal housing and redevelopment act~~, Minnesota Statutes, sections ~~462.411 to 462.711~~, and acts amendatory thereof 469.001 to 469.047. A transfer of duties relating to housing shall not transfer any duties relating to redevelopment.

Sec. 3. [MUNICIPAL APPROVAL.]

If any housing or redevelopment project is undertaken in Scott county pursuant to this authorization, and such project is within the boundaries of any incorporated village, city, or township, the location of such project shall be approved by the governing body of such village, city, or township.

Sec. 4. [ECONOMIC DEVELOPMENT AUTHORITY POWERS.]

The Scott county housing and redevelopment authority may exercise any of the powers of an economic development authority (EDA) granted to it by resolution by the Scott county board of commissioners, except for the authority to levy the tax described in Minnesota Statutes, section 469.107. With the prior approval of the Scott county board, the authority may increase its levy of the special tax described in Minnesota Statutes, section 469.033, subdivision 6, to an amount not exceeding 0.01813 percent of taxable market value, or any higher limit from time to time authorized under Minnesota Statutes, section 469.033, subdivision 6, or 469.107.

~~Sec. 4.~~ Sec. 5. [EFFECTIVE DATE; LOCAL APPROVAL.]

~~This act takes effect when approved by a majority of the board of county commissioners of Scott county and upon compliance with Minnesota Statutes, Section 645.021. This act is effective the day after the governing body of Scott county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.~~

Sec. 50. Laws 1980, chapter 482, is amended to read:

Section 1. [CARVER COUNTY; HOUSING AND REDEVELOPMENT.] Subdivision 1. There is created in the county of Carver a public body corporate and politic, to be known as the Carver county housing and redevelopment authority, having all of the powers and duties of a housing and redevelopment authority under the provisions of ~~the municipal housing and redevelopment act~~, Minnesota Statutes, ~~Section 462.411 to 462.711~~ sections 469.001 to 469.047, and having those powers of an economic development authority under the provisions of Minnesota Statutes, sections 469.090 to 469.180, as are granted to it by Carver county as provided below. For the purposes of applying the provisions of ~~the municipal housing and redevelopment act~~ Minnesota Statutes, sections 469.001 to 469.047 and 469.090 to 469.180, to Carver county, the county has all of the powers and duties of a municipality, the county board has all of the powers and duties of a governing body, the chairman of the county board has all of the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.

Subd. 2. This section shall not limit or restrict any existing housing and redevelopment authority or prevent a municipality from creating an authority. ~~The county shall not exercise jurisdiction in any municipality where a municipal housing and redevelopment authority is established.~~ If a municipal housing and redevelopment authority requests the Carver county housing and redevelopment authority to handle the housing duties of the municipal authority, the Carver county housing and redevelopment authority shall act and have exclusive jurisdiction for housing in the municipality. A transfer of duties relating to housing shall not transfer any duties relating to redevelopment.

Sec. 2. [EDA POWERS.]

The Carver county housing and redevelopment authority may exercise any of the powers of an economic development authority granted to it by resolution by the Carver county board of commissioners, except for the authority to levy the tax described in Minnesota Statutes, section 469.107. With the prior approval of the Carver county board, the authority may increase its levy of the special tax described in Minnesota Statutes, section 469.033, subdivision 6, to an amount not exceeding 0.01813 percent of taxable market value, or any higher limit from time to time authorized under Minnesota Statutes, section 469.033, subdivision 6, or 469.107.

Sec. 3. [LOCAL APPROVAL.]

Before a housing or redevelopment project of the Carver county housing and redevelopment authority is undertaken, the project shall be approved by the local governing body with jurisdiction over all or any part of the area in which the proposed project is located.

~~Sec. 3:~~ Sec. 4. [EFFECTIVE DATE DATES; LOCAL APPROVAL.]

This act is effective upon the day of compliance with Minnesota Statutes, Section 645.021, Subdivision 3. This act is effective the day after the governing body of Carver county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 51. [CHISAGO LAKES JOINT SEWAGE TREATMENT COMMISSION BONDING AUTHORITY.]

Subdivision 1. [AUTHORITY.] Notwithstanding Minnesota Statutes, section 471.59, subdivision 11, the Chisago lakes joint sewage treatment commission, a joint powers board established by the county of Chisago, and the cities of Lindstrom, Chisago City, and Center City, to own and operate wastewater treatment facilities for the member local governments, may issue and sell general obligation bonds pursuant to Minnesota Statutes, sections 115.46 and 444.075, and chapter 475, to acquire land for, construct, expand, furnish, equip, and modify its wastewater treatment facilities, and pledge the full faith and credit and taxing power of the governmental units that are members of the joint powers board. Bonds issued under this section are not subject to Minnesota Statutes,

section 475.58. The joint powers board is a municipality within the meaning of Minnesota Statutes, chapter 475. Each government unit that is a member of the joint powers board must adopt a resolution authorizing the joint powers board to issue and sell the bonds.

Subd. 2. [EFFECTIVE DATE; NO LOCAL APPROVAL.] This section is effective the day following final enactment and does not require local approval, as provided in Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 52. [HASSAN TOWNSHIP; ECONOMIC DEVELOPMENT AUTHORITY; ESTABLISHMENT AND POWERS.]

Subdivision 1. [ESTABLISHMENT.] The board of township supervisors of Hassan township may establish an economic development authority in the manner provided in Minnesota Statutes, sections 469.090 to 469.1081, and may impose limits on the authority enumerated in Minnesota Statutes, section 469.092. The economic development authority has all of the powers and duties granted to or imposed upon economic development authorities under Minnesota Statutes, sections 469.090 to 469.1081. The township economic development authority may create and define the boundaries of economic development districts at any place or places within the township, provided that a project as recommended by the township authority that is to be located within the corporate limits of a city may not be commenced without the approval of the governing body of the city. Minnesota Statutes, section 469.174, subdivision 10, and the contiguity requirement specified under Minnesota Statutes, section 469.101, subdivision 1, do not apply to limit the areas that may be designated as township economic development districts.

Subd. 2. [POWERS.] If an economic development authority is established as provided in subdivision 1, the township may exercise all of the powers relating to an economic development authority granted to a city under Minnesota Statutes, sections 469.090 to 469.1081, or other law, including the power to levy a tax to support the activities of the authority.

Subd. 3. [LOCAL APPROVAL.] This section is effective the day after the town board of supervisors of Hassan township and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 53. [REPEALER.]

Minnesota Statutes 2000, section 474A.061, subdivision 6, is repealed.

Sec. 54. [EFFECTIVE DATE.]

Sections 16 to 44 are effective the day after final enactment except that section 22, paragraph (c), is effective to require submissions by December 31, 2002, and annually thereafter. Hearings under section 48 may be held at any time after the date of enactment."

Delete the title and insert:

"A bill for an act relating to public finance; updating and making technical changes to public finance and related provisions related to county and county-supported hospitals, municipally-owned nursing homes, lake improvement districts, and the metropolitan council; extending a sunset date for certain county capital improvement bonds and limiting the inclusiveness of capital improvements; removing election requirements as preconditions for issuance of certain obligations; requiring reverse referenda in certain cases; clarifying the effect of a state guaranty as not creating constitutional public debt of the state; authorizing some flexibility in stating certain ballot questions; authorizing Scott and Carver counties to grant certain economic development powers to their housing and redevelopment authorities; authorizing the Chisago Lakes joint sewage treatment commission to issue bonds; authorizing expanded funding by the county for certain multijurisdictional program activities in Hennepin county; authorizing Hassan township to create and empower an economic development authority; updating and changing the Minnesota Bond Allocation Act; amending Minnesota Statutes 2000, sections 103B.555, by adding a subdivision;

165.10, subdivision 2; 275.60; 373.40, subdivisions 1, 7; 373.45, subdivision 3; 376.06, subdivision 1; 376.07; 376.08, subdivisions 1, 2, 3, by adding a subdivision; 376.09; 383B.79, by adding a subdivision; 473.39, by adding a subdivision; 474A.02, subdivisions 8, 13a, 22a, 22b, 23a; 474A.03, subdivisions 1, 2a, 4; 474A.04, subdivisions 1a, 5; 474A.045; 474A.047, subdivisions 1, 2; 474A.061, subdivisions 1, 2a, 2b, 2c, 4; 474A.091, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 474A.131, subdivisions 1, 2, by adding a subdivision; 474A.14; 475.54, subdivision 1; 475.58, subdivisions 1, 1a, by adding a subdivision; Laws 1974, chapter 473; Laws 1980, chapter 482; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 2000, section 474A.061, subdivision 6."

The motion prevailed and the amendment was adopted.

Abrams moved to amend S. F. No. 2208, as amended, as follows:

Page 7, line 14, reinstate the stricken language and delete the new language

Pages 8 and 9, delete sections 11 and 12

Page 46, line 36, before "Minnesota" insert "(a)"

Page 47, after line 1, insert:

"(b) Minnesota Statutes 376.03 is repealed."

Page 47, line 3, after "44" insert "and 54, paragraph (b)."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Hausman moved to amend S. F. No. 2208, as amended, as follows:

Page 3, line 7, delete "commuter rail,"

A roll call was requested and properly seconded.

The question was taken on the Hausman amendment and the roll was called. There were 65 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Davnie	Folliard	Hilstrom	Kahn	Leppik
Anderson, I.	Dawkins	Gleason	Hilty	Kalis	Lieder
Bakk	Dehler	Goodwin	Huntley	Kelliher	Luther
Bernardy	Dibble	Gray	Jaros	Koskinen	Mahoney
Biernat	Dorn	Greiling	Johnson, R.	Kubly	Mariani
Carlson	Entenza	Hackbarth	Johnson, S.	Larson	Marko
Clark, K.	Evans	Hausman	Juhnke	Leighton	McGuire

Mullery	Paymar	Rukavina	Skoglund	Thompson	Wasiluk
Murphy	Pelowski	Schumacher	Slawik	Tingelstad	Wenzel
Opatz	Peterson	Sertich	Solberg	Wagenius	Winter
Otremba	Pugh	Skoe	Swapinski	Walker	

Those who voted in the negative were:

Abrams	Eastlund	Howes	Marquart	Penas	Vandev eer
Anderson, B.	Erhardt	Jacobson	McElroy	Rhodes	Walz
Bishop	Erickson	Jennings	Milbert	Rifenberg	Westerberg
Boudreau	Finseth	Johnson, J.	Molnau	Ruth	Westrom
Bradley	Fuller	Kielkucki	Mulder	Seagren	Wilkin
Buesgens	Gerlach	Knoblach	Ness	Seifert	Wolf
Cassell	Goodno	Krinkie	Nornes	Smith	Workman
Clark, J.	Gunther	Kuisle	Olson	Stanek	Spk. Sviggum
Daggett	Haas	Lenczewski	Osskopp	Stang	
Davids	Harder	Lindner	Ozment	Swenson	
Dempsey	Holberg	Lipman	Paulsen	Sykora	
Dorman	Holsten	Mares	Pawlenty	Tuma	

The motion did not prevail and the amendment was not adopted.

S. F. No. 2208, A bill for an act relating to public finance; updating and making technical changes to public finance provisions related to debt obligations, financing of certain equipment and hardware and software; removing election requirements for issuance of certain obligations; authorizing flexibility in stating certain ballot questions; updating and changing the Minnesota Bond Allocation Act; providing for the powers of housing and redevelopment authorities in Scott county and Carver county; authorizing issuance of certain obligations by the city of St. Paul; clarifying an appropriation; amending Minnesota Statutes 2000, sections 103B.555, by adding a subdivision; 165.10, subdivision 2; 275.60; 373.01, subdivision 3; 373.45, subdivision 3; 376.08, subdivisions 1, 3, by adding a subdivision; 410.32; 412.301; 429.091, subdivision 7a; 474A.02, subdivisions 8, 13a, 22a, 22b, 23a; 474A.03, subdivisions 1, 2a, 4; 474A.04, subdivisions 1a, 5; 474A.045; 474A.047, subdivisions 1, 2; 474A.061, subdivisions 1, 2a, 2b, 2c, 4; 474A.091, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 474A.131, subdivisions 1, 2, by adding a subdivision; 474A.14; 475.54, subdivision 1; 475.58, subdivision 1; 475.59; Laws 1974, chapter 473; Laws 1980, chapter 482; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 2000, section 474A.061, subdivision 6.

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 127 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson	Dibble	Folliard	Hackbarth	Jaros
Anderson, B.	Cassell	Dorman	Fuller	Harder	Jennings
Anderson, I.	Clark, J.	Dorn	Gerlach	Hilstrom	Johnson, J.
Bakk	Daggett	Eastlund	Gleason	Hilty	Johnson, R.
Biernat	Davids	Entenza	Goodno	Holberg	Johnson, S.
Bishop	Davnie	Erhardt	Gray	Holsten	Juhnke
Boudreau	Dawkins	Erickson	Greiling	Howes	Kahn
Bradley	Dehler	Evans	Gunther	Huntley	Kalis
Buesgens	Dempsey	Finseth	Haas	Jacobson	Kelliher

Kielkucki	Mahoney	Nornes	Pugh	Solberg	Wenzel
Knoblach	Mares	Olson	Rhodes	Stanek	Westerberg
Krinkie	Mariani	Opatz	Rifenberg	Stang	Westrom
Kubly	Marko	Osskopp	Rukavina	Swapinski	Wilkin
Kuisle	Marquart	Osthoff	Ruth	Swenson	Winter
Larson	McElroy	Otremba	Schumacher	Sykora	Wolf
Leighton	McGuire	Ozment	Seagren	Thompson	Workman
Lenczewski	Milbert	Paulsen	Seifert	Tingelstad	Spk. Sviggum
Leppik	Molnau	Pawlenty	Sertich	Tuma	
Lieder	Mulder	Paymar	Skoe	Vandever	
Lindner	Mullery	Pelowski	Skoglund	Walker	
Lipman	Murphy	Penas	Slawik	Walz	
Luther	Ness	Peterson	Smith	Wasiluk	

Those who voted in the negative were:

Abeler	Clark, K.	Hausman	Wagenius
Bernardy	Goodwin	Koskinen	

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

S. F. No. 1367, A bill for an act relating to counties; providing a new standard of market value for new counties; providing for signatures from both affected areas on a petition to change county boundaries; requiring the secretary of state to certify the validity of the signatures; providing for a special election to fill vacancies or add members to a county board after the change of county boundaries; amending Minnesota Statutes 2000, sections 370.01; 370.02; 370.03; 370.07; 370.10; 370.12; 370.13; repealing Minnesota Statutes 2000, section 370.11.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Stang	Thompson	Wagenius	Wenzel	Winter
Swapinski	Tingelstad	Walker	Westerberg	Wolf
Swenson	Tuma	Walz	Westrom	Workman
Sykora	Vandevveer	Wasiluk	Wilkin	Spk. Sviggum

Those who voted in the negative were:

Buesgens	Gerlach	Jacobson	Mulder	Opatz	Smith
----------	---------	----------	--------	-------	-------

The bill was passed and its title agreed to.

S. F. No. 969, A bill for an act relating to crimes; extending the attorney general's and county attorney's authority for administrative subpoenas; enabling peace officers to execute search warrants on foreign corporations doing business in Minnesota to search for electronic evidence; allowing Minnesota corporations engaged in electronic communication services or remote computing services to provide electronic evidence when served with search warrants issued from other jurisdictions; enhancing penalties for dissemination and possession of pornographic work involving minors; amending Minnesota Statutes 2000, sections 8.16, subdivision 1; 388.23, subdivision 1; 617.247, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 626.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1338 was reported to the House.

Haas moved that H. F. No. 1338 be returned to the General Register. The motion prevailed.

S. F. No. 1344 was reported to the House.

Sertich and Davids moved to amend S. F. No. 1344 as follows:

Page 2, line 3, before the period, insert "if the result is to delay or reduce the amount of payment"

The motion prevailed and the amendment was adopted.

Lindner moved to amend S. F. No. 1344, as amended, as follows:

Page 2, delete lines 7 to 20

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Lindner amendment and the roll was called. There were 68 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Harder	Lipman	Penas	Vandever
Abrams	Dorman	Holberg	Mares	Rifenberg	Walz
Anderson, B.	Eastlund	Holsten	McElroy	Ruth	Westberg
Bishop	Erhardt	Howes	Molnau	Seagren	Westrom
Boudreau	Erickson	Jacobson	Mulder	Seifert	Wilkin
Bradley	Finseth	Johnson, J.	Ness	Smith	Wolf
Buesgens	Fuller	Kielkucki	Nornes	Stanek	Workman
Cassell	Gerlach	Knoblach	Olson	Stang	Spk. Sviggum
Clark, J.	Goodno	Krinkie	Osskopp	Swenson	
Daggett	Gunther	Kuise	Ozment	Sykora	
Davids	Haas	Leppik	Paulsen	Tingelstad	
Dehler	Hackbarth	Lindner	Pawlenty	Tuma	

Those who voted in the negative were:

Anderson, I.	Evans	Jennings	Lenczewski	Opatz	Skoe
Bakk	Folliard	Johnson, R.	Lieder	Osthoff	Skoglund
Bernardy	Gleason	Johnson, S.	Luther	Otremba	Slawik
Biernat	Goodwin	Juhnke	Mahoney	Paymar	Solberg
Carlson	Gray	Kahn	Mariani	Pelowski	Swapinski
Clark, K.	Greiling	Kalis	Marko	Peterson	Thompson
Davnie	Hausman	Kelliher	Marquart	Pugh	Wagenius
Dawkins	Hilstrom	Koskinen	McGuire	Rhodes	Walker
Dibble	Hilty	Kubly	Milbert	Rukavina	Wasiluk
Dorn	Huntley	Larson	Mullery	Schumacher	Wenzel
Entenza	Jaros	Leighton	Murphy	Sertich	Winter

The motion prevailed and the amendment was adopted.

S. F. No. 1344, A bill for an act relating to employment; regulating payment of wages; prohibiting employers from requiring employees or job applicants to pay for background checks or training; amending Minnesota Statutes 2000, section 181.03; proposing coding for new law in Minnesota Statutes, chapter 181.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 491.

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. 491

A bill for an act relating to health; providing patient protections; amending Minnesota Statutes 2000, sections 45.027, subdivision 6; 62D.17, subdivision 1; 62J.38; 62M.02, subdivision 21; 62Q.56; and 62Q.58; proposing coding for new law in Minnesota Statutes, chapter 62D.

May 19, 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. 491, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 491 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 45.027, subdivision 6, is amended to read:

Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed \$10,000 per violation upon a person who violates any law, rule, or order related to the duties and responsibilities entrusted to the commissioner unless a different penalty is specified. If a civil penalty is imposed on a health carrier as defined in section 62A.011, the commissioner must divide 50 percent of the amount among any policy holders or certificate holders affected by the violation, unless the commissioner certifies in writing that the division and distribution to enrollees would be too administratively complex or that the number of enrollees affected by the penalty would result in a distribution of less than \$50 per enrollee.

Sec. 2. [62D.107] [COPAYMENTS FOR PRESCRIPTION DRUGS.]

(a) Notwithstanding Minnesota Rules, part 4685.0801, a health maintenance organization may establish flat fee copayments for prescription drugs provided that a copayment for a brand name prescription drug where there is a generic equivalent shall not exceed \$18.

(b) This section shall not apply where the brand name prescription drug has been prescribed in accordance with section 151.21.

[EFFECTIVE DATE.] This section is effective January 1, 2002, and applies to health plans issued or renewed on or after that date.

Sec. 3. [62D.109] [SERVICES ASSOCIATED WITH CLINICAL TRIALS.]

(a) A health maintenance contract shall cover a drug, device, treatment, or procedure associated with a clinical trial if the clinical trial is not deemed experimental, investigative, or unproven in accordance with Minnesota Rules, part 4685.0700, subpart 4, item F, and the drug, device, treatment, or procedure would otherwise be covered under the contract.

(b) A health maintenance organization must inform an enrollee who is a participant in a clinical trial upon inquiry by the enrollee that coverage shall be provided as required under paragraph (a).

Sec. 4. Minnesota Statutes 2000, section 62D.17, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE PENALTY.] The commissioner of health may, for any violation of statute or rule applicable to a health maintenance organization, or in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount up to \$25,000 for each violation. In the case of contracts or agreements made pursuant to section 62D.05, subdivisions 2 to 4, each contract or agreement entered into or implemented in a manner which violates sections 62D.01 to 62D.30 shall be considered a separate violation. In determining the level of an administrative penalty, the commissioner shall consider the following factors:

- (1) the number of enrollees affected by the violation;
- (2) the effect of the violation on enrollees' health and access to health services;
- (3) if only one enrollee is affected, the effect of the violation on that enrollee's health;
- (4) whether the violation is an isolated incident or part of a pattern of violations; and
- (5) the economic benefits derived by the health maintenance organization or a participating provider by virtue of the violation.

Reasonable notice in writing to the health maintenance organization shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization may have 15 days within which to file a written request for an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 14. If an administrative penalty is levied, the commissioner must divide 50 percent of the amount among any enrollees affected by the violation, unless the commissioner certifies in writing that the division and distribution to enrollees would be too administratively complex or that the number of enrollees affected by the penalty would result in a distribution of less than \$50 per enrollee.

Sec. 5. Minnesota Statutes 2000, section 62J.38, is amended to read:

62J.38 [COST CONTAINMENT DATA FROM GROUP PURCHASERS.]

(a) The commissioner shall require group purchasers to submit detailed data on total health care spending for each calendar year. Group purchasers shall submit data for the 1993 calendar year by April 1, 1994, and each April 1 thereafter shall submit data for the preceding calendar year.

(b) The commissioner shall require each group purchaser to submit data on revenue, expenses, and member months, as applicable. Revenue data must distinguish between premium revenue and revenue from other sources and must also include information on the amount of revenue in reserves and changes in reserves. Expenditure data; ~~including raw data from claims, may~~ must distinguish between costs incurred for patient care and administrative costs. Patient care and administrative costs must include only expenses incurred on behalf of health plan members, and must not include the cost of providing health care services for nonmembers at facilities owned by the group purchaser or affiliate. Expenditure data must be provided separately for the following categories ~~or~~ and for other categories required by the commissioner: physician services, dental services, other professional services, inpatient hospital services, outpatient hospital services, emergency, pharmacy services and other nondurable medical goods, mental health, and chemical dependency services, other expenditures, subscriber liability, and administrative costs. Administrative costs must include costs for marketing; advertising; overhead; salaries and benefits of central office staff who do not provide direct patient care; underwriting; lobbying; claims processing; provider contracting and credentialing; detection and prevention of payment for fraudulent or unjustified requests for reimbursement or

services; clinical quality assurance and other types of medical care quality improvement efforts; concurrent or prospective utilization review as defined in section 62M.02; costs incurred to acquire a hospital, clinic, or health care facility, or the assets thereof; capital costs incurred on behalf of a hospital or clinic; lease payments; or any other costs incurred pursuant to a partnership, joint venture, integration, or affiliation agreement with a hospital, clinic, or other health care provider. Capital costs and costs incurred must be recorded according to standard accounting principles. The reports of this data must also separately identify expenses for local, state, and federal taxes, fees, and assessments. The commissioner may require each group purchaser to submit any other data, including data in unaggregated form, for the purposes of developing spending estimates, setting spending limits, and monitoring actual spending and costs. In addition to reporting administrative costs incurred to acquire a hospital, clinic, or health care facility, or the assets thereof; or any other costs incurred pursuant to a partnership, joint venture, integration, or affiliation agreement with a hospital, clinic, or other health care provider; reports submitted under this section also must include the payments made during the calendar year for these purposes. The commissioner shall make public by group purchaser data collected under this paragraph in accordance with section 62J.321, subdivision 5. Workers' compensation insurance plans and automobile insurance plans are exempt from complying with this paragraph as it relates to the submission of administrative costs.

(c) The commissioner may collect information on:

- (1) premiums, benefit levels, managed care procedures, and other features of health plan companies;
- (2) prices, provider experience, and other information for services less commonly covered by insurance or for which patients commonly face significant out-of-pocket expenses; and
- (3) information on health care services not provided through health plan companies, including information on prices, costs, expenditures, and utilization.

(d) All group purchasers shall provide the required data using a uniform format and uniform definitions, as prescribed by the commissioner.

Sec. 6. Minnesota Statutes 2000, section 62M.02, subdivision 21, is amended to read:

Subd. 21. [UTILIZATION REVIEW ORGANIZATION.] "Utilization review organization" means an entity including but not limited to an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a community integrated service network licensed under chapter 62N; an accountable provider network operating under chapter 62T; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended; a third party administrator licensed under section 60A.23, subdivision 8, which conducts utilization review and determines certification of an admission, extension of stay, or other health care services for a Minnesota resident; or any entity performing utilization review that is affiliated with, under contract with, or conducting utilization review on behalf of, a business entity in this state. Utilization review organization does not include a clinic or health care system acting pursuant to a written delegation agreement with an otherwise regulated utilization review organization that contracts with the clinic or health care system. The regulated utilization review organization is accountable for the delegated utilization review activities of the clinic or health care system.

Sec. 7. [62Q.121] [LICENSURE OF MEDICAL DIRECTORS.]

(a) No health plan company may employ a person as a medical director unless the person is licensed as a physician in this state. This section does not apply to a health plan company that is assessed less than three percent of the total amount assessed by the Minnesota comprehensive health association.

(b) For purposes of this section, "medical director" means a physician employed by a health plan company who has direct decision-making authority, based upon medical training and knowledge, regarding the health plan company's medical protocols, medical policies, or coverage of treatment of a particular enrollee, regardless of the physician's title.

(c) This section applies only to medical directors who make recommendations or decisions that involve or affect enrollees who live in this state.

(d) Each health plan company that is subject to this section shall provide the commissioner with the names and licensure information of its medical directors and shall provide updates no later than 30 days after any changes.

Sec. 8. Minnesota Statutes 2000, section 62Q.56, is amended to read:

62Q.56 [CONTINUITY OF CARE.]

Subdivision 1. [CHANGE IN HEALTH CARE PROVIDER; GENERAL NOTIFICATION.] (a) If enrollees are required to access services through selected primary care providers for coverage, the health plan company shall prepare a written plan that provides for continuity of care in the event of contract termination between the health plan company and any of the contracted primary care providers, specialists, or general hospital providers. The written plan must explain:

(1) how the health plan company will inform affected enrollees, ~~insureds, or beneficiaries~~ about termination at least 30 days before the termination is effective, if the health plan company or health care network cooperative has received at least 120 days' prior notice;

(2) how the health plan company will inform the affected enrollees about what other participating providers are available to assume care and how it will facilitate an orderly transfer of its enrollees from the terminating provider to the new provider to maintain continuity of care;

(3) the procedures by which enrollees will be transferred to other participating providers, when special medical needs, special risks, or other special circumstances, such as cultural or language barriers, require them to have a longer transition period or be transferred to nonparticipating providers;

(4) who will identify enrollees with special medical needs or at special risk and what criteria will be used for this determination; and

(5) how continuity of care will be provided for enrollees identified as having special needs or at special risk, and whether the health plan company has assigned this responsibility to its contracted primary care providers.

~~(b) If the contract termination was not for cause, enrollees can request a referral to the terminating provider for up to 120 days if they have special medical needs or have other special circumstances, such as cultural or language barriers. The health plan company can require medical records and other supporting documentation in support of the requested referral. Each request for referral to a terminating provider shall be considered by the health plan company on a case-by-case basis. For purposes of this section, contract termination includes nonrenewal.~~

~~(c) If the contract termination was for cause, enrollees must be notified of the change and transferred to participating providers in a timely manner so that health care services remain available and accessible to the affected enrollees. The health plan company is not required to refer an enrollee back to the terminating provider if the termination was for cause.~~

Subd. 1a. [CHANGE IN HEALTH CARE PROVIDER; TERMINATION NOT FOR CAUSE.] (a) If the contract termination was not for cause and the contract was terminated by the health plan company, the health plan company must provide the terminated provider and all enrollees being treated by that provider with notification of the enrollees' rights to continuity of care with the terminated provider.

(b) The health plan company must provide, upon request, authorization to receive services that are otherwise covered under the terms of the health plan through the enrollee's current provider:

(1) for up to 120 days if the enrollee is engaged in a current course of treatment for one or more of the following conditions:

(i) an acute condition;

(ii) a life-threatening mental or physical illness;

(iii) pregnancy beyond the first trimester of pregnancy;

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

(v) a disabling or chronic condition that is in an acute phase; or

(2) for the rest of the enrollee's life if a physician certifies that the enrollee has an expected lifetime of 180 days or less.

For all requests for authorization to receive services under this paragraph, the health plan company must grant the request unless the enrollee does not meet the criteria provided in this paragraph.

(c) The health plan company shall prepare a written plan that provides a process for coverage determinations regarding continuity of care of up to 120 days for enrollees who request continuity of care with their former provider, if the enrollee:

(1) is receiving culturally appropriate services and the health plan company does not have a provider in its preferred provider network with special expertise in the delivery of those culturally appropriate services within the time and distance requirements of section 62D.124, subdivision 1; or

(2) does not speak English and the health plan company does not have a provider in its preferred provider network who can communicate with the enrollee, either directly or through an interpreter, within the time and distance requirements of section 62D.124, subdivision 1.

The written plan must explain the criteria that will be used to determine whether a need for continuity of care exists and how it will be provided.

Subd. 1b. [CHANGE IN HEALTH CARE PROVIDER; TERMINATION FOR CAUSE.] If the contract termination was for cause, enrollees must be notified of the change and transferred to participating providers in a timely manner so that health care services remain available and accessible to the affected enrollees. The health plan company is not required to refer an enrollee back to the terminating provider if the termination was for cause.

Subd. 2. [CHANGE IN HEALTH PLANS.] (a) The health plan company shall prepare a written plan that provides a process for coverage determinations for continuity of care for new enrollees with special needs, special risks, or other special circumstances, such as cultural or language barriers, who request continuity of care with their former provider for up to 120 days. The written plan must explain the criteria that will be used for determining special needs cases, and how continuity of care will be provided. If an enrollee is subject to a change in health plans, the enrollee's new health plan company must provide, upon request, authorization to receive services that are otherwise covered under the terms of the new health plan through the enrollee's current provider:

(1) for up to 120 days if the enrollee is engaged in a current course of treatment for one or more of the following conditions:

(i) an acute condition;

(ii) a life-threatening mental or physical illness;

(iii) pregnancy beyond the first trimester of pregnancy;

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

(v) a disabling or chronic condition that is in an acute phase; or

(2) for the rest of the enrollee's life if a physician certifies that the enrollee has an expected lifetime of 180 days or less.

For all requests for authorization under this paragraph, the health plan company must grant the request for authorization unless the enrollee does not meet the criteria provided in this paragraph.

(b) The health plan company shall prepare a written plan that provides a process for coverage determinations regarding continuity of care of up to 120 days for new enrollees who request continuity of care with their former provider, if the new enrollee:

(1) is receiving culturally appropriate services and the health plan company does not have a provider in its preferred provider network with special expertise in the delivery of those culturally appropriate services within the time and distance requirements of section 62D.124, subdivision 1; or

(2) does not speak English and the health plan company does not have a provider in its preferred provider network who can communicate with the enrollee, either directly or through an interpreter, within the time and distance requirements of section 62D.124, subdivision 1.

The written plan must explain the criteria that will be used to determine whether a need for continuity of care exists and how it will be provided.

~~(b)~~ (c) This subdivision applies only to group coverage and continuation and conversion coverage, and applies only to changes in health plans made by the employer.

Subd. 2a. [LIMITATIONS.] (a) Subdivisions 1, 1a, 1b, and 2 apply only if the enrollee's health care provider agrees to:

(1) accept as payment in full the lesser of the health plan company's reimbursement rate for in-network providers for the same or similar service or the enrollee's health care provider's regular fee for that service;

(2) adhere to the health plan company's preauthorization requirements; and

(3) provide the health plan company with all necessary medical information related to the care provided to the enrollee.

(b) Nothing in this section requires a health plan company to provide coverage for a health care service or treatment that is not covered under the enrollee's health plan.

Subd. 2b. [REQUEST FOR AUTHORIZATION.] The health plan company may require medical records and other supporting documentation to be submitted with the requests for authorization made under subdivision 1, 1a, 1b, or 2. If the authorization is denied, the health plan company must explain the criteria it used to make its decision on the request for authorization. If the authorization is granted, the health plan company must explain how continuity of care will be provided.

Subd. 3. ~~[DISCLOSURES DISCLOSURE.]~~ The written plans required under this section must be made available upon request to enrollees or prospective enrollees. Information regarding an enrollee's rights under this section must be included in member contracts or certificates of coverage and must be provided by a health plan company upon request of an enrollee or prospective enrollee.

Sec. 9. Minnesota Statutes 2000, section 62Q.58, is amended to read:

62Q.58 [ACCESS TO SPECIALTY CARE.]

Subdivision 1. [STANDING REFERRAL.] A health plan company shall establish a procedure by which an enrollee may apply for and, if appropriate, receive a standing referral to a health care provider who is a specialist if a referral to a specialist is required for coverage. This procedure for a standing referral must specify the necessary criteria and conditions, which must be met in order for an enrollee to obtain a standing referral managed care review and approval an enrollee must obtain before such a standing referral is permitted.

Subd. 1a. [MANDATORY STANDING REFERRAL.] (a) An enrollee who requests a standing referral to a specialist qualified to treat the specific condition described in clauses (1) to (5) must be given a standing referral for visits to such a specialist if benefits for such treatment are provided under the health plan and the enrollee has any of the following conditions:

(1) a chronic health condition;

(2) a life-threatening mental or physical illness;

(3) pregnancy beyond the first trimester of pregnancy;

(4) a degenerative disease or disability; or

(5) any other condition or disease of sufficient seriousness and complexity to require treatment by a specialist.

(b) Nothing in this section limits the application of section 62Q.52 specifying direct access to obstetricians and gynecologists.

Subd. 2. [COORDINATION OF SERVICES.] ~~A primary care provider or primary care group shall remain responsible for coordinating the care of an enrollee who has received a standing referral to a specialist. The specialist shall not make any secondary referrals related to primary care services without prior approval by the primary care provider or primary care group. However, An enrollee with a standing referral to a specialist may request primary care services from that specialist. The specialist, in agreement with the enrollee and primary care provider or primary care group, may elect to provide primary care services to that the enrollee, authorize tests and services, and make secondary referrals according to procedures established by the health plan company. The health plan company may limit the primary care services, tests and services, and secondary referrals authorized under this subdivision to those that are related to the specific condition or conditions for which the standing referral was made.~~

Subd. 3. [DISCLOSURE.] Information regarding referral procedures must be included in member contracts or certificates of coverage and must be provided to an enrollee or prospective enrollee by a health plan company upon request.

Subd. 4. [REFERRAL.] (a) If a standing referral is authorized under subdivision 1 or is mandatory under subdivision 1a, the health plan company must provide a referral to an appropriate participating specialist who is reasonably available and accessible to provide the treatment or to a nonparticipating specialist if the health plan company does not have an appropriate participating specialist who is reasonably available and accessible to treat the enrollee's condition or disease.

(b) If an enrollee receives services from a nonparticipating specialist because a participating specialist is not available, services must be provided at no additional cost to the enrollee beyond what the enrollee would otherwise pay for services received from a participating specialist.

Sec. 10. [COVERAGE OF CLINICAL TRIALS.]

The commissioners of health and commerce shall, in consultation with the commissioner of employee relations, convene a work group to study health plan coverage of clinical trials. The work group shall be made up of representatives of consumers, patient advocates, health plan companies, purchasers, providers, and other health care professionals involved in the care and treatment of patients. The work group shall consider definitions of routine patient costs, protocol-induced costs, and high-quality clinical trials. The work group shall also consider guidelines for voluntary agreements for health plan coverage of routine patient costs incurred by patients participating in high-quality clinical trials. The commissioner shall submit the findings and the recommendations of the work group to the chairs of the health policy and finance committees in the senate and the house by January 15, 2002.

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

Sec. 11. [QUALITY OF PATIENT CARE.]

The commissioner of health shall evaluate the feasibility of collecting data on the quality of patient care provided in hospitals, outpatient surgical centers, and other health care facilities. In the evaluation, the commissioner shall examine the appropriate roles of the public and private sectors and the need for risk-adjusting data. The evaluation must consider mechanisms to identify the quality of nursing care provided to consumers by examining variables such as skin breakdown and patient injuries. Any plan developed to collect data must also address issues related to the release of the data in a useful form to the public. The commissioner shall prepare and distribute a written report of the evaluation by January 15, 2002.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 and 4 are effective for violations committed on or after August 1, 2001. Section 5 is effective beginning with the report for the 2001 calendar year. Sections 3, 6, and 11 are effective the day following final enactment. Sections 8 and 9 are effective January 1, 2002, and apply to health plans issued or renewed on or after that date."

Delete the title and insert:

"A bill for an act relating to health; providing patient protections; amending Minnesota Statutes 2000, sections 45.027, subdivision 6; 62D.17, subdivision 1; 62J.38; 62M.02, subdivision 21; 62Q.56; 62Q.58; proposing coding for new law in Minnesota Statutes, chapters 62D; 62Q."

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

Senate Conferees: LINDA BERGLIN, DALLAS C. SAMS AND SHEILA M. KISCADEN.

House Conferees: KEVIN GOODNO, FRAN BRADLEY AND MINDY GREILING.

Goodno moved that the report of the Conference Committee on S. F. No. 491 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 491, A bill for an act relating to health; providing patient protections; amending Minnesota Statutes 2000, sections 45.027, subdivision 6; 62D.17, subdivision 1; 62J.38; 62M.02, subdivision 21; 62Q.56; and 62Q.58; proposing coding for new law in Minnesota Statutes, chapter 62D.

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 132 yeas and 2 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	Swenson
Bernardy	Evans	Jaros	Mahoney	Paymar	Sykora
Biernat	Finseth	Jennings	Mares	Pelowski	Thompson
Bishop	Folliard	Johnson, J.	Mariani	Penas	Tingelstad
Boudreau	Fuller	Johnson, R.	Marko	Peterson	Tuma
Bradley	Gerlach	Johnson, S.	Marquart	Pugh	Vandever
Carlson	Gleason	Juhnke	McElroy	Rhodes	Wagenius
Cassell	Goodno	Kahn	McGuire	Rifenberg	Walker
Clark, J.	Goodwin	Kalis	Milbert	Rukavina	Walz
Clark, K.	Gray	Kelliher	Molnau	Ruth	Wasiluk
Daggett	Greiling	Kielkucki	Mulder	Schumacher	Wenzel
Davids	Gunther	Knoblach	Mullery	Seagren	Westerberg
Davnie	Haas	Koskinen	Murphy	Seifert	Westrom
Dawkins	Hackbarth	Kubly	Ness	Sertich	Wilkin
Dehler	Harder	Kuisle	Nornes	Skoe	Winter
Dempsey	Hausman	Larson	Olson	Skoglund	Wolf
Dibble	Hilstrom	Leighton	Opatz	Slawik	Workman
Dorman	Hilty	Lenczewski	Osskopp	Smith	Spk. Sviggum

Those who voted in the negative were:

Buesgens Krinkie

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

Pawlenty moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1261

A bill for an act relating to the operation of state government; continuing a task force on agency purchases from correctional industries; requiring an annual report from the department of corrections; providing certification standards for juvenile facilities; requiring standards for chemical dependency treatment programs; requiring the commissioner of corrections to establish a health care peer review committee; requiring commissioner of corrections

to contract with commissioner of human services for background studies of individuals providing services in certain facilities; removing certain obsolete provisions in correction law; clarifying responsibilities and updating language in law governing correctional psychiatric unit; authorizing a corrections agent to request a review of an offender's risk level based on offender behavior in the community; providing for investigation of deaths occurring in correctional facilities; requiring judges to determine if offenders are eligible for challenge incarceration programs based upon correctional department criteria; defining criminal sexual conduct to include certain employees working in correctional facilities; requiring mandatory sex offender assessments for repeat offenders; providing that human immunodeficiency virus testing data of sex offenders to be maintained in correctional medical records; amending Minnesota Statutes 2000, sections 16B.181, subdivision 2; 241.016, subdivision 1; 241.018; 241.021, subdivisions 1, 4, 4a, 6, by adding a subdivision; 241.67, subdivision 8; 241.69; 242.32, subdivision 1a; 243.05, subdivision 6; 243.51, subdivision 2; 243.53, subdivision 1; 244.052, subdivision 3; 244.17, subdivision 1; 244.173; 390.11, subdivision 1, by adding a subdivision; 390.32, by adding a subdivision; 609.105, by adding a subdivision; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3452, subdivision 1, by adding subdivisions; 611A.19; Laws 1996, chapter 463, section 16, subdivision 3, as amended; repealing Minnesota Statutes 2000, sections 241.016, subdivision 2; 241.018; 241.19; 241.272, subdivision 7; 242.51.

May 18, 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. 1261, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments and that H. F. No. 1261 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. 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 cochair 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. Notwithstanding section 15.059, the task force created in this paragraph expires on 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. 2. Minnesota Statutes 2000, section 241.016, subdivision 1, is amended to read:

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

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

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

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

(b) The department shall maintain recidivism rates for adult facilities on an annual basis. In addition, each year the department shall, on an alternating basis, complete a recidivism analysis of adult facilities, juvenile services, and the community services divisions and include a three-year recidivism analysis in the report described in paragraph (a). When appropriate, the recidivism analysis must include education programs, vocational programs, treatment programs, industry, and employment.

Sec. 3. Minnesota Statutes 2000, section 241.018, is amended to read:

241.018 [PER DIEM CALCULATION.]

(a) The commissioner of corrections shall develop a uniform method to calculate the average department-wide per diem cost of incarcerating offenders at state adult correctional facilities. In addition to other costs currently factored into the per diem, it must include an appropriate percentage of capitol costs for all adult correctional facilities and 65 percent of the department's management services budget.

(b) The commissioner also shall use this method of calculating per diem costs for offenders in each state adult correctional facility. When calculating the per diem cost of incarcerating offenders at a particular facility, the commissioner shall include an appropriate percentage of capital costs for the facility and an appropriate prorated amount, given the facility's population, of 65 percent of the department's management services budget.

(c) The commissioner shall ensure that these new per diem methods are used in all future ~~instances in which per diem charges are reported~~ annual performance reports to the legislature and are also reflected in the department's biennial budget document.

~~(d) The commissioner shall report information related to these per diems to the chairs and ranking minority members of the senate and house committees and divisions having jurisdiction over criminal justice funding by January 15, 2001.~~

Sec. 4. Minnesota Statutes 2000, section 241.021, subdivision 1, is amended to read:

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2000, section 241.021, subdivision 4, is amended to read:

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

Sec. 6. Minnesota Statutes 2000, section 241.021, subdivision 4a, is amended to read:

Subd. 4a. [CHEMICAL DEPENDENCY TREATMENT PROGRAMS.] All residential chemical dependency treatment programs operated by the commissioner of corrections to treat adults ~~and juveniles~~ committed to the commissioner's custody shall comply with the standards mandated in Minnesota Rules, parts 9530.4100 to 9530.6500, or successor rule parts, for treatment programs operated by community-based ~~residential~~ treatment facilities. When the commissioners of corrections and human services agree that these established standards for community-based programs cannot reasonably apply to correctional facilities, alternative equivalent standards shall be developed by the commissioners and established through an interagency agreement.

Sec. 7. Minnesota Statutes 2000, section 241.021, is amended by adding a subdivision to read:

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

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

Sec. 8. Minnesota Statutes 2000, section 241.021, subdivision 6, is amended to read:

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

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

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

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

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

(e) Facilities described in paragraph (a) shall be responsible for cooperating with the departments in implementing the provisions of this subdivision. The responsibilities imposed on applicants and licensees under chapter 245A shall apply to these facilities. The provisions of section 245A.04, subdivision 3, paragraph (e), shall apply to applicants, licensees, and individuals.

Sec. 9. Minnesota Statutes 2000, section 241.67, subdivision 8, is amended to read:

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

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

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

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

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

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

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

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

Sec. 10. Minnesota Statutes 2000, section 241.69, is amended to read:

241.69 ~~[PSYCHIATRIC MENTAL HEALTH UNIT; ESTABLISHMENT.]~~

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

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

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

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

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

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

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

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

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

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

Sec. 11. Minnesota Statutes 2000, section 242.32, subdivision 1a, is amended to read:

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

Sec. 12. Minnesota Statutes 2000, section 243.05, subdivision 6, is amended to read:

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

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

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

Sec. 13. Minnesota Statutes 2000, section 243.51, subdivision 2, is amended to read:

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

The chief executive officer of the transferring facility shall attach to such contract a duly certified copy of the warrant of commitment under which such inmate is held, together with copies of such other commitment papers as are required by section 243.49, and such other data relating to the character and condition of such inmates as the

officer may deem necessary or may be required by the federal prison authorities. Such copy of the warrant of commitment and accompanying papers shall constitute sufficient authority for the United States to hold such inmate on behalf of the state of Minnesota.

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

Sec. 14. Minnesota Statutes 2000, section 243.53, subdivision 1, is amended to read:

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

- (1) geriatric dormitory-type facilities;
- (2) honor dormitory-type facilities; and
- (3) any other multiple occupancy facility at a custody level five or six institution that confines inmates who could be confined in an institution at custody level four or lower.

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

Sec. 15. Minnesota Statutes 2000, section 244.052, subdivision 3, is amended to read:

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

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

- (1) the chief executive officer or head of the correctional or treatment facility where the offender is currently confined, or that person's designee;
- (2) a law enforcement officer;
- (3) a treatment professional who is trained in the assessment of sex offenders;
- (4) a caseworker experienced in supervising sex offenders; and
- (5) a victim's services professional.

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

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

- (1) private medical data under section 13.384 or 144.335, or welfare data under section 13.46 that relate to medical treatment of the offender;
- (2) private and confidential court services data under section 13.84;
- (3) private and confidential corrections data under section 13.85; and
- (4) private criminal history data under section 13.87.

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

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

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

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

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

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

- (1) the seriousness of the offense should the offender reoffend. This factor includes consideration of the following:
 - (i) the degree of likely force or harm;
 - (ii) the degree of likely physical contact; and

- (iii) the age of the likely victim;
- (2) the offender's prior offense history. This factor includes consideration of the following:
 - (i) the relationship of prior victims to the offender;
 - (ii) the number of prior offenses or victims;
 - (iii) the duration of the offender's prior offense history;
 - (iv) the length of time since the offender's last prior offense while the offender was at risk to commit offenses; and
 - (v) the offender's prior history of other antisocial acts;
- (3) the offender's characteristics. This factor includes consideration of the following:
 - (i) the offender's response to prior treatment efforts; and
 - (ii) the offender's history of substance abuse;
- (4) the availability of community supports to the offender. This factor includes consideration of the following:
 - (i) the availability and likelihood that the offender will be involved in therapeutic treatment;
 - (ii) the availability of residential supports to the offender, such as a stable and supervised living arrangement in an appropriate location;
 - (iii) the offender's familial and social relationships, including the nature and length of these relationships and the level of support that the offender may receive from these persons; and
 - (iv) the offender's lack of education or employment stability;
- (5) whether the offender has indicated or credible evidence in the record indicates that the offender will reoffend if released into the community; and
- (6) whether the offender demonstrates a physical condition that minimizes the risk of reoffense, including but not limited to, advanced age or a debilitating illness or physical condition.
- (h) Upon the request of the law enforcement agency or the offender's corrections agent, the commissioner may reconvene the end-of-confinement review committee for the purpose of reassessing the risk level to which an offender has been assigned under paragraph (e). In a request for a reassessment, the law enforcement agency which was responsible for the charge resulting in confinement or agent shall list the facts and circumstances arising after the initial assignment or facts and circumstances known to law enforcement or the agent but not considered by the committee under paragraph (e) which support the request for a reassessment. The request for reassessment by the law enforcement agency must occur within 30 days of receipt of the report indicating the offender's risk level assignment. The offender's corrections agent, in consultation with the chief law enforcement officer in the area where the offender resides or intends to reside, may request a review of a risk level at any time if substantial evidence exists that the offender's risk level should be reviewed by an end-of-confinement review committee. This evidence includes, but is not limited to, evidence of treatment failures or completions, evidence of exceptional crime-free community adjustment or lack of appropriate adjustment, evidence of substantial community need to know more about the offender or mitigating circumstances that would narrow the proposed scope of notification, or other practical situations articulated and based in evidence of the offender's behavior while under supervision. Upon review of the

request, the end-of-confinement review committee may reassign an offender to a different risk level. If the offender is reassigned to a higher risk level, the offender has the right to seek review of the committee's determination under subdivision 6.

(i) An offender may request the end-of-confinement review committee to reassess the offender's assigned risk level after three years have elapsed since the committee's initial risk assessment and may renew the request once every two years following subsequent denials. In a request for reassessment, the offender shall list the facts and circumstances which demonstrate that the offender no longer poses the same degree of risk to the community. In order for a request for a risk level reduction to be granted, the offender must demonstrate full compliance with supervised release conditions, completion of required post-release treatment programming, and full compliance with all registration requirements as detailed in section 243.166. The offender must also not have been convicted of any felony, gross misdemeanor, or misdemeanor offenses subsequent to the assignment of the original risk level. The committee shall follow the process outlined in paragraphs (a) to ~~(e)~~, and ~~(g)~~ (c) in the reassessment. An offender who is incarcerated may not request a reassessment under this paragraph.

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

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

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

Sec. 16. Minnesota Statutes 2000, section 244.173, is amended to read:

244.173 [CHALLENGE INCARCERATION PROGRAM; EVALUATION AND REPORT.]

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

Sec. 17. Minnesota Statutes 2000, section 244.18, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in this section, "local correctional fees" include fees for the following correctional services:

- (1) community service work placement and supervision;
- (2) restitution collection;
- (3) supervision;

(4) court ordered investigations; or

(5) any other court ordered service;

(6) post-prison supervision or other form of release; or

(7) supervision or other services provided to probationers or parolees under section 243.16 to be provided by a local probation and parole agency established under section 244.19 or community corrections agency established under chapter 401.

Sec. 18. Minnesota Statutes 2000, section 390.11, subdivision 1, is amended to read:

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

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

(2) deaths under unusual or mysterious circumstances;

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

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

Sec. 19. Minnesota Statutes 2000, section 390.11, is amended by adding a subdivision to read:

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

Sec. 20. Minnesota Statutes 2000, section 390.32, is amended by adding a subdivision to read:

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

Sec. 21. Minnesota Statutes 2000, section 609.341, subdivision 11, is amended to read:

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

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

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

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

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

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

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

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;

(iii) the touching by another of the complainant's intimate parts; or

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

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

Sec. 22. Minnesota Statutes 2000, section 609.344, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

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

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

(i) during the psychotherapy session; or

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

Consent by the complainant is not a defense;

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

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

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

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

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

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

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

Sec. 23. Minnesota Statutes 2000, section 609.345, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

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

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

(i) during the psychotherapy session; or

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

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

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

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

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

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

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

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

Sec. 24. Minnesota Statutes 2000, section 609.3452, subdivision 1, is amended to read:

Subdivision 1. [ASSESSMENT REQUIRED.] When a person is convicted of a ~~violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a charge based on one or more of those sections~~ sex offense, the court shall order an independent professional

assessment of the offender's need for sex offender treatment. The court may waive the assessment if: (1) the sentencing guidelines provide a presumptive prison sentence for the offender, or (2) an adequate assessment was conducted prior to the conviction. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders.

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

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

Sec. 26. Minnesota Statutes 2000, section 609.3452, is amended by adding a subdivision to read:

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

Sec. 27. Minnesota Statutes 2000, section 611A.19, is amended to read:

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

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

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

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

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

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

test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.384 or 144.335 and destroyed, except for those medical records maintained by the department of corrections.

Sec. 28. Laws 1996, chapter 463, section 16, subdivision 3, as amended by Laws 1997, chapter 238, section 3, is amended to read:

Subd. 3. New Facility

89,000,000

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

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

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

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

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

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

Sec. 29. [WORKFORCE REPORTS.]

The department of corrections shall continue to report on its efforts to recruit a diverse workforce as required in Minnesota Statutes, section 43A.191.

Sec. 30. [REPEALER.]

Minnesota Statutes 2000, sections 241.016, subdivision 2, 241.19, and 242.51, are repealed.

Sec. 31. [EFFECTIVE DATE.]

Sections 21 to 23 are effective June 1, 2001, and apply to crimes committed on or after that date. Sections 24 to 26 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to corrections; making various changes to laws involving the department of corrections, including clarifying the community notification law, striking and repealing obsolete and unnecessary statutory language, clarifying who may be required to pay the costs for the use of a correctional camp, allowing licensed mental health professionals to admit inmates to the mental health unit at MCF-Oak Park Heights, altering the requirements of the department's annual performance report, providing that investigation of inmate deaths be initiated by the commissioner of corrections, continuing the task force for agency purchasing from correctional agencies, creating a peer review committee in the health correctional system; authorizing the commissioner to inspect and certify juvenile facilities licensed by the department of human services; requiring the commissioners of corrections and human services to develop alternative equivalent standards for chemical dependency treatment programs for correctional facilities under certain circumstances; requiring the commissioner of corrections to contract with the commissioner of human services for background studies of individuals providing services in secure and nonsecure juvenile residential and detention facilities; making it a crime for employees, contract personnel, or volunteers of a correctional system to engage in certain sexual activities with offenders in correctional facilities; requiring a sex offender assessment for certain repeat sex offenders; authorizing HIV test results to be maintained in inmate medical records; requiring new per diem methods to be used in annual reports; amending Minnesota Statutes 2000, sections 16B.181, subdivision 2; 241.016, subdivision 1; 241.018; 241.021, subdivisions 1, 4, 4a, 6, by adding a subdivision; 241.67, subdivision 8; 241.69; 242.32, subdivision 1a; 243.05, subdivision 6; 243.51, subdivision 2; 243.53, subdivision 1; 244.052, subdivision 3; 244.173; 244.18, subdivision 1; 390.11, subdivision 1, by adding a subdivision; 390.32, by adding a subdivision; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3452, subdivision 1, by adding subdivisions; 611A.19; Laws 1996, chapter 463, section 16, subdivision 3, as amended; repealing Minnesota Statutes 2000, sections 241.016, subdivision 2; 241.19; 242.51."

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

House Conferees: DAVE BISHOP, JOHN TUMA AND DEBRA HILSTROM.

Senate Conferees: SATVEER CHAUDHARY, JANE B. RANUM AND GRACE S. SCHWAB.

Bishop moved that the report of the Conference Committee on H. F. No. 1261 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1261, A bill for an act relating to the operation of state government; continuing a task force on agency purchases from correctional industries; requiring an annual report from the department of corrections; providing certification standards for juvenile facilities; requiring standards for chemical dependency treatment programs; requiring the commissioner of corrections to establish a health care peer review committee; requiring commissioner

of corrections to contract with commissioner of human services for background studies of individuals providing services in certain facilities; removing certain obsolete provisions in correction law; clarifying responsibilities and updating language in law governing correctional psychiatric unit; authorizing a corrections agent to request a review of an offender's risk level based on offender behavior in the community; providing for investigation of deaths occurring in correctional facilities; requiring judges to determine if offenders are eligible for challenge incarceration programs based upon correctional department criteria; defining criminal sexual conduct to include certain employees working in correctional facilities; requiring mandatory sex offender assessments for repeat offenders; providing that human immunodeficiency virus testing data of sex offenders to be maintained in correctional medical records; amending Minnesota Statutes 2000, sections 16B.181, subdivision 2; 241.016, subdivision 1; 241.018; 241.021, subdivisions 1, 4, 4a, 6, by adding a subdivision; 241.67, subdivision 8; 241.69; 242.32, subdivision 1a; 243.05, subdivision 6; 243.51, subdivision 2; 243.53, subdivision 1; 244.052, subdivision 3; 244.17, subdivision 1; 244.173; 390.11, subdivision 1, by adding a subdivision; 390.32, by adding a subdivision; 609.105, by adding a subdivision; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3452, subdivision 1, by adding subdivisions; 611A.19; Laws 1996, chapter 463, section 16, subdivision 3, as amended; repealing Minnesota Statutes 2000, sections 241.016, subdivision 2; 241.018; 241.19; 241.272, subdivision 7; 242.51.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Davids was excused between the hours of 7:10 p.m. and 10:50 p.m.

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1310

A bill for an act relating to construction; giving the state building official final authority for interpreting the State Building Code and prescribing its enforcement; requiring municipalities to submit annual reports on construction-related fees; regulating construction-related fees; prohibiting municipalities from requiring waivers of rights as a condition for issuance of a construction-related permit; amending Minnesota Statutes 2000, sections 16B.61, subdivision 1; 16B.62, subdivision 1; 16B.63, by adding a subdivision; 326.90, subdivision 1; 462.353, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16B; 462.

May 21, 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. 1310, 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. 1310 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 16B.61, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION OF CODE.] Subject to sections 16B.59 to 16B.75, the commissioner shall by rule establish a code of standards for the construction, reconstruction, alteration, and repair of buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety, including design and construction standards regarding heat loss control, illumination, and climate control. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States, including a code for building conservation. In the preparation of the code, consideration must be given to the existing statewide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 16B.59 to 16B.75, the commissioner shall administer and enforce the provisions of those sections.

The commissioner shall develop rules addressing the plan review fee assessed to similar buildings without significant modifications including provisions for use of building systems as specified in the industrial/modular program specified in section 16B.75. Additional plan review fees associated with similar plans must be based on costs commensurate with the direct and indirect costs of the service.

Sec. 2. Minnesota Statutes 2000, section 16B.61, subdivision 2, is amended to read:

Subd. 2. [ENFORCEMENT BY CERTAIN BODIES.] Under the direction and supervision of the commissioner, the provisions of the code relating to electrical installations shall be enforced by the state board of electricity, pursuant to the Minnesota Electrical Act, the provisions relating to plumbing shall be enforced by the commissioner of health, the provisions relating to high pressure steam piping and appurtenances shall be enforced by the department of labor and industry. Fees for inspections conducted by the state board of electricity shall be paid in accordance with the rules of the state board of electricity. Under direction of the commissioner of public safety, the

state fire marshal shall enforce the Minnesota Uniform Fire Code as provided in chapter 299F. The commissioner, in consultation with the commissioner of labor and industry, shall adopt amendments to the mechanical code portion of the State Building Code to implement standards for process piping.

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

Sec. 3. Minnesota Statutes 2000, section 16B.62, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPAL ENFORCEMENT.] The State Building Code applies statewide and supersedes the building code of any municipality. A municipality must not by ordinance or through development agreement require building code provisions regulating components or systems of any residential structure that are different from any provision of the State Building Code. A municipality may, with the approval of the state building official, adopt an ordinance that is more restrictive than the State Building Code where geological conditions warrant a more restrictive ordinance. A municipality may appeal the disapproval of a more restrictive ordinance to the commissioner. An appeal under this subdivision is subject to the schedule, fee, procedures, cost provisions, and appeal rights set out in section 16B.67. The State Building Code does not apply to agricultural buildings except with respect to state inspections required or rulemaking authorized by sections 103F.141, 216C.19, subdivision 8, and 326.244. All municipalities shall adopt and enforce the State Building Code with respect to new construction within their respective jurisdictions.

If a city has adopted or is enforcing the State Building Code on June 3, 1977, or determines by ordinance after that date to undertake enforcement, it shall enforce the code within the city. A city may by ordinance extend the enforcement of the code to contiguous unincorporated territory not more than two miles distant from its corporate limits in any direction. Where two or more noncontiguous cities which have elected to enforce the code have boundaries less than four miles apart, each is authorized to enforce the code on its side of a line equidistant between them. Once enforcement authority is extended extraterritorially by ordinance, the authority may continue to be exercised in the designated territory even though another city less than four miles distant later elects to enforce the code. After the extension, the city may enforce the code in the designated area to the same extent as if the property were situated within its corporate limits.

A city which, on June 3, 1977, had not adopted the code may not commence enforcement of the code within or outside of its jurisdiction until it has provided written notice to the commissioner, the county auditor, and the town clerk of each town in which it intends to enforce the code. A public hearing on the proposed enforcement must be held not less than 30 days after the notice has been provided. Enforcement of the code by the city outside of its jurisdiction commences on the first day of January in the year following the notice and hearing.

Municipalities may provide for the issuance of permits, inspection, and enforcement within their jurisdictions by means which are convenient, and lawful, including by means of contracts with other municipalities pursuant to section 471.59, and with qualified individuals. The other municipalities or qualified individuals may be reimbursed by retention or remission of some or all of the building permit fee collected or by other means. In areas of the state where inspection and enforcement is unavailable from qualified employees of municipalities, the commissioner shall train and designate individuals available to carry out inspection and enforcement on a fee basis. Nothing in this section prohibits a municipality from adopting ordinances relating to zoning, subdivision, or planning unless the ordinance conflicts with a provision of the State Building Code that regulates components or systems of any residential structure.

Sec. 4. Minnesota Statutes 2000, section 16B.63, is amended by adding a subdivision to read:

Subd. 5. [INTERPRETATIVE AUTHORITY.] To achieve uniform and consistent application of the State Building Code, the state building official has final interpretative authority applicable to all codes adopted as part of the State Building Code except for the plumbing code and the electrical code when enforced by the state board of electricity. A final interpretative committee composed of seven members, consisting of three building officials, two inspectors from the affected field, and two construction industry representatives, shall review requests for final interpretations relating to that field. A request for final interpretation must come from a local or state level building

code board of appeals. The state building official must establish procedures for membership of the interpretative committees. The appropriate committee shall review the request and make a recommendation to the state building official for the final interpretation within 30 days of the request. The state building official must issue an interpretation within ten business days from the recommendation from the review committee. A final interpretation may be appealed within 30 days of its issuance to the commissioner under section 16B.67. The final interpretation must be published within ten business days of its issuance and made available to the public. Municipal building officials shall administer all final interpretations issued by the state building official until the final interpretations are considered for adoption as part of the State Building Code.

Sec. 5. [16B.665] [PERMIT FEE LIMITATION ON MINOR RESIDENTIAL IMPROVEMENTS.]

A municipality as defined in section 16B.60, subdivision 3, or a town may not charge a permit fee that exceeds \$15 or 5 percent of the cost of the improvement, installation, or replacement, whichever is greater, for the improvement, installation, or replacement of a residential fixture or appliance that:

- (1) does not require modification to electric or gas service;
- (2) has a total cost of \$500 or less, excluding the cost of the fixture or appliance; and
- (3) is improved, installed, or replaced by the home owner or a licensed contractor.

Sec. 6. [16B.685] [ANNUAL REPORT.]

Beginning with the first report filed by April 1, 2003, each municipality shall annually report by April 1 to the department, in a format prescribed by the department, all construction and development-related fees collected by the municipality from developers, builders, and subcontractors. The report must include:

- (1) the number and valuation of units for which fees were paid;
- (2) the amount of building permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, and other construction and development-related fees; and
- (3) the expenses associated with the municipal activities for which fees were collected.

Sec. 7. Minnesota Statutes 2000, section 326.90, subdivision 1, is amended to read:

Subdivision 1. [LOCAL LICENSE PROHIBITED.] Except as provided in sections ~~326.991 and~~ 326.90, subdivision 2, and 326.991, a political subdivision may not require a person licensed under sections 326.83 to 326.991 to also be licensed or pay a registration or other fee related to licensure under any ordinance, law, rule, or regulation of the political subdivision. This section does not prohibit charges for building permits or other charges not directly related to licensure.

Sec. 8. Minnesota Statutes 2000, section 327A.01, subdivision 2, is amended to read:

Subd. 2. [BUILDING STANDARDS.] "Building standards" means the ~~structural, mechanical, electrical, and quality standards of the home building industry for the geographic area in which the dwelling is situated~~ State Building Code, adopted by the commissioner of administration pursuant to sections 16B.59 to 16B.75, that is in effect at the time of the construction or remodeling.

Sec. 9. Minnesota Statutes 2000, section 327A.02, subdivision 1, is amended to read:

Subdivision 1. [WARRANTIES BY VENDORS.] In every sale of a completed dwelling, and in every contract for the sale of a dwelling to be completed, the vendor shall warrant to the vendee that:

(a) during the one-year period from and after the warranty date the dwelling shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards;

(b) during the two-year period from and after the warranty date, the dwelling shall be free from defects caused by faulty installation of plumbing, electrical, heating, and cooling systems due to noncompliance with building standards; and

(c) during the ten-year period from and after the warranty date, the dwelling shall be free from major construction defects due to noncompliance with building standards.

Sec. 10. Minnesota Statutes 2000, section 327A.02, subdivision 3, is amended to read:

Subd. 3. [HOME IMPROVEMENT WARRANTIES.] (a) In a sale or in a contract for the sale of home improvement work involving major structural changes or additions to a residential building, the home improvement contractor shall warrant to the owner that:

(1) during the one-year period from and after the warranty date the home improvement shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards; and

(2) during the ten-year period from and after the warranty date the home improvement shall be free from major construction defects due to noncompliance with building standards.

(b) In a sale or in a contract for the sale of home improvement work involving the installation of plumbing, electrical, heating or cooling systems, the home improvement contractor shall warrant to the owner that, during the two-year period from and after the warranty date, the home improvement shall be free from defects caused by the faulty installation of the system or systems due to noncompliance with building standards.

(c) In a sale or in a contract for the sale of any home improvement work not covered by paragraph (a) or (b), the home improvement contractor shall warrant to the owner that, during the one-year period from and after the warranty date, the home improvement shall be free from defects caused by faulty workmanship or defective materials due to noncompliance with building standards.

Sec. 11. Minnesota Statutes 2000, section 462.353, subdivision 4, is amended to read:

Subd. 4. [FEES.] A municipality may prescribe fees sufficient to defray the costs incurred by it in reviewing, investigating, and administering an application for an amendment to an official control established pursuant to sections 462.351 to 462.364 or an application for a permit or other approval required under an official control established pursuant to those sections. Fees as prescribed ~~shall~~ must be by ordinance and must be fair, reasonable, and proportionate to the actual cost of the service for which the fee is imposed. A municipality shall adopt management and accounting procedures to ensure that fees are maintained and used only for the purpose for which they are collected.

If a dispute arises over a specific fee imposed by a municipality related to a specific application, the amount of the fee must be deposited and held in escrow, and the person aggrieved by the fee may appeal under section 462.361. An approved application may proceed as if the fee had been paid, pending a decision on the appeal.

Sec. 12. [462.3531] [WAIVER OF RIGHTS.]

Any waiver of rights of appeal under section 429.081 is effective only for the amount of assessment estimated or for the assessment amount agreed to in the development agreement. An effective waiver of rights of appeal under section 429.081 may contain additional conditions providing for increases in assessments that will not be subject to appeal if:

(1) the increases are a result of requests made by the developer or property owner; or

(2) the increases are otherwise approved by the developer or property owner in a subsequent separate written document.

Sec. 13. Minnesota Statutes 2000, section 462.357, subdivision 2, is amended to read:

Subd. 2. [GENERAL REQUIREMENTS.] (a) At any time after the adoption of a land use plan for the municipality, the planning agency, for the purpose of carrying out the policies and goals of the land use plan, may prepare a proposed zoning ordinance and submit it to the governing body with its recommendations for adoption.

(b) Subject to the requirements of subdivisions 3, 4, and 5, the governing body may adopt and amend a zoning ordinance by a majority vote of all its members. The adoption or amendment of any portion of a zoning ordinance which changes all or part of the existing classification of a zoning district from residential to either commercial or industrial requires a two-thirds majority vote of all its members of the governing body.

(c) The land use plan must provide guidelines for the timing and sequence of the adoption of official controls to ensure planned, orderly, and staged development and redevelopment consistent with the land use plan.

Sec. 14. Minnesota Statutes 2000, section 462.357, subdivision 5, is amended to read:

Subd. 5. [AMENDMENT; CERTAIN CITIES OF THE FIRST CLASS.] The provisions of this subdivision apply to cities the adoption or amendment of any portion of a zoning ordinance which changes all or part of the existing classification of a zoning district from residential to either commercial or industrial of a property located in a city of the first class, except a city of the first class in which a different process is provided through the operation of the city's home rule charter. In a city to which this subdivision applies, amendments to a zoning ordinance shall be made in conformance with this section but only after there shall have been filed in the office of the city clerk a written consent of the owners of two-thirds of the several descriptions of real estate situate within 100 feet of the total contiguous descriptions of real estate held by the same owner or any party purchasing any such contiguous property within one year preceding the request, and after the affirmative vote in favor thereof by a majority of the members of the governing body of any such city. The governing body of such city may, by a two-thirds vote of its members, after hearing, adopt a new zoning ordinance without such written consent whenever the planning commission or planning board of such city shall have made a survey of the whole area of the city or of an area of not less than 40 acres, within which the new ordinance or the amendments or alterations of the existing ordinance would take effect when adopted, and shall have considered whether the number of descriptions of real estate affected by such changes and alterations renders the obtaining of such written consent impractical, and such planning commission or planning board shall report in writing as to whether in its opinion the proposals of the governing body in any case are reasonably related to the overall needs of the community, to existing land use, or to a plan for future land use, and shall have conducted a public hearing on such proposed ordinance, changes or alterations, of which hearing published notice shall have been given in a daily newspaper of general circulation at least once each week for three successive weeks prior to such hearing, which notice shall state the time, place and purpose of such hearing, and shall have reported to the governing body of the city its findings and recommendations in writing.

Sec. 15. [EFFECTIVE DATE.]

(a) Sections 5 and 11 are effective January 1, 2002.

(b) Sections 8 to 10, 13, and 14 are effective the day following final enactment.

(c) Section 12 is effective August 1, 2001, and applies to contracts entered into on or after that date."

Delete the title and insert:

"A bill for an act relating to construction; giving the state building official final authority for interpreting the State Building Code and prescribing its enforcement; regulating construction-related fees; requiring municipalities to submit annual reports on construction-related fees; providing for adoption of certain amendments to the mechanical

code; limiting certain municipal building code ordinances; clarifying certain terms; modifying provisions relating to construction warranties; limiting certain waivers of rights; modifying provisions relating to zoning ordinances; amending Minnesota Statutes 2000, sections 16B.61, subdivisions 1, 2; 16B.62, subdivision 1; 16B.63, by adding a subdivision; 326.90, subdivision 1; 327A.01, subdivision 2; 327A.02, subdivisions 1, 3; 462.353, subdivision 4; 462.357, subdivisions 2, 5; proposing coding for new law in Minnesota Statutes, chapters 16B; 462."

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

House Conferees: RON ABRAMS, BOB MILBERT AND MARY LIZ HOLBERG.

Senate Conferees: DOUGLAS J. JOHNSON, ANN H. REST AND DAN STEVENS.

Abrams moved that the report of the Conference Committee on H. F. No. 1310 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1310, A bill for an act relating to construction; giving the state building official final authority for interpreting the State Building Code and prescribing its enforcement; requiring municipalities to submit annual reports on construction-related fees; regulating construction-related fees; prohibiting municipalities from requiring waivers of rights as a condition for issuance of a construction-related permit; amending Minnesota Statutes 2000, sections 16B.61, subdivision 1; 16B.62, subdivision 1; 16B.63, by adding a subdivision; 326.90, subdivision 1; 462.353, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16B; 462.

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 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens

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

MESSAGES FROM THE SENATE, Continued

The following messages were received from 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. 1068.

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. 1068

A bill for an act relating to government data; classifying data; codifying temporary classifications; including metropolitan area towns under the data practices act; clarifying effect of advisory opinions; modifying records management requirements; removing sunset on law governing access to juvenile records for gang investigations; extending authority for special law governing property taxpayer data; amending Minnesota Statutes 2000, sections 13.02, subdivision 11; 13.072, subdivision 2; 13.08, subdivision 4; 13.32, by adding a subdivision; 13.322, subdivision 3; 13.59; 13.594; 13.719, by adding a subdivision; 13.785, by adding a subdivision; 136A.243, by adding a subdivision; 138.17, subdivision 7; 182.659, subdivision 8; 260B.171, subdivision 1; 299C.095, subdivision 1; 299C.13; 299C.61, by adding a subdivision; 386.20, by adding a subdivision; 611A.19; Laws 1997, First Special Session chapter 3, section 27, as amended; repealing Minnesota Statutes 2000, sections 13.081; 13.5921.

May 19, 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. 1068, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1068 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 13.02, subdivision 11, is amended to read:

Subd. 11. [POLITICAL SUBDIVISION.] "Political subdivision" means any county, statutory or home rule charter city, school district, special district, any town exercising powers under chapter 368 and located in the metropolitan area, as defined in section 473.121, subdivision 2, and any board, commission, district or authority created pursuant to law, local ordinance or charter provision. It includes any nonprofit corporation which is a community action agency organized pursuant to the Economic Opportunity Act of 1964 (Public Law Number 88-452) as amended, to qualify for public funds, or any nonprofit social service agency which performs services under contract to any political subdivision, statewide system or state agency, to the extent that the nonprofit social service agency or nonprofit corporation collects, stores, disseminates, and uses data on individuals because of a contractual relationship with state agencies, political subdivisions or statewide systems.

Sec. 2. Minnesota Statutes 2000, section 13.072, subdivision 2, is amended to read:

Subd. 2. [EFFECT.] Opinions issued by the commissioner under this section are not binding on the state agency, statewide system, or political subdivision whose data is the subject of the opinion, but must be given deference by a court in a proceeding involving the data. The commissioner shall arrange for public dissemination of opinions issued under this section. This section does not preclude a person from bringing any other action under this chapter or other law in addition to or instead of requesting a written opinion. ~~A state agency, statewide system, political subdivision, government entity~~ or person that acts in conformity with a written opinion of the commissioner issued to the government entity or person or to another party is not liable for compensatory or exemplary damages or awards of attorneys fees in actions under section 13.08 or for a penalty under section 13.09.

Sec. 3. Minnesota Statutes 2000, section 13.08, subdivision 4, is amended to read:

Subd. 4. [ACTION TO COMPEL COMPLIANCE.] (a) In addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved person seeking to enforce the person's rights under this chapter or obtain access to data may bring an action in district court to compel compliance with this chapter and may recover costs and disbursements, including reasonable attorney's fees, as determined by the court. If the court determines that an action brought under this subdivision is frivolous and without merit and a basis in fact, it may award reasonable costs and attorney fees to the responsible authority. If the court issues an order to compel compliance under this subdivision, the court may impose a civil penalty of up to \$300 against the government entity. This penalty is payable to the state general fund and is in addition to damages under subdivision 1. The matter shall be heard as soon as possible. In an action involving a request for government data under section 13.03 or 13.04, the court may inspect in camera the government data in dispute, but shall conduct its hearing in public and in a manner that protects the security of data classified as not public. If the court issues an order to compel compliance under this subdivision, the court shall forward a copy of the order to the commissioner of administration.

(b) In determining whether to assess a civil penalty under this subdivision, the court shall consider whether the government entity has substantially complied with general data practices under this chapter, including but not limited to, whether the government entity has:

- (1) designated a responsible authority under section 13.02, subdivision 16;
- (2) designated a data practices compliance official under section 13.05, subdivision 13;
- (3) prepared the public document that names the responsible authority and describes the records and data on individuals that are maintained by the government entity under section 13.05, subdivision 1;
- (4) developed public access procedures under section 13.03, subdivision 2; procedures to guarantee the rights of data subjects under section 13.05, subdivision 8; and procedures to ensure that data on individuals are accurate and complete and to safeguard the data's security under section 13.05, subdivision 5;

(5) sought an oral, written, or electronic opinion from the commissioner of administration related to the matter at issue and acted in conformity with that opinion or acted in conformity with an opinion issued under section 13.072 that was sought by another person; or

(6) provided ongoing training to government entity personnel who respond to requests under this chapter.

Sec. 4. Minnesota Statutes 2000, section 13.32, is amended by adding a subdivision to read:

Subd. 5a. [MILITARY RECRUITMENT.] A secondary institution shall release to military recruiting officers the names, addresses, and home telephone numbers of students in grades 11 and 12 within 60 days after the date of the request, except as otherwise provided by this subdivision. A secondary institution shall give parents and students notice of the right to refuse release of this data to military recruiting officers. Notice may be given by any means reasonably likely to inform the parents and students of the right. Data released to military recruiting officers under this subdivision:

(1) may be used only for the purpose of providing information to students about military service, state and federal veterans' education benefits, and other career and educational opportunities provided by the military; and

(2) shall not be further disseminated to any other person except personnel of the recruiting services of the armed forces.

Sec. 5. Minnesota Statutes 2000, section 13.322, subdivision 3, is amended to read:

Subd. 3. [HIGHER EDUCATION SERVICES OFFICE.] (a) [GENERAL.] Data sharing involving the higher education services office and other institutions is governed by section 136A.05.

(b) [STUDENT FINANCIAL AID.] Data collected and used by the higher education services office on applicants for financial assistance are classified under section 136A.162.

(c) [MINNESOTA COLLEGE SAVINGS PLAN DATA.] Account owner data, account data, and data on beneficiaries of accounts under the Minnesota college savings plan are classified under section 136A.243, subdivision 10.

(d) [SCHOOL FINANCIAL RECORDS.] Financial records submitted by schools registering with the higher education services office are classified under section 136A.64.

Sec. 6. Minnesota Statutes 2000, section 13.59, is amended to read:

13.59 [HOUSING AND REDEVELOPMENT DATA.]

Subdivision 1. [PRIVATE SURVEY DATA.] The following data collected in surveys of individuals conducted by cities and housing and redevelopment authorities for the purposes of planning, development, and redevelopment, are classified as private data pursuant to section 13.02, subdivision 12: the names and addresses of individuals and the legal descriptions of property owned by individuals.

Subd. 2. [NONPUBLIC SURVEY DATA.] The following data collected in surveys of businesses conducted by cities and housing and redevelopment authorities, for the purposes of planning, development, and redevelopment, are classified as nonpublic data pursuant to section 13.02, subdivision 9: the names, addresses, and legal descriptions of business properties and the commercial use of the property to the extent disclosure of the use would identify a particular business.

Subd. 3. [FINANCIAL ASSISTANCE DATA.] (a) The following data that are submitted to a housing and redevelopment authority by persons who are requesting financial assistance are private data on individuals or nonpublic data:

- (1) financial statements;
- (2) credit reports;
- (3) business plans;
- (4) income and expense projections;
- (5) customer lists;
- (6) balance sheets;
- (7) income tax returns; and
- (8) design, market, and feasibility studies not paid for with public funds.

(b) Data submitted to the authority under paragraph (a) become public data if the authority provides financial assistance to the person, except that the following data remain private or nonpublic:

- (1) business plans;
- (2) income and expense projections not related to the financial assistance provided;
- (3) customer lists;
- (4) income tax returns; and
- (5) design, market, and feasibility studies not paid for with public funds.

Subd. 4. [DEFINITION.] For purposes of this section, "housing and redevelopment authority" has the meaning given in section 469.002, subdivision 2, and includes a government entity exercising powers under sections 469.001 to 469.047.

Sec. 7. [13.591] [BUSINESS DATA.]

Subdivision 1. [NOT PUBLIC DATA WHEN BENEFIT REQUESTED.] The following data, that are submitted to a government entity by a business requesting financial assistance or a benefit financed by public funds, are private or nonpublic data: financial information about the business including, credit reports; financial statements; net worth calculations; business plans; income and expense projections; balance sheets; customer lists; income tax returns; and design, market, and feasibility studies not paid for with public funds.

Subd. 2. [PUBLIC DATA WHEN BENEFIT RECEIVED.] Data submitted to a government entity under subdivision 1 become public when public financial assistance is provided or the business receives a benefit from the government entity, except that the following data remain private or nonpublic: business plans; income and expense projections not related to the financial assistance provided; customer lists; income tax returns; and design, market, and feasibility studies not paid for with public funds.

Subd. 3. [BUSINESS AS VENDOR.] (a) Data submitted by a business to a government entity in response to a request for bids as defined in section 16C.02, subdivision 11, are private or nonpublic until the bids are opened. Once the bids are opened, the name of the bidder and the dollar amount specified in the response are read and

become public. All other data in a bidder's response to a bid are private or nonpublic data until completion of the selection process. For purposes of this section, "completion of the selection process" means that the government entity has completed its evaluation and has ranked the responses. After a government entity has completed the selection process, all remaining data submitted by all bidders are public with the exception of trade secret data as defined and classified in section 13.37. A statement by a bidder that submitted data are copyrighted or otherwise protected does not prevent public access to the data contained in the bid.

If all responses to a request for bids are rejected prior to completion of the selection process, all data, other than that made public at the bid opening, remain private or nonpublic until a resolicitation of bids results in completion of the selection process or a determination is made to abandon the purchase. If the rejection occurs after the completion of the selection process, the data remain public. If a resolicitation of bids does not occur within one year of the bid opening date, the remaining data become public.

(b) Data submitted by a business to a government entity in response to a request for proposal, as defined in section 16C.02, subdivision 12, are private or nonpublic until the responses are opened. Once the responses are opened, the name of the responder is read and becomes public. All other data in a responder's response to a request for proposal are private or nonpublic data until completion of the evaluation process. For purposes of this section, "completion of the evaluation process" means that the government entity has completed negotiating the contract with the selected vendor. After a government entity has completed the evaluation process, all remaining data submitted by all responders are public with the exception of trade secret data as defined and classified in section 13.37. A statement by a responder that submitted data are copyrighted or otherwise protected does not prevent public access to the data contained in the response.

If all responses to a request for proposal are rejected prior to completion of the evaluation process, all data, other than that made public at the response opening, remain private or nonpublic until a resolicitation of the requests for proposal results in completion of the evaluation process or a determination is made to abandon the purchase. If the rejection occurs after the completion of the evaluation process, the data remain public. If a resolicitation of proposals does not occur within one year of the proposal opening date, the remaining data become public.

Sec. 8. Minnesota Statutes 2000, section 13.719, is amended by adding a subdivision to read:

Subd. 6. [AUTOMOBILE INSURANCE.] (a) [GROUP SELF-INSURANCE DATA.] Financial data relating to nonpublic companies that are submitted to the commissioner of commerce for the purpose of obtaining approval to self-insure liability for automobile coverage as a group are classified as nonpublic data.

(b) [SELF-INSURANCE; PLAN ADMINISTRATOR DATA.] Financial documents, including income statements, balance sheets, statements of change in financial positions, and supporting financial information submitted by nonpublic companies seeking to self-insure their automobile liability or to be licensed as self-insurance plan administrators are classified as nonpublic data.

Sec. 9. Minnesota Statutes 2000, section 136A.243, is amended by adding a subdivision to read:

Subd. 10. [DATA.] Account owner data, account data, and data on beneficiaries of accounts are private data on individuals as defined in section 13.02, except that the names and addresses of the beneficiaries of accounts that receive grants are public.

Sec. 10. Minnesota Statutes 2000, section 138.17, subdivision 7, is amended to read:

Subd. 7. [RECORDS MANAGEMENT PROGRAM.] A records management program for the application of efficient and economical management methods to the creation, utilization, maintenance, retention, preservation, and disposal of official records shall be administered by the commissioner of administration with assistance from the director of the historical society. The state records center which stores and services state records not in state archives shall be administered by the commissioner of administration. The commissioner of administration is empowered to (1) establish standards, procedures, and techniques for effective management of government records, (2) make

continuing surveys of paper work operations, and (3) recommend improvements in current records management practices including the use of space, equipment, and supplies employed in creating, maintaining, preserving and disposing of government records. It shall be the duty of the head of each state agency and the governing body of each county, municipality, and other subdivision of government to cooperate with the commissioner in conducting surveys and to establish and maintain an active, continuing program for the economical and efficient management of the records of each agency, county, municipality, or other subdivision of government. When requested by the commissioner, public officials shall assist in the preparation of an inclusive inventory of records in their custody, to which shall be attached a schedule, approved by the head of the governmental unit or agency having custody of the records and the commissioner, establishing a time period for the retention or disposal of each series of records. When the schedule is unanimously approved by the records disposition panel, the head of the governmental unit or agency having custody of the records may dispose of the type of records listed in the schedule at a time and in a manner prescribed in the schedule for particular records which were created after the approval. A list of records disposed of pursuant to this subdivision shall be forwarded to the commissioner and the archivist maintained by the head of the governmental unit or agency. ~~The archivist shall maintain a list of all records destroyed.~~

Sec. 11. Minnesota Statutes 2000, section 182.659, subdivision 8, is amended to read:

Subd. 8. Neither the commissioner nor any employee of the department, including those employees of the department of health providing services to the department of labor and industry, pursuant to section 182.67, subdivision 1, is subject to subpoena for purposes of inquiry into any occupational safety and health inspection except in enforcement proceedings brought under this chapter. ~~All written information, documentation and reports gathered or prepared by the department pursuant to an occupational safety and health inspection are public information once the departmental inspection file is closed. Data that identify individuals who provide data to the department as part of an investigation conducted under this chapter shall be private.~~

Sec. 12. Minnesota Statutes 2000, section 260B.171, subdivision 1, is amended to read:

Subdivision 1. [RECORDS REQUIRED TO BE KEPT.] (a) The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. Except as provided in paragraph (b), the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 28 years and shall release the records on an individual to another juvenile court that has jurisdiction of the juvenile, to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court also may provide copies of records concerning delinquency adjudications, on request, to law enforcement agencies, probation officers, and corrections agents if the court finds that providing these records serves public safety or is in the best interests of the child. ~~Until July 1, 2001,~~ Juvenile court delinquency proceeding records of adjudications, court transcripts, and delinquency petitions, including any probable cause attachments that have been filed or police officer reports relating to a petition, must be released to requesting law enforcement agencies and prosecuting authorities for purposes of investigating and prosecuting violations of section 609.229, provided that psychological or mental health reports may not be included with those records. The agency receiving the records may release the records only as permitted under this section or authorized by law.

The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. Unless otherwise provided by law, all court records shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian.

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a felony- or gross misdemeanor level offense until the offender reaches the age of 28. If the offender commits a felony as an adult, or the court convicts a child as an extended jurisdiction juvenile, the court shall retain the juvenile records for as long as the records would have been retained if the offender had been an adult at the time of the juvenile offense. This paragraph does not apply unless the juvenile was provided counsel as required by section 260B.163, subdivision 2.

Sec. 13. Minnesota Statutes 2000, section 299C.095, subdivision 1, is amended to read:

Subdivision 1. [ACCESS TO DATA ON JUVENILES.] (a) The bureau shall administer and maintain the computerized juvenile history record system based on sections 260B.171 and 260C.171 and other statutes requiring the reporting of data on juveniles. The data in the system are private data as defined in section 13.02, subdivision 12, but are accessible to criminal justice agencies as defined in section 13.02, subdivision 3a, to all trial courts and appellate courts, to a person who has access to the juvenile court records as provided in sections 260B.171 and 260C.171 or under court rule, to public defenders as provided in section 611.272, and to criminal justice agencies in other states in the conduct of their official duties.

(b) Except for access authorized under paragraph (a), the bureau shall only disseminate a juvenile adjudication history record in connection with a background check required by statute or rule and performed on a licensee, license applicant, or employment applicant or performed under section 299C.62 or 624.713. If the background check is performed under section 299C.62, juvenile adjudication history disseminated under this paragraph is limited to offenses that would constitute a background check crime as defined in section 299C.61, subdivision 2. A consent for release of information from an individual who is the subject of a juvenile adjudication history is not effective and the bureau shall not release a juvenile adjudication history record and shall not release information in a manner that reveals the existence of the record.

Sec. 14. Minnesota Statutes 2000, section 299C.13, is amended to read:

299C.13 [INFORMATION FURNISHED TO PEACE OFFICER.]

Upon receipt of information data as to any arrested person, the bureau shall immediately ascertain whether the person arrested has a criminal record or is a fugitive from justice, and shall at once inform the arresting officer of the facts ascertained, including references to any juvenile or adult court disposition data that are not in the criminal history system. Upon application by any sheriff, chief of police, or other peace officer in the state, or by an officer of the United States or by an officer of another state, territory, or government duly authorized to receive the same and effecting reciprocal interchange of similar information with the division, it shall be the duty of the bureau to furnish all information in its possession pertaining to the identification of any person. If the bureau has a sealed record on the arrested person, it shall notify the requesting peace officer of that fact and of the right to seek a court order to open the record for purposes of law enforcement. A criminal justice agency shall be notified, upon request, of the existence and contents of a sealed record containing conviction information about an applicant for employment. For purposes of this section a "criminal justice agency" means courts or a government agency that performs the administration of criminal justice under statutory authority.

Sec. 15. Minnesota Statutes 2000, section 299C.61, is amended by adding a subdivision to read:

Subd. 8a. [CONVICTION.] "Conviction" means a criminal conviction or an adjudication of delinquency for an offense that would be a crime if committed by an adult.

Sec. 16. Minnesota Statutes 2000, section 611A.19, is amended to read:

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

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) Upon the request or with the consent of the victim, the prosecutor shall make a motion in camera and the sentencing court shall issue an order requiring an adult convicted of or a juvenile adjudicated delinquent for violating section 609.342 (criminal sexual conduct in the first

degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or any other violent crime, as defined in section 609.1095, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

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

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

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

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

Sec. 17. [611A.46] [CLASSIFICATION OF DATA.]

(a) Personal history information and other information collected, used, and maintained by a Minnesota center for crime victim services grantee from which the identity and location of any crime victim may be determined are private data on individuals as defined in section 13.02, subdivision 12, and the grantee shall maintain the data in accordance with the provisions of chapter 13.

(b) Personal history data and other information collected, used, and maintained by the Minnesota center for crime victim services from which the identity and location of any victim may be determined are private data on individuals as defined in section 13.02, subdivision 12.

(c) Internal auditing data shall be classified as provided by section 13.392.

Sec. 18. Laws 1997, First Special Session chapter 3, section 27, as amended by Laws 1999, chapter 243, article 5, section 45, is amended to read:

Sec. 27. [TAXPAYER'S PERSONAL INFORMATION; DISCLOSURE.]

(a) An owner of property in Washington or Ramsey county that is subject to property taxation must be informed in a clear and conspicuous manner in writing on a form sent to property taxpayers that the property owner's name, address, and other information may be used, rented, or sold for business purposes, including surveys, marketing, and solicitation.

(b) If the property owner so requests on the form provided, then any such list generated by the county and sold for business purposes must exclude the owner's name and address if the business purpose is conducting surveys, marketing, or solicitation.

(c) This section expires August 1, ~~2001~~ 2003.

Sec. 19. [NONCUSTODIAL PARENT PROGRAM.]

Notwithstanding Minnesota Statutes, section 13.46, until August 1, 2002, the public authority responsible for child support enforcement and an agency administering the noncustodial parent employment and support services program under contract with the department of human services in Hennepin county may exchange data on current and former program participants for purposes of evaluating the program. Any private agency administering the program must agree to be bound by Minnesota Statutes, chapter 13.

Sec. 20. [REPORT OF DATA LAWS.]

The responsible authority of each state agency shall prepare a list that identifies all data classification provisions relating to business that are within the jurisdiction of the agency, or that the agency has been given the statutory authority to ensure compliance with or enforce. The agency shall submit this list to the commissioner of administration no later than November 1, 2001.

Sec. 21. [REPEALER.]

Minnesota Statutes 2000, sections 13.081; 13.592; 13.5921; 13.5922; 13.593; 13.594; 13.5951; 13.5952; 13.5953; 13.596; 13.5965; 13.643, subdivision 4; and 16C.06, subdivision 3, are repealed.

Sec. 22. [EFFECTIVE DATE.]

Sections 5 and 9 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to government data practices; classifying and defining certain government data; providing for access to, use and maintenance of certain government data; clarifying effect of advisory opinions; modifying records management requirements; removing sunset on law governing access to juvenile records for gang investigations; extending authority for law governing property taxpayer data; requiring a report; abolishing certain administrative remedies; amending Minnesota Statutes 2000, sections 13.02, subdivision 11; 13.072, subdivision 2; 13.08, subdivision 4; 13.32, by adding a subdivision; 13.322, subdivision 3; 13.59; 13.719, by adding a subdivision; 136A.243, by adding a subdivision; 138.17, subdivision 7; 182.659, subdivision 8; 260B.171, subdivision 1; 299C.095, subdivision 1; 299C.13; 299C.61, by adding a subdivision; 611A.19; Laws 1997, First Special Session chapter 3, section 27, as amended; proposing coding for new law in Minnesota Statutes, chapters 13; 611A; repealing Minnesota Statutes 2000, sections 13.081; 13.592; 13.5921; 13.5922; 13.593; 13.594; 13.5951; 13.5952; 13.5953; 13.596; 13.5965; 13.643, subdivision 4; 16C.06, subdivision 3."

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

Senate Conferees: DON BETZOLD, WARREN LIMMER AND MYRON ORFIELD.

House Conferees: MARY LIZ HOLBERG, STEVE SMITH AND DARLENE LUTHER.

Holberg moved that the report of the Conference Committee on S. F. No. 1068 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1068, A bill for an act relating to government data; classifying data; codifying temporary classifications; including metropolitan area towns under the data practices act; clarifying effect of advisory opinions; modifying records management requirements; removing sunset on law governing access to juvenile records for gang investigations; extending authority for special law governing property taxpayer data; amending Minnesota Statutes 2000, sections 13.02, subdivision 11; 13.072, subdivision 2; 13.08, subdivision 4; 13.32, by

adding a subdivision; 13.322, subdivision 3; 13.59; 13.594; 13.719, by adding a subdivision; 13.785, by adding a subdivision; 136A.243, by adding a subdivision; 138.17, subdivision 7; 182.659, subdivision 8; 260B.171, subdivision 1; 299C.095, subdivision 1; 299C.13; 299C.61, by adding a subdivision; 386.20, by adding a subdivision; 611A.19; Laws 1997, First Special Session chapter 3, section 27, as amended; repealing Minnesota Statutes 2000, sections 13.081; 13.5921.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 1407.

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. 1407

A bill for an act relating to human services; modifying provisions in health care access programs; amending Minnesota Statutes 2000, sections 245B.02, by adding a subdivision; 245B.03, subdivision 1; 252.28, subdivisions 3a and 3b; 256B.056, subdivisions 1a, 4, and 5a; 256B.0595, subdivisions 1 and 2; 256B.0625, subdivision 9; 256B.0635, subdivision 1; 256B.071, subdivision 2; 256B.094, subdivisions 6 and 8; 256B.5013, subdivision 1; 256B.69, subdivision 3a; 256D.03, subdivision 3; and 256L.15, subdivision 1a; Laws 1996, chapter 451, article 2, sections 61 and 62; repealing Minnesota Statutes 2000, section 256B.071, subdivision 5; Laws 1995, chapter 178, article 2, section 46, subdivision 10; Laws 1996, chapter 451, article 2, sections 12, 14, 16, 18, 29, and 30.

May 18, 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. 1407, 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. 1407 be further amended as follows:

Pages 3 and 4, delete section 6

Pages 9 and 10, delete section 11

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete ", 4,"

Page 1, line 8, delete "256B.0635, subdivision 1;"

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

Senate Conferees: TWYLA RING, BECKY LOUREY AND SHEILA M. KISCADEN.

House Conferees: NEVA WALKER, FRAN BRADLEY AND TIM WILKIN.

Walker moved that the report of the Conference Committee on S. F. No. 1407 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1407, A bill for an act relating to human services; modifying provisions in health care access programs; amending Minnesota Statutes 2000, sections 245B.02, by adding a subdivision; 245B.03, subdivision 1; 252.28, subdivisions 3a and 3b; 256B.056, subdivisions 1a, 4, and 5a; 256B.0595, subdivisions 1 and 2; 256B.0625, subdivision 9; 256B.0635, subdivision 1; 256B.071, subdivision 2; 256B.094, subdivisions 6 and 8; 256B.5013, subdivision 1; 256B.69, subdivision 3a; 256D.03, subdivision 3; and 256L.15, subdivision 1a; Laws 1996, chapter 451, article 2, sections 61 and 62; repealing Minnesota Statutes 2000, section 256B.071, subdivision 5; Laws 1995, chapter 178, article 2, section 46, subdivision 10; Laws 1996, chapter 451, article 2, sections 12, 14, 16, 18, 29, and 30.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 103.

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. 103

A bill for an act relating to civil actions; providing civil remedies for receiving motor fuel from a motor fuel retail business without paying for it; proposing coding for new law in Minnesota Statutes, chapter 332.

May 19, 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. 103, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 103 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 332.50, is amended to read:

332.50 ~~[CIVIL LIABILITY FOR ISSUANCE OF WORTHLESS CHECK.]~~

Subdivision 1. [DEFINITIONS.] (a) The definitions provided in this subdivision apply to this section.

(b) "Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

(c) "Credit" means an arrangement or understanding with the drawee for the payment of the check.

(d) "Dishonor" has the meaning given in section 336.3-502, but does not include dishonor due to a stop payment order requested by an issuer who has a good faith defense to payment on the check. "Dishonor" does include a stop payment order requested by an issuer if the account did not have sufficient funds for payment of the check at the time of presentment, except for stop payment orders on a check found to be stolen.

(e) "Payee" or "holder" includes an agent of the payee or holder.

Subd. 2. [ACTS CONSTITUTING.] Whoever issues any check that is dishonored is liable for the following penalties:

(a) ~~A service charge of up to \$20, or actual costs of collection, not to exceed \$30, may be imposed immediately on any dishonored check by the payee or holder of the check, regardless of mailing a notice of dishonor, if notice of the service charge was conspicuously displayed on the premises when the check was issued. If a law enforcement agency obtains payment of a dishonored check, a service charge not to exceed \$25 may be imposed if the service charge is retained by the law enforcement agency for its expenses. Only one service charge may be imposed under this paragraph for each dishonored check. The displayed notice must also include a provision notifying the issuer of the check that civil penalties may be imposed for nonpayment.~~

(b) If the amount of the dishonored check is not paid within 30 days after the payee or holder has mailed notice of dishonor pursuant to section 609.535 and a description of the penalties contained in this subdivision, whoever issued the dishonored check is liable to the payee or holder of the check for:

(1) the amount of the check, the service charge as provided in paragraph (a), plus a civil penalty of up to \$100 or the value of the check, whichever is greater. In determining the amount of the penalty, the court shall consider the amount of the check and the reason for nonpayment. The civil penalty may not be imposed until 30 days following the mailing of the notice of dishonor. A payee or holder of the check may make a written demand for payment of the civil liability by sending a copy of this section and a description of the liability contained in this section to the issuer's last known address. Notice as provided in paragraph (a) must also include notification that additional civil penalties will be imposed for dishonored checks for nonpayment after 30 days;

(2) interest at the rate payable on judgments pursuant to section 549.09 on the face amount of the check from the date of dishonor; and

(3) reasonable attorney fees if the aggregate amount of dishonored checks issued by the issuer to all payees within a six-month period is over \$1,250.

(c) This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision, but does not nullify charges for dishonored checks, which do not exceed the charges in paragraph (a) or terms or conditions for imposing the charges which have been agreed to by the parties in an express contract.

(d) A sight draft may not be used as a means of collecting the civil penalties provided in this section without prior consent of the issuer.

(e) The issuer of a dishonored check is not liable for the penalties described in paragraph (b) if a pretrial diversion program under section 628.69 has been established in the jurisdiction where the dishonored check was issued, the issuer was accepted into the program, and the issuer successfully completes the program.

Subd. 3. [NOTICE OF DISHONOR REQUIRED.] Notice of nonpayment or dishonor that includes a citation to this section and section 609.535, and a description of the penalties contained in these sections, shall be sent by the payee or holder of the check to the drawer by certified mail, return receipt requested, or by regular mail, supported by an affidavit of service by mailing, to the address printed or written on the check.

The issuance of a check with an address printed or written on it is a representation by the drawer that the address is the correct address for receipt of mail concerning the check. Failure of the drawer to receive a regular or certified mail notice sent to that address is not a defense to liability under this section, if the drawer has had actual notice for 30 days that the check has been dishonored.

An affidavit of service by mailing shall be retained by the payee or holder of the check.

Subd. 4. [PROOF OF IDENTITY.] The check is prima facie evidence of the identity of the ~~drawer~~ issuer if the person receiving the check:

(a) records the following information about the ~~drawer~~ issuer on the check, unless it is printed on the face of the check:

- (1) name;
- (2) home or work address;
- (3) home or work telephone number; and
- (4) identification number issued pursuant to section 171.07;

(b) compares the ~~drawer's~~ issuer's physical appearance, signature, and the personal information recorded on the check with the ~~drawer's~~ issuer's identification card issued pursuant to section 171.07; and

(c) initials the check to indicate compliance with these requirements.

Subd. 5. [DEFENSES.] Any defense otherwise available to the ~~drawer~~ issuer also applies to liability under this section.

Sec. 2. [332.505] [CIVIL LIABILITY FOR RECEIVING MOTOR FUEL WITHOUT PAYING.]

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

- (1) "motor fuel" means a liquid, regardless of its properties, used to propel a vehicle;
- (2) "retailer" means a person that sells motor fuel at retail; and
- (3) "vehicle" means a motor vehicle or watercraft that is self-propelled and that uses motor fuel for propulsion.

Subd. 2. [ACTS CONSTITUTING.] (a) The owner of a vehicle that receives motor fuel that was not paid for is liable to the retailer for the price of the motor fuel received and a service charge of up to \$20, or the actual costs of collection not to exceed \$30. This charge may be imposed upon the mailing of the notice under subdivision 3, if

notice of the service charge was conspicuously displayed on the premises from which the motor fuel was received. The notice must include a statement that civil penalties will be imposed if payment is not received within 30 days. Only one service charge may be imposed under this paragraph for each incident.

(b) If the price of the motor fuel received is not paid within 30 days after the retailer has mailed notice under subdivision 3, the owner is liable to the retailer for the price of the motor fuel received, the service charge as provided in paragraph (a), plus a civil penalty not to exceed \$100 or the price of the motor fuel, whichever is greater. The civil penalty may not be imposed until 30 days after the mailing of the notice under subdivision 3.

Subd. 3. [NOTICE OF NONPAYMENT.] Notice of nonpayment that includes a citation to this section and a description of the penalties contained in it shall be sent by the retailer to the owner by regular mail, supported by an affidavit of service by mailing, to the address indicated by records on the vehicle under section 86B.401 or 168.346. The notice must include a signed statement by the employee who reported the act describing what the employee observed and the license number of the motor vehicle, if known. Failure of the owner to receive a notice is not a defense to liability under this section.

An affidavit of service by mailing must be retained by the retailer.

Subd. 4. [NOTICE OF DISPUTE.] If, within the 30-day period referred to in subdivision 2, paragraph (b), the owner sends written notice to the retailer disputing the retailer's claim that the owner received motor fuel from the retailer without paying for it, the retailer may collect the price of the motor fuel and the civil penalties imposed by this section only pursuant to a judgment rendered by a court of competent jurisdiction.

Upon receipt of the notice, the retailer shall cease all collection efforts.

Sec. 3. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective August 1, 2001, and applies to checks issued on or after that date. Section 2 is effective August 1, 2001, for causes of action arising on or after that date."

Delete the title and insert:

"A bill for an act relating to civil actions; changing civil penalties for issuing checks that are dishonored; providing civil remedies for receiving motor fuel from a motor fuel retail business without paying for it; amending Minnesota Statutes 2000, section 332.50; proposing coding for new law in Minnesota Statutes, chapter 332."

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

Senate Conferees: CAL LARSON, JOHN MARTY AND LINDA SCHEID.

House Conferees: BUD NORNES, DOUG STANG AND PAUL MARQUART.

Nornes moved that the report of the Conference Committee on S. F. No. 103 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 103, A bill for an act relating to civil actions; providing civil remedies for receiving motor fuel from a motor fuel retail business without paying for it; proposing coding for new law in Minnesota Statutes, chapter 332.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1406

A bill for an act relating to health; establishing maternal death reviews; amending Minnesota Statutes 2000, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 2000, sections 13.3806, subdivision 19; and 145.90.

May 21, 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. 1406, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1406 be further amended as follows:

Page 1, after line 13, insert:

"Sec. 2. Minnesota Statutes 2000, section 144.335, subdivision 1, is amended to read:

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

(a) "Patient" means a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition, the surviving spouse and parents of a deceased patient, or a person the patient appoints in writing as a representative, including a health care agent acting pursuant to chapter 145C, unless the authority of the agent has been limited by the principal in the principal's health care directive. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is regulated to furnish the services pursuant to chapter 147, 147A, 147B, 147C, 147D, 148, 148B, 148C, 150A, 151, 153, or 153A, or Minnesota Rules, chapter 4666; (2) a home care provider licensed under section 144A.46; (3) a health care facility licensed pursuant to this chapter or chapter 144A; (4) a physician assistant registered under chapter 147A; and (5) an unlicensed mental health practitioner regulated pursuant to sections 148B.60 to 148B.71.

(c) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records."

Page 1, line 25, delete "or traditional midwives"

Page 1, line 26, delete "licensed under chapter 147D,"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "section" and insert "sections"

Page 1, line 4, after the semicolon, insert "144.335, subdivision 1;"

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

House Conferees: RICHARD MULDER, CARL JACOBSON AND THOMAS HUNTLEY.

Senate Conferees: SHEILA M. KISCADEN, DALLAS C. SAMS AND LEO T. FOLEY.

Mulder moved that the report of the Conference Committee on H. F. No. 1406 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1406, A bill for an act relating to health; establishing maternal death reviews; amending Minnesota Statutes 2000, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 2000, sections 13.3806, subdivision 19; and 145.90.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, I.	Biernat	Bradley	Cassell	Daggett
Abrams	Bakk	Bishop	Buesgens	Clark, J.	Davnie
Anderson, B.	Bernardy	Boudreau	Carlson	Clark, K.	Dawkins

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

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

MESSAGES FROM THE SENATE, Continued

The following messages were received from 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. 1464.

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. 1464

A bill for an act relating to health; modifying provisions for lead poisoning prevention; requiring a real property seller provide buyer with well water test results; providing for certain alternative compliance methods for food, beverage, and lodging establishment inspections; repealing certain obsolete laws relating to hotel inspectors, duplication equipment, pay toilets, and enclosed sports arenas; amending Minnesota Statutes 2000, sections 144.9501, subdivisions 3, 4, 10, 11, 17, 17a, 18, 19, 20a, 20b, 20c, 21, 22, 22a, 23, 28a, 29, and by adding subdivisions; 144.9502, subdivision 8; 144.9503; 144.9504, subdivisions 1, 2, 5, 7, and 8; 144.9505; 144.9507, subdivision 5; 144.9508, subdivisions 1, 2, 3, 4, and 5; 144.9509, subdivisions 1 and 3; and 157.20, by adding a subdivision; repealing Minnesota Statutes 2000, sections 144.073; 144.08; 144.1222, subdivision 3; 144.9501, subdivision 32; 144.9502, subdivision 6; 144.9503, subdivision 6; 144.9504, subdivisions 4 and 11; 144.9505, subdivisions 2 and 5; 144.9506; 144.9508, subdivision 6; and 145.425.

May 19, 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. 1464, 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. 1464 be further amended as follows:

Page 32, after line 25, insert:

"Section 1. Minnesota Statutes 2000, section 145.425, is amended to read:

145.425 [PAY TOILETS IN PUBLIC PLACES; PROHIBITIONS; PENALTY.]

Pay toilets and urinals in public places, public conveyances or public buildings are prohibited ~~unless at least one-half of the available toilets in the same area or rest room are free and maintained at the same standards of sanitation and upkeep. Violation of this section is a misdemeanor.~~

Page 33, line 21, delete the first semicolon and insert "and" and delete the second semicolon

Page 33, line 22, delete "144.1222, subdivision 3; and 145.425"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senate Conferees: BECKY LOUREY, DALLAS C. SAMS AND MICHELLE L. FISCHBACH.

House Conferees: BUD NORNES, KATHY TINGELSTAD AND KAREN CLARK.

Nornes moved that the report of the Conference Committee on S. F. No. 1464 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1464, A bill for an act relating to health; modifying provisions for lead poisoning prevention; requiring a real property seller provide buyer with well water test results; providing for certain alternative compliance methods for food, beverage, and lodging establishment inspections; repealing certain obsolete laws relating to hotel inspectors, duplication equipment, pay toilets, and enclosed sports arenas; amending Minnesota Statutes 2000, sections 144.9501, subdivisions 3, 4, 10, 11, 17, 17a, 18, 19, 20a, 20b, 20c, 21, 22, 22a, 23, 28a, 29, and by adding subdivisions; 144.9502, subdivision 8; 144.9503; 144.9504, subdivisions 1, 2, 5, 7, and 8; 144.9505; 144.9507, subdivision 5; 144.9508, subdivisions 1, 2, 3, 4, and 5; 144.9509, subdivisions 1 and 3; and 157.20, by adding a subdivision; repealing Minnesota Statutes 2000, sections 144.073; 144.08; 144.1222, subdivision 3; 144.9501, subdivision 32; 144.9502, subdivision 6; 144.9503, subdivision 6; 144.9504, subdivisions 4 and 11; 144.9505, subdivisions 2 and 5; 144.9506; 144.9508, subdivision 6; and 145.425.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1497, A bill for an act relating to natural resources; exempting certain charges from legislative approval; modifying terms for certain lakeshore land exchanges to include leased farmed wild rice lands; authorizing public and private sales of certain state lands in Lake county; authorizing conveyance of certain surplus state land in Mower county; authorizing conveyance of certain consolidated conservation land in Aitkin county; adding to a state forest; adding to and creating wildlife management areas; amending Minnesota Statutes 2000, section 16A.1283; Laws 1998, chapter 389, article 16, section 31, subdivision 2, as amended.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Nornes moved that the House concur in the Senate amendments to H. F. No. 1497 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1497, A bill for an act relating to natural resources; exempting certain charges from legislative approval; modifying certain provisions for taking small game; modifying terms for certain lakeshore land exchanges to include leased farmed wild rice lands; authorizing public and private sales of certain state lands in Lake county; authorizing conveyance of certain surplus state land in Mower county; adding to a state forest; adding to and creating wildlife management areas; authorizing the private conveyance of consolidated conservation land in Aitkin county; authorizing a land transfer for North Hennepin community college; providing for an exchange of land by the city of Bird Island; amending Minnesota Statutes 2000, sections 16A.1283; 97B.603; 97B.901; Laws 1998, chapter 389, article 16, section 31, subdivision 2, as amended.

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

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Erickson	Hilty	Mariani	Paymar
Clark, K.	Gray	Krinkie	Murphy	Westerberg

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

Mr. Speaker:

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

S. F. No. 1541.

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. 1541

A bill for an act relating to commerce; regulating currency exchanges, real estate brokers, real property appraisers, residential contractors, notaries public, and collection agencies; modifying certain continuing education requirements; regulating certain fees, costs, duties, rights, and penalties; regulating nonprofit corporations; requiring a study; appropriating money; amending Minnesota Statutes 2000, sections 45.0295; 53A.081, subdivision 2; 58.10, subdivision 1, by adding a subdivision; 60K.19, subdivision 8; 72B.04, subdivisions 6, 7; 80B.03, subdivision 4a; 82.195, subdivision 2; 82.196, subdivision 2; 82.197, subdivisions 1, 4, by adding a subdivision; 82.22, subdivision 13; 82.24, subdivision 8; 82.27, subdivision 3; 82.34, subdivision 15, by adding a subdivision; 82B.14; 317A.203; 326.91, subdivision 1; 326.975, subdivision 1; 332.41; 359.02; 507.45, subdivision 3.

May 19, 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. 1541, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1541 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 45.0295, is amended to read:

45.0295 [FEES.]

(a) The following fees shall be paid to the commissioner:

- (1) for each hour or fraction of one hour of education course approval ~~for continuing education~~ sought, \$10; and
- (2) for each ~~continuing education~~ course coordinator approval, \$100.

(b) All fees paid to the commissioner under this section are nonrefundable, except that an overpayment of a fee shall be returned upon proper application.

Sec. 2. Minnesota Statutes 2000, section 53A.081, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION.] The commissioner may at any time ~~and shall at least once in each year~~ investigate the currency exchange business of any licensee and of every person, partnership, association, and corporation engaged in the business of operating a currency exchange in the manner provided under section 45.027.

Sec. 3. Minnesota Statutes 2000, section 58.10, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees must be paid to the commissioner:

(1) for an initial residential mortgage originator license, ~~\$800~~ \$850, \$50 of which is credited to the consumer education account in the special revenue fund;

(2) for a renewal license, ~~\$400~~ \$450, \$50 of which is credited to the consumer education account in the special revenue fund;

(3) for an initial residential mortgage servicer's license, \$1,000;

(4) for a renewal license, \$500; and

(5) for a certificate of exemption, \$100.

Sec. 4. Minnesota Statutes 2000, section 58.10, is amended by adding a subdivision to read:

Subd. 3. [CONSUMER EDUCATION ACCOUNT; MONEY CREDITED AND APPROPRIATED.] (a) The consumer education account is created in the special revenue fund. Money credited to this account may be appropriated to the commissioner for the purpose of making grants to programs and campaigns designed to help consumers avoid being victimized by unscrupulous lenders and mortgage brokers. Preference shall be given to programs and campaigns designed by coalitions of public sector, private sector, and nonprofit agencies, institutions, companies, and organizations.

(b) A sum sufficient is appropriated annually from the consumer education account to the commissioner to make the grants described in paragraph (a).

Sec. 5. Minnesota Statutes 2000, section 60K.19, subdivision 8, is amended to read:

Subd. 8. [MINIMUM EDUCATION REQUIREMENT.] Each person subject to this section shall complete a minimum of 30 credit hours of courses accredited by the commissioner during each 24-month licensing period. Any person whose initial licensing period extends more than six months shall complete 15 hours of courses accredited by the commissioner during the initial license period. Any person teaching or lecturing at an accredited course qualifies for ~~1-1/2~~ three times the number of credit hours that would be granted to a person completing the accredited course. No more than 15 credit hours per licensing period may be credited to a person for courses sponsored by, offered by, or affiliated with an insurance company or its agents. Courses sponsored by, offered by, or affiliated with an insurance company or agent may restrict its students to agents of the company or agency.

Sec. 6. Minnesota Statutes 2000, section 72B.04, subdivision 6, is amended to read:

Subd. 6. [EXCEPTIONS.] A person who on January 1, 1972, meets all of the qualifications specified in subdivision 2 with regard to the class of license applied for and, if experience is one of the requisites, has gained the experience within the three years next preceding January 1, 1972, shall be eligible for the issuance of a license without taking an examination.

A person who has held a license of any given class or in any field or fields within three years prior to the application shall be entitled to a renewal of the license in the same class or in the same fields without taking an examination.

A person applying for a license as a crop hail adjuster shall not be required to comply with the requirements of subdivision 5.

The commissioner may issue a license under sections 72B.01 to 72B.14 without an examination, if the applicant presents sufficient and satisfactory evidence of having passed a similar examination in another state and if the commissioner, with the advice of the advisory board, has determined that the standards of such other state are equivalent to those in Minnesota for the class of license applied for. Any applicant who presents sufficient and

satisfactory evidence of having successfully completed all six parts of the insurance institute of America program in adjusting or other programs approved by the commissioner shall be entitled to an adjuster's license without taking the examination prescribed in subdivision 5.

Sec. 7. Minnesota Statutes 2000, section 72B.04, subdivision 7, is amended to read:

Subd. 7. [LICENSE TERM.] ~~Every adjuster's and public adjuster solicitor's license shall be for a term expiring on October 31 next following the date of its issuance, and may be renewed for the ensuing calendar year upon the timely filing of an application for renewal.~~ (a) Initial licenses issued under this section are valid for a period not to exceed two years. Each initial license must expire on October 31 of the expiration year assigned by the commissioner.

(b) Licenses issued under this section may be renewed upon the timely filing of an application for renewal. Every renewal license is valid for a period of 24 months.

Sec. 8. Minnesota Statutes 2000, section 80B.03, subdivision 4a, is amended to read:

Subd. 4a. Within three ~~calendar~~ business days of the date of filing of the registration statement, the commissioner may by order summarily suspend the effectiveness of the takeover offer if the commissioner determines that the registration statement does not contain all of the information specified in subdivisions 2 and 6 or that the takeover offer materials provided to offerees do not provide full disclosure to offerees of all material information concerning the takeover offer. The suspension shall remain in effect only until the determination following a hearing held pursuant to subdivision 5.

Sec. 9. Minnesota Statutes 2000, section 82.195, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] All listing agreements must be in writing and must include:

- (1) a definite expiration date;
- (2) a description of the real property involved;
- (3) the list price and any terms required by the seller;
- (4) the amount of any compensation or commission or the basis for computing the commission;
- (5) a clear statement explaining the events or conditions that will entitle a broker to a commission;
- (6) information regarding an override clause, if applicable, including a statement to the effect that the override clause will not be effective unless the licensee supplies the seller with a protective list within 72 hours after the expiration of the listing agreement;
- (7) the following notice in not less than ten point boldface type immediately preceding any provision of the listing agreement relating to compensation of the licensee:

"NOTICE: ~~THE COMMISSION RATE~~ COMPENSATION FOR THE SALE, LEASE, RENTAL, OR MANAGEMENT OF REAL PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND ~~THE~~ THE BROKER'S CLIENT.";

(8) for residential property listings, the following "dual agency" disclosure statement:

If a buyer represented by broker wishes to buy your property, a dual agency will be created. This means that broker will represent both you and the buyer(s), and owe the same duties to the buyer(s) that broker owes to you. This conflict of interest will prohibit broker from advocating exclusively on your behalf. Dual agency will limit the level of representation broker can provide. If a dual agency should arise, you will need to agree that confidential

information about price, terms, and motivation will still be kept confidential unless you instruct broker in writing to disclose specific information about you. All other information will be shared. Broker cannot act as a dual agent unless both you and the buyer(s) agree to it. By agreeing to a possible dual agency, you will be giving up the right to exclusive representation in an in-house transaction. However, if you should decide not to agree to a possible dual agency, and you want broker to represent you, you may give up the opportunity to sell your property to buyers represented by broker.

Seller's Instructions to Broker

Having read and understood this information about dual agency, seller(s) now instructs broker as follows:

..... Seller(s) will agree to a dual agency representation and will consider offers made by buyers represented by broker.

..... Seller will not agree to a dual agency representation and will not consider offers made by buyers represented by broker.

..... Seller Broker

..... Seller By: Salesperson

Date:

(9) a notice requiring the seller to indicate in writing whether it is acceptable to the seller to have the licensee arrange for closing services or whether the seller wishes to arrange for others to conduct the closing. ~~The notice must also include the disclosure of any controlled business arrangement, as the term is defined in United States Code, title 12, section 2602, between the licensee and the real estate closing agent through which the licensee proposes to arrange closing services; and~~

(10) for residential listings, a notice stating that after the expiration of the listing agreement, the seller will not be obligated to pay the licensee a fee or commission if the seller has executed another valid listing agreement pursuant to which the seller is obligated to pay a fee or commission to another licensee for the sale, lease, or exchange of the real property in question. This notice may be used in the listing agreement for any other type of real estate.

Sec. 10. Minnesota Statutes 2000, section 82.196, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] All buyer's broker agreements must be in writing and must include:

- (1) a definite expiration date;
- (2) the amount of any compensation or commission, or the basis for computing the commission;
- (3) a clear statement explaining the services to be provided to the buyer by the broker, and the events or conditions that will entitle a broker to a commission or other compensation;
- (4) a provision for cancellation of the agreement by either party upon terms agreed upon by the parties; a clear statement explaining if the agreement may be canceled and the terms under which the agreement may be canceled;

(5) information regarding an override clause, if applicable, including a statement to the effect that the override clause will not be effective unless the licensee supplies the buyer with a protective list within 72 hours after the expiration of the buyer's broker agreement;

(6) the following notice in not less than ten point bold face type immediately preceding any provision of the buyer's broker agreement relating to compensation of the licensee:

"NOTICE: THE ~~COMMISSION RATE~~ COMPENSATION FOR THE PURCHASE, LEASE, RENTAL, OR MANAGEMENT OF REAL PROPERTY IS ~~NEGOTIABLE AND~~ SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND ~~THE~~ THE BROKER'S CLIENT.";

(7) the following "dual agency" disclosure statement:

If you choose to purchase a property listed by broker, a dual agency will be created. This means that broker will represent both you and the seller(s), and owe the same duties to the seller(s) that broker owes to you. This conflict of interest will prohibit broker from advocating exclusively on your behalf. Dual agency will limit the level of representation broker can provide. If a dual agency should arise, you will need to agree that confidential information about price, terms, and motivation will still be kept confidential unless you instruct broker in writing to disclose specific information about you. All other information will be shared. Broker cannot act as a dual agent unless both you and the seller(s) agree to it. By agreeing to a possible dual agency, you will be giving up the right to exclusive representation in an in-house transaction. However, if you should decide not to agree to a possible dual agency, and you want broker to represent you, you may give up the opportunity to purchase the properties listed by broker.

Buyer's Instructions to Broker

..... Buyer(s) will agree to a dual agency representation and will consider properties listed by broker.

..... Buyer will not agree to a dual agency representation and will not consider properties listed by broker.

.....
Buyer Broker

.....
Buyer By:
Salesperson

Date: ; and

(8) for buyer's broker agreements which involve residential real property, a notice stating that after the expiration of the buyer's broker agreement, the buyer will not be obligated to pay the licensee a fee or commission if the buyer has executed another valid buyer's broker agreement pursuant to which the buyer is obligated to pay a fee or commission to another licensee for the purchase, lease, or exchange of real property.

Sec. 11. Minnesota Statutes 2000, section 82.197, subdivision 1, is amended to read:

Subdivision 1. [AGENCY DISCLOSURE.] A real estate broker or salesperson shall provide to a consumer in the sale and purchase of a residential real property transaction at the first substantive contact with the consumer an agency disclosure form in substantially the form set forth in subdivision 4. The agency disclosure form shall be

intended to provide a description of available options for agency and nonagency relationships, and a description of the role of a licensee under each option. The agency disclosure form shall provide a signature line for acknowledgment of receipt by the consumer.

Sec. 12. Minnesota Statutes 2000, section 82.197, subdivision 4, is amended to read:

Subd. 4. [AGENCY DISCLOSURE FORM.] The agency disclosure form shall be in substantially the form set forth below:

AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

Minnesota law requires that early in any relationship, real estate brokers or salespersons discuss with consumers what type of agency representation or relationship they desire.(1) The available options are listed below. This is **not** a contract. **This is an agency disclosure form only. If you desire representation, you must enter into a written contract according to state law** (a listing contract or a buyer representation contract). Until such time as you choose to enter into a written contract for representation ~~or assistance~~, you will be treated as a customer ~~of the broker or salesperson and not represented by the brokerage~~ and will not receive any representation from the broker or salesperson. The broker or salesperson ~~would then~~ will be acting as a ~~Seller's broker~~ Facilitator (see paragraph I V below), ~~or as a nonagent (see paragraph IV below)~~ unless the broker or salesperson is representing another party as described below.

ACKNOWLEDGMENT: I/We acknowledge that I/We have been presented with the below-described options. I/We understand that until I/We have signed a representation contract, I/We are not represented by the broker/salesperson and information given to the broker/salesperson may be disclosed. I/We understand that written consent is required for a dual agency relationship. THIS IS A DISCLOSURE ONLY, NOT A CONTRACT FOR REPRESENTATION.

..... <u>Signature</u>	..... <u>Date</u>
..... <u>Signature</u>	..... <u>Date</u>

I.

Seller's Broker: A broker who lists a property, or a salesperson who is licensed to the listing broker, represents the Seller and acts on behalf of the Seller. ~~A broker or salesperson working with a Buyer may also act as a subagent of the Seller, in which case the Buyer is the broker's customer and is not represented by that broker.~~ A Seller's broker owes to the Seller the fiduciary duties described below.(2) The broker must also disclose to the Buyer ~~any~~ material facts as defined in Minnesota Statutes, section 82.197, subdivision 6, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property. If a broker or salesperson who is working with a Buyer as a customer and is representing the Seller and to whom any information is disclosed, he or she must act in the Seller's interests best interest and must tell the Seller the any information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph V below). In that case, the Buyer will not be represented and will not receive advice and counsel from the broker or salesperson.

II.

Subagent: A broker or salesperson who is working with a Buyer but represents the Seller. In this case, the Buyer is the broker's customer and is not represented by that broker. If a broker or salesperson working with a Buyer as a customer is representing the Seller, he or she must act in the Seller's best interest and must tell the Seller any information that is disclosed to him or her. In that case, the Buyer will not be represented and will not receive advice and counsel from the broker or salesperson.

III.

Buyer's Broker: A Buyer may enter into an agreement for the broker or salesperson to represent and act on behalf of the Buyer. The broker may represent the Buyer only, and not the Seller, even if ~~the broker he or she~~ is being paid in whole or in part by the Seller. A Buyer's broker owes to the Buyer the fiduciary duties described below.(2) The broker must disclose to the Buyer ~~any~~ material facts as defined in Minnesota Statutes, section 82.197, subdivision 6, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property. If a broker or salesperson working with a Seller as a customer is representing the Buyer, he or she must act in the Buyer's best interest and must tell the Buyer any information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph V below). In that case, the Seller will not be represented and will not receive advice and counsel from the broker or salesperson.

~~III.~~ IV.

Dual Agency-Broker Representing both Seller and Buyer: Dual agency occurs when one broker or salesperson represents both parties to a transaction, or when two salespersons licensed to the same broker each represent a party to the transaction. Dual agency requires the informed consent of all parties, and means that the broker and salesperson owe the same duties to the Seller and the Buyer. This role limits the level of representation the broker and salespersons can provide, and prohibits them from acting exclusively for either party. In a dual agency, confidential information about price, terms, and motivation for pursuing a transaction will be kept confidential unless one party instructs the broker or salesperson in writing to disclose specific information about ~~the party writing him or her~~. Other information will be shared. Dual agents may not advocate for one party to the detriment of the other.(3)

Within the limitations described above, dual agents owe to both Seller and Buyer the fiduciary duties described below.(2) Dual agents must disclose to Buyers ~~any~~ material facts as defined in Minnesota Statutes, section 82.197, subdivision 6, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property.

~~IV.~~ V.

Nonagent Facilitator: A broker or salesperson ~~may perform who performs~~ services for ~~either party as a nonagent, if that party signs a nonagency services agreement a Buyer, a Seller, or both but does not represent either in a fiduciary capacity as a Buyer's Broker, Seller's Broker, or Dual Agent. As a nonagent the broker or salesperson facilitates the transaction, but does not act on behalf of either party.~~ **THE NONAGENT FACILITATOR BROKER OR SALESPERSON DOES NOT OWE ANY PARTY ANY OF THE FIDUCIARY DUTIES LISTED BELOW, EXCEPT CONFIDENTIALITY, UNLESS THOSE DUTIES ARE INCLUDED IN THE WRITTEN NONAGENCY FACILITATOR SERVICES AGREEMENT.** The ~~nonagent facilitator~~ broker or salesperson owes ~~only the duty of confidentiality to the party but owes no other duty to the party except~~ those duties required by law or contained in ~~the a written nonagency facilitator services agreement, if any. In the event a facilitator broker or salesperson, working with a Buyer, shows a property listed by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Seller's Broker (see paragraph I above). In the event a facilitator broker or salesperson, working with a Seller, accepts a showing of the property by a Buyer being represented by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Buyer's Broker (see paragraph III above).~~

ACKNOWLEDGMENT: I/We acknowledge that I/We have been presented with the above-described options. I/We understand that Buyers who have not signed a Buyer representation contract or nonagency services agreement are not represented by the broker/salesperson and information given to the broker/salesperson will be disclosed to the Seller. I/We understand that written consent is required for a dual agency relationship. This is a disclosure only, NOT a contract for representation.

.....
Seller	Date	Buyer	Date
.....
Seller	Date	Buyer	Date
.....

(1) This disclosure is required by law in any transaction involving property occupied or intended to be occupied by one to four families as their residence.

(2) The fiduciary duties mentioned above are listed below and have the following meanings:

Loyalty-broker/salesperson will act only in client(s)' best interest.

Obedience-broker/salesperson will carry out all client(s)' lawful instructions.

Disclosure-broker/salesperson will disclose to client(s) all material facts of which broker/salesperson has knowledge which might reasonably affect the client's rights and interests.

Confidentiality-broker/salesperson will keep client(s)' confidences unless required by law to disclose specific information (such as disclosure of material facts to Buyers).

Reasonable Care-broker/salesperson will use reasonable care in performing duties as an agent.

Accounting-broker/salesperson will account to client(s) for all client(s)' money and property received as agent.

(3) If Seller(s) decides not to agree to a dual agency relationship, Seller(s) may give up the opportunity to sell the property to Buyers represented by the broker/salesperson. If Buyer(s) decides not to agree to a dual agency relationship, Buyer(s) may give up the opportunity to purchase properties listed by the broker.

Sec. 13. Minnesota Statutes 2000, section 82.197, is amended by adding a subdivision to read:

Subd. 6. [MATERIAL FACTS.] (a) Licensees shall disclose to any prospective purchaser all material facts of which the licensees are aware, which could adversely and significantly affect an ordinary purchaser's use or enjoyment of the property, or any intended use of the property of which the licensees are aware.

(b) It is not a material fact relating to real property offered for sale and no regulatory action shall be brought against a licensee for failure to disclose in any real estate transaction the fact or suspicion that the property:

(1) is or was occupied by an owner or occupant who is or was suspected to be infected with human immunodeficiency virus or diagnosed with acquired immunodeficiency syndrome; or

(2) was the site of an accidental death, natural death, or perceived paranormal activity.

(c) A licensee or employee of the licensee has no duty to disclose information regarding an offender who is required to register under section 243.166, or about whom notification is made under that section, if the broker or salesperson, in a timely manner, provides a written notice that information about the predatory offender registry and persons registered with the registry may be obtained by contacting local law enforcement where the property is located or the department of corrections.

(d) A licensee is not required to disclose, except as otherwise provided in paragraph (e), information relating to the physical condition of the property or any other information relating to the real estate transaction, if a written report that discloses the information has been prepared by a qualified third party and provided to the person. For the purposes of this paragraph, "qualified third party" means a federal, state, or local governmental agency, or any person whom the broker, salesperson, or a party to the real estate transaction reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by the third party in order to prepare the written report and who is acceptable to the person to whom the disclosure is being made.

(e) A licensee shall disclose to the parties to a real estate transaction any facts known by the broker or salesperson that contradict any information included in a written report, if a copy of the report is provided to the licensee, described in paragraph (d).

Sec. 14. Minnesota Statutes 2000, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After their first renewal date, all real estate salespersons and all real estate brokers shall be required to successfully complete 30 hours of real estate continuing education, either as a student or a lecturer, in courses of study approved by the commissioner, during each 24-month license period. At least 15 of the 30 credit hours must be completed during the first 12 months of the 24-month licensing period. Salespersons and brokers whose initial license period extends more than 12 months are required to complete 15 hours of real estate continuing education during the initial license period. Those licensees who will receive a 12-month license on July 1, 1995, because of the staggered implementation schedule must complete 15 hours of real estate continuing education as a requirement for renewal on July 1, 1996. Licensees may not claim credit for continuing education not actually completed as of the date their report of continuing education compliance is filed.

(b) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision. The commissioner may not approve a course which can be completed by the student at home or outside the classroom without the supervision of an instructor ~~approved by the department of commerce. The commissioner has discretion to establish a pilot program to explore delivery of except~~ accredited courses using new delivery technology, including interactive technology, and the Internet. This pilot program expires on August 1, 2001. Courses in motivation, salesmanship, psychology, or time management shall not be approved by the commissioner for continuing education credit.

(c) Any program approved by Minnesota continuing legal education shall be approved by the commissioner of commerce for continuing education for real estate brokers and salespeople if the program or any part thereof relates to real estate.

(d) As part of the continuing education requirements of this section, the commissioner shall require that all real estate brokers and salespersons receive:

(1) at least ~~two hours~~ one hour of training during each license period in courses in laws or regulations on agency representation and disclosure; and

(2) at least ~~two hours~~ one hour of training during each license period in courses in state and federal fair housing laws, regulations, and rules, ~~or other antidiscrimination laws,~~ or courses designed to help licensees to meet the housing needs of immigrant and other underserved populations.

~~Clause~~ Clauses (1) ~~does~~ and (2) ~~do~~ not apply to real estate salespersons and real estate brokers engaged solely in the commercial real estate business who file with the commissioner a verification of this status along with the continuing education report required under paragraph (a).

(e) The commissioner is authorized to establish a procedure for renewal of course accreditation.

(f) Approved courses may be sponsored or offered by a broker of a real estate company and may be held on the premises of a company licensed under this chapter. All course offerings must be open to any interested individuals. Access may be restricted by the sponsor based on class size only. Courses must not be approved if attendance is restricted to any particular group of people. A broker must comply with all continuing education rules prescribed by the commissioner.

(g) No more than one-half of the credit hours per licensing period, including continuing education required under subdivision 6, may be credited to a person for attending any combination of courses either:

- (1) sponsored by, offered by, or affiliated with a real estate company or its agents; or
- (2) offered using new delivery technology, including interactive technology, and the Internet.

Sec. 15. Minnesota Statutes 2000, section 82.24, subdivision 8, is amended to read:

Subd. 8. [ACCRUED INTEREST.] (a) Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the state treasurer for deposit in the housing trust fund account created under section 462A.201 unless otherwise specified pursuant to an expressed written agreement between the parties to a transaction.

(b) For an account created under paragraph (a), each broker shall direct the financial institution to:

(1) pay the interest, less reasonable transaction costs, computed in accordance with the financial institution's standard accounting practice, at least quarterly, to the state treasurer; and

(2) send a statement to the state treasurer showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charges deducted, and the account balance for the period in which the report is made.

The state treasurer shall credit the amount collected under this subdivision to the housing trust fund account established in section 462A.201.

(c) The financial institution must promptly notify the commissioner if a draft drawn on the account is dishonored. A draft is not dishonored if a stop payment order is requested by an issuer who has a good faith defense to payment on the draft.

Sec. 16. Minnesota Statutes 2000, section 82.27, subdivision 3, is amended to read:

Subd. 3. [ORDER TO SHOW CAUSE.] The commissioner shall issue an order requiring a licensee or applicant for a license to show cause why the license should not be revoked or suspended, or the licensee censured, or the application denied. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the ~~reasons~~ specific statute or rule that has been violated for the entry of the order. The commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making such disposition of the matter as the facts require. If the licensee or applicant fails to appear at a hearing after having been duly notified of it, such person shall be deemed in default, and the proceeding may be determined against the licensee or applicant upon consideration of the order to show cause, the allegations of which may be deemed to be true.

Sec. 17. Minnesota Statutes 2000, section 82.34, is amended by adding a subdivision to read:

Subd. 7a. [ACCELERATED CLAIMS PAYMENT.] (a) The commissioner shall pay claims from the recovery portion of the fund that do not exceed the jurisdiction limits for conciliation court matters as specified in section 491A.01 on an accelerated basis if all of the requirements in subdivision 7 and paragraphs (b) to (f) have been satisfied.

(b) When any aggrieved person as defined in subdivision 7 obtains a judgment in any court of competent jurisdiction, regardless of whether the judgment has been discharged by a bankruptcy court against a licensee on grounds specified in subdivision 7, the aggrieved person may file a verified application with the commissioner for payment out of the recovery portion of the fund of the amount of actual and direct out-of-pocket loss in the transaction, but excluding any attorney fees, interest on the loss, and on any judgment obtained as a result of the loss, up to the conciliation court jurisdiction limits, of the amount unpaid upon the judgment. For purposes of this section, persons who are joint tenants or tenants in common are deemed to be a single claimant.

(c) The commissioner shall send the licensee a copy of the verified application by first-class mail to the licensee's address as it appears in the records of the department of commerce with a notice that the claim will be paid 15 days from the date of the notice unless the licensee notifies the commissioner before that date of the commencement of an appeal of the judgment, if the time for appeal has not expired, and that payment of the claim will result in automatic suspension of the licensee's license.

(d) If the licensee does not notify the commissioner of the commencement of an appeal, the commissioner shall pay the claim at the end of the 15-day period.

(e) If an appeal is commenced, the payment of the claim is stayed until the conclusion of the appeal.

(f) The commissioner may pay claims which total no more than \$50,000 against the licensee under this accelerated process. The commissioner may prorate the amount of claims paid under this subdivision if claims in excess of \$50,000 against the licensee are submitted. Any unpaid portions of these claims must be satisfied in the manner set forth in subdivision 7.

Sec. 18. Minnesota Statutes 2000, section 82.34, subdivision 15, is amended to read:

Subd. 15. Any sums received by the commissioner pursuant to any provisions of this section shall be deposited in the state treasury, and credited to the real estate education, research and recovery fund, and said sums shall be allocated exclusively for the purposes provided in this section. All moneys in the fund are appropriated annually to the commissioner for the purposes of this section.

All money credited to the fund under section 462A.201 may only be used for purposes under subdivision 6, clause (g). Beginning in 1990, the commissioner must, on February 1 of each year, review the amount of money spent or allocated for uses under subdivision 6, clause (g), for the previous calendar year. If the amount spent or allocated is less than the amount credited to the fund under section 462A.201 during the same calendar year, the difference must be transferred from the fund to the housing trust fund account established in section 462A.201. If the fund balance exceeds \$4,000,000, the commissioner may suspend the fee imposed under subdivision 3.

Sec. 19. Minnesota Statutes 2000, section 82B.14, is amended to read:

82B.14 [EXPERIENCE REQUIREMENT.]

(a) As a prerequisite for licensing as a ~~registered real property appraiser~~ or licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,000 hours of experience in real property appraisal.

As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,500 hours of experience in real property appraisal.

As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 3,000 hours of experience in real property appraisal. At least 50 percent, or 1,500 hours, must be in nonresidential appraisal work.

(b) Each applicant for license under section 82B.11, subdivision 3, 4, or 5, shall give under oath a detailed listing of the real estate appraisal reports or file memoranda for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commissioner for examination, a sample of appraisal reports that the applicant has prepared in the course of appraisal practice.

(c) Applicants may not receive credit for experience accumulated while unlicensed, if the experience is based on activities which required a license under this section.

Sec. 20. Minnesota Statutes 2000, section 83.25, subdivision 1, is amended to read:

Subdivision 1. No person shall offer or sell in this state any interest in subdivided lands without having obtained:

(1) a license under chapter 82; and

(2) an additional license to offer or dispose of subdivided lands. This license may be obtained by submitting an application in writing to the commissioner upon forms prepared and furnished by the commissioner. Each application shall be signed and sworn to by the applicant and accompanied by a license fee of \$10 per year. The commissioner may also require an additional examination for this license. This clause expires July 1, 2003.

Sec. 21. Minnesota Statutes 2000, section 317A.203, is amended to read:

317A.203 [NUMBER.]

A board of directors must consist of three or more individuals, with the number specified in or fixed in accordance with the articles or bylaws, ~~except that if the corporation has either one or two members with voting rights, the number of directors may be less than three but not less than the number of members with voting rights.~~

Sec. 22. Minnesota Statutes 2000, section 326.91, subdivision 1, is amended to read:

Subdivision 1. [CAUSE.] The commissioner may by order deny, suspend, or revoke any license or may censure a licensee, and may impose a civil penalty as provided for in section 45.027, subdivision 6, if the commissioner finds that the order is in the public interest, and that the applicant, licensee, or affiliate of an applicant or licensee, or other agent, owner, partner, director, governor, shareholder, member, officer, qualifying person, or managing employee of the applicant or licensee or any person occupying a similar status or performing similar functions:

(1) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, is false or misleading with respect to any material fact;

(2) has engaged in a fraudulent, deceptive, or dishonest practice;

(3) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the business;

(4) has failed to reasonably supervise employees, agents, subcontractors, or salespersons, or has performed negligently or in breach of contract, so as to cause injury or harm to the public;

(5) has violated or failed to comply with any provision of sections 326.83 to 326.98 or any rule or order under sections 326.83 to 326.98;

(6) has been shown to be incompetent, untrustworthy, or financially irresponsible;

(7) has been convicted of a violation of the State Building Code or, in jurisdictions that do not enforce the State Building Code, has refused to correct a violation of the State Building Code when the violation has been certified by a Minnesota licensed structural engineer;

(8) has failed to use the proceeds of any payment made to the licensee for the construction of, or any improvement to, residential real estate, as defined in section 326.83, subdivision 17, for the payment of labor, skill, material, and machinery contributed to the construction or improvement, knowing that the cost of any labor performed, or skill, material, or machinery furnished for the improvement remains unpaid;

(9) has not furnished to the person making payment either a valid lien waiver as to any unpaid labor performed, or skill, material, or machinery furnished for an improvement, or a payment bond in the basic amount of the contract price for the improvement conditioned for the prompt payment to any person or persons entitled to payment;

(10) has engaged in conduct which was the basis for a contractor's recovery fund payment pursuant to section 326.975, which payment has not been reimbursed;

(11) has engaged in bad faith, unreasonable delays, or frivolous claims in defense of a civil lawsuit arising out of their activities as a licensee under this chapter;

(12) has had a judgment entered against them for failure to make payments to employees or subcontractors, and all appeals of the judgment have been exhausted or the period for appeal has expired;

(13) if unlicensed, has obtained a building permit by the fraudulent use of a fictitious license number or the license number of another, or, if licensed, has knowingly allowed an unlicensed person to use the licensee's license number for the purpose of fraudulently obtaining a building permit; or

(14) has made use of forged mechanics' lien waivers under chapter 514.

Sec. 23. Minnesota Statutes 2000, section 326.975, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) In addition to any other fees, each applicant for a license under sections 326.83 to 326.98 shall pay a fee to the contractor's recovery fund. The contractor's recovery fund is created in the state treasury and must be administered by the commissioner in the manner and subject to all the requirements and limitations provided by section 82.34 with the following exceptions:

(1) each licensee who renews a license shall pay in addition to the appropriate renewal fee an additional fee which shall be credited to the contractor's recovery fund. The amount of the fee shall be based on the licensee's gross annual receipts for the licensee's most recent fiscal year preceding the renewal, on the following scale:

Fee	Gross Receipts
\$100	under \$1,000,000
\$150	\$1,000,000 to \$5,000,000
\$200	over \$5,000,000

Any person who receives a new license shall pay a fee based on the same scale;

(2) the sole purpose of this fund is to compensate any aggrieved owner or lessee of residential property located within this state who obtains a final judgment in any court of competent jurisdiction against a licensee licensed under section 326.84, on grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance arising directly out of any transaction when the judgment debtor was licensed and performed any of the activities enumerated under section 326.83, subdivision 19, on the owner's residential property or on residential property rented by the lessee, or on new residential construction which was never occupied prior to purchase by the owner, or which was occupied by the licensee for less than one year prior to purchase by the owner, and which cause of action arose on or after April 1, 1994;

(3) nothing may obligate the fund for more than \$50,000 per claimant, nor more than ~~\$50,000~~ \$75,000 per licensee; and

(4) nothing may obligate the fund for claims based on a cause of action that arose before the licensee paid the recovery fund fee set in clause (1), or as provided in section 326.945, subdivision 3.

(b) Should the commissioner pay from the contractor's recovery fund any amount in settlement of a claim or toward satisfaction of a judgment against a licensee, the license shall be automatically suspended upon the effective date of an order by the court authorizing payment from the fund. No licensee shall be granted reinstatement until the licensee has repaid in full, plus interest at the rate of 12 percent a year, twice the amount paid from the fund on the licensee's account, and has obtained a surety bond issued by an insurer authorized to transact business in this state in the amount of at least \$40,000.

Sec. 24. Minnesota Statutes 2000, section 332.41, is amended to read:

332.41 [APPEALS.]

~~Subdivision 1. [FILING OF APPEAL.] In the rejection of an application for a license or the renewal thereof filed under sections 332.31 to 332.45 or of the suspension or revocation of a license granted under sections 332.31 to 332.45 the applicant or licensee may within 90 days after receipt of notice of such rejection, suspension, or revocation, file an appeal and thereafter prosecute the appeal in accordance with the provisions of the statutes governing appeal from, or review of, decisions of administrative agencies in this state.~~

~~Subd. 2. [SUPERSEDEAS.] The filing of an appeal from an order of the commissioner of commerce rejecting an application for a license by a collection agency engaged in business as of July 1, 1969, or rejecting an application for the renewal of a license, or suspending or revoking a license within 60 days after the date of such order, shall operate as a supersedeas which shall continue pending final determination of such appeal.~~

Appeal from a denial, suspension, revocation, or censure of a license must be made according to chapter 14.

Sec. 25. Minnesota Statutes 2000, section 359.02, is amended to read:

359.02 [TERM.]

A notary commissioned under section 359.01 holds office for five years, unless sooner removed by the governor or the district court, or by action of the commissioner. Within ~~seven months~~ 60 days before the expiration of the commission a notary may ~~be reappointed~~ apply for reappointment for a new term to commence and to be designated in the new commission as beginning upon the day immediately following the date of the expiration. A notary whose commission expires on January 1, 2005, may apply for reappointment six months before the expiration date. The reappointment takes effect and is valid although the appointing governor may not be in the office of governor on the effective day.

~~(a) All notary commissions issued before January 31, 1995, will expire on January 31, 1995.~~

~~(b) All notary commissions issued after January 31, 1995, will expire at the end of the licensing period, which will end every fifth year following January 31, 1995.~~

~~(c) All notary commissions issued during a licensing period expire at the end of that period as set forth in this section expire on January 31 of the fifth year following the year of issue.~~

Sec. 26. Minnesota Statutes 2000, section 507.45, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENTS FOR REAL ESTATE PERSONNEL.] If the closing services are to be provided by a real estate broker, real estate salesperson, or real estate closing agent, the following regulations shall apply.

(a) The written contract for closing services shall state in at least 10-point type that the real estate broker, real estate salesperson, or real estate closing agent has not and, under applicable state law, may not express opinions regarding the legal effect of the closing documents or of the closing itself.

(b) No closing fee may be charged in connection with the transfer of the legal or equitable ownership of a property if a closing is performed without either a mortgagee's or owner's title insurance commitment or a legal opinion regarding the status of title.

Sec. 27. [STUDY; FAIR HOUSING TRAINING.]

The commissioner of commerce shall examine the issue of whether licensed occupations under the jurisdiction of the department and related to the purchase or financing of residential housing, including, but not limited to, appraisers, and employees of licensed mortgage originators and servicers, should be required to attend continuing education courses in state and federal fair housing law, and other antidiscrimination laws, in order to further consumer protection. The commissioner shall report the results of the examination to the commerce committees of the legislature by February 1, 2002.

Sec. 28. [APPROPRIATION.]

Up to \$1,000,000 is appropriated from the real estate education, research, and recovery fund established under Minnesota Statutes, section 82.34, to the department of commerce for an educational campaign aimed at fair housing and housing-related antidiscrimination initiatives. The appropriation must be used for educating real estate licensees and for a public information campaign across the state on consumer's rights under current fair housing laws. The educational campaign may include, but is not limited to, television and radio advertisements and printed material. The materials used for the public information campaign may be prepared in multiple languages if necessary.

Sec. 29. [EFFECTIVE DATE.]

Sections 1 to 8, 13, 19, and 26 are effective the day following final enactment. Section 14 is effective July 1, 2001. Section 21 is effective July 1, 2001, and applies to nonprofit corporations formed on or after that date. Section 23 is effective January 1, 2001, and applies to claims arising from incidents or conduct occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to commerce; regulating currency exchanges, real estate brokers, real property appraisers, subdivided land sales licenses, residential contractors, notaries public, and collection agencies; modifying certain continuing education requirements; regulating certain fees, costs, duties, rights, and penalties; regulating nonprofit corporations; requiring a study; appropriating money; amending Minnesota Statutes 2000, sections 45.0295; 53A.081, subdivision 2; 58.10, subdivision 1, by adding a subdivision; 60K.19, subdivision 8; 72B.04, subdivisions 6, 7; 80B.03, subdivision 4a; 82.195, subdivision 2; 82.196, subdivision 2; 82.197, subdivisions 1, 4, by adding a subdivision; 82.22, subdivision 13; 82.24, subdivision 8; 82.27, subdivision 3; 82.34, subdivision 15, by adding a subdivision; 82B.14; 83.25, subdivision 1; 317A.203; 326.91, subdivision 1; 326.975, subdivision 1; 332.41; 359.02; 507.45, subdivision 3."

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

Senate Conferees: EDWARD C. OLIVER, LINDA SCHEID AND DEANNA L. WIENER.

House Conferees: MATT ENTENZA, GREGORY M. DAVIDS AND DOUG STANG.

Entenza moved that the report of the Conference Committee on S. F. No. 1541 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1541, A bill for an act relating to commerce; regulating currency exchanges, real estate brokers, real property appraisers, residential contractors, notaries public, and collection agencies; modifying certain continuing education requirements; regulating certain fees, costs, duties, rights, and penalties; regulating nonprofit corporations; requiring a study; appropriating money; amending Minnesota Statutes 2000, sections 45.0295; 53A.081, subdivision 2; 58.10, subdivision 1, by adding a subdivision; 60K.19, subdivision 8; 72B.04, subdivisions 6, 7; 80B.03, subdivision 4a; 82.195, subdivision 2; 82.196, subdivision 2; 82.197, subdivisions 1, 4, by adding a subdivision; 82.22, subdivision 13; 82.24, subdivision 8; 82.27, subdivision 3; 82.34, subdivision 15, by adding a subdivision; 82B.14; 317A.203; 326.91, subdivision 1; 326.975, subdivision 1; 332.41; 359.02; 507.45, subdivision 3.

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 128 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Olson	Seifert
--------------	-------	---------

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

Mr. Speaker:

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

S. F. No. 229.

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. 229

A bill for an act relating to criminal records; requiring that crime victims be notified of expungement proceedings and allowed to submit a statement; amending Minnesota Statutes 2000, section 609A.03, subdivisions 2, 3, and 4.

May 20, 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. 229, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendments.

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

Senate Conferees: JANE B. RANUM, LEO T. FOLEY AND WARREN LIMMER.

House Conferees: MARY JO MCGUIRE, JOHN TUMA AND DALE WALZ.

McGuire moved that the report of the Conference Committee on S. F. No. 229 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 229, A bill for an act relating to criminal records; requiring that crime victims be notified of expungement proceedings and allowed to submit a statement; amending Minnesota Statutes 2000, section 609A.03, subdivisions 2, 3, and 4.

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 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abeler	Boudreau	Davnie	Entenza	Gleason	Harder
Abrams	Bradley	Dawkins	Erhardt	Goodno	Hausman
Anderson, B.	Buesgens	Dehler	Erickson	Goodwin	Hilstrom
Anderson, I.	Carlson	Dempsey	Evans	Gray	Hilty
Bakk	Cassell	Dibble	Finseth	Greiling	Holberg
Bernardy	Clark, J.	Dorman	Folliard	Gunther	Holsten
Biernat	Clark, K.	Dorn	Fuller	Haas	Howes
Bishop	Daggett	Eastlund	Gerlach	Hackbarth	Huntley

Jacobson	Kuisle	McGuire	Pawlenty	Slawik	Wasiluk
Jennings	Larson	Molnau	Pelowski	Smith	Wenzel
Johnson, J.	Leighton	Mulder	Penas	Solberg	Westerberg
Johnson, R.	Lenczewski	Mullery	Peterson	Stanek	Westrom
Johnson, S.	Leppik	Murphy	Pugh	Stang	Wilkin
Juhnke	Lieder	Ness	Rhodes	Swapinski	Winter
Kahn	Lindner	Nornes	Rifenberg	Swenson	Wolf
Kalis	Lipman	Olson	Ruth	Sykora	Workman
Kelliher	Luther	Opatz	Schumacher	Thompson	Spk. Sviggum
Kielkucki	Mahoney	Osskopp	Seagren	Tingelstad	
Knoblach	Mares	Osthoff	Seifert	Tuma	
Koskinen	Marko	Otremba	Sertich	Vandever	
Krinkie	Marquart	Ozment	Skoe	Wagenius	
Kubly	McElroy	Paulsen	Skoglund	Walz	

Those who voted in the negative were:

Jaros	Mariani	Paymar	Rukavina	Walker
-------	---------	--------	----------	--------

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

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. 1541, A bill for an act relating to landlords and tenants; requiring a study of rental application fees.

The Senate has appointed as such committee:

Senators Sabo, Berglin and Knutson.

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. 722.

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. 722

A bill for an act relating to energy; providing for comprehensive energy conservation, production, and regulatory changes; amending Minnesota Statutes 2000, sections 16B.32, subdivision 2; 116C.52, subdivisions 4, 10; 116C.53, subdivisions 2, 3; 116C.57, subdivisions 1, 2, 4, by adding subdivisions; 116C.58; 116C.59, subdivisions 1, 4; 116C.60; 116C.61, subdivisions 1, 3; 116C.62; 116C.63, subdivision 2; 116C.645; 116C.65; 116C.66; 116C.69; 216B.095; 216B.097, subdivision 1; 216B.16, subdivision 15; 216B.241, subdivisions 1, 1a, 1b, 1c, 2; 216B.2421, subdivision 2; 216B.243, subdivisions 3, 4, 8; 216B.62, subdivision 5; 216C.41; proposing coding for new law in Minnesota Statutes, chapters 16B; 116C; 216B; 452; repealing Minnesota Statutes 2000, sections 116C.55, subdivisions 2, 3; 116C.57, subdivisions 3, 5, 5a; 116C.67; 216B.2421, subdivision 3.

May 21, 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. 722, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 722 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PUBLIC BUILDING ENERGY CONSERVATION

Section 1. 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 commerce, 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 and and wholly state-leased 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~~ exceed existing energy code by at least ~~25~~ 30 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.~~

Sec. 2. [16B.325] [SUSTAINABLE BUILDING GUIDELINES.]

The department of administration and the department of commerce, with the assistance of other agencies, shall develop sustainable building design guidelines for all new state buildings by January 15, 2003. The primary objectives of these guidelines are to ensure that all new state buildings initially exceed existing energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent. The guidelines must focus on achieving the lowest possible lifetime cost for new buildings and allow for changes in the guidelines that encourage continual energy conservation improvements in new buildings. The design guidelines must establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements; specify ways to reduce material costs; and must consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas. In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. The guidelines established under this section are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004.

Sec. 3. [BENCHMARKS FOR EXISTING PUBLIC BUILDINGS.]

The department of administration shall maintain information on energy usage in all public buildings for the purpose of establishing energy efficiency benchmarks and energy conservation goals. The department shall report preliminary energy conservation goals to the chairs of the senate telecommunications, energy and utilities committee and the house regulated industries committee by January 15, 2002. The department shall develop a comprehensive plan by January 15, 2003, to maximize electrical and thermal energy efficiency in existing public buildings through conservation measures having a simple payback within ten to 15 years. The plan must detail the steps necessary to implement the conservation measures and include the projected costs of these measures. The owner or operator of a public building subject to this section shall provide information to the department of administration necessary to accomplish the purposes of this section.

ARTICLE 2

JOINT VENTURES

Section 1. [452.25] [JOINT VENTURES BY UTILITIES.]

Subdivision 1. [APPLICABILITY.] This section applies to all home rule charter and statutory cities, except as provided in section 2.

Subd. 2. [DEFINITIONS.] For purposes of this section:

- (a) "City" means a statutory or home rule charter city, section 410.015 to the contrary notwithstanding.
- (b) "Cooperative association" means a cooperative association organized under chapter 308A.
- (c) "Governing body" means (1) the city council in a city that operates a municipal utility, or (2) a board, commission, or body empowered by law, city charter, or ordinance or resolution of the city council to control and operate the municipal utility.
- (d) "Investor-owned utility" means an entity that provides utility services to the public under chapter 216B and that is owned by private persons.
- (e) "Municipal power agency" means an organization created under sections 453.51 to 453.62.
- (f) "Municipal utility" means a utility owned, operated, or controlled by a city to provide utility services.

(g) "Public utility" or "utility" means a provider of electric or water facilities or services or an entity engaged in other similar or related operations authorized by law or charter.

Subd. 3. [AUTHORITY.] (a) Upon the approval of its elected utilities commission or, if there be none, its city council, a municipal utility may enter into a joint venture with other municipal utilities, municipal power agencies, cooperative associations, or investor-owned utilities to provide utility services. Retail electric utility services provided by a joint venture must be within the boundaries of each utility's exclusive electric service territory as shown on the map of service territories maintained by the department of commerce. The terms and conditions of the joint venture are subject to ratification by the governing bodies of the respective utilities and may include the formation of a corporate or other separate legal entity with an administrative and governance structure independent of the respective utilities.

(b) A corporate or other separate legal entity, if formed:

(1) has the authority and legal capacity and, in the exercise of the joint venture, the powers, privileges, responsibilities, and duties authorized by this section;

(2) is subject to the laws and rules applicable to the organization, internal governance, and activities of the entity;

(3) in connection with its property and affairs and in connection with property within its control, may exercise any and all powers that may be exercised by a natural person or a private corporation or other private legal entity in connection with similar property and affairs; and

(4) a joint venture that does not include an investor-owned utility may elect to be deemed a municipal utility or a cooperative association for purposes of chapter 216B or other federal or state law regulating utility operations; and

(5) for a joint venture that includes an investor-owned utility, the commission has authority over the activities, services and rates of the joint venture, and may exercise that authority, to the same extent the commission has authority over the activities, services and rates of the investor-owned utility itself.

(c) Any corporation, if formed, must comply with section 465.719, subdivisions 9, 10, 11, 12, 13, and 14. The term "political subdivision," as it is used in section 465.719, shall refer to the city council of a city.

Subd. 4. [RETAIL CUSTOMERS.] Unless the joint venture's retail electric rates, as defined in section 216B.02, subdivision 5, of a joint venture that does not include an investor-owned utility, are approved by the governing body of each municipal utility or municipal power agency and the board of directors of each cooperative association that is party to the joint venture, the retail electric customers of the joint venture, if their number be more than 25, may elect to become subject to electric rate regulation by the public utilities commission as provided in chapter 216B. The election is subject to and must be carried out according to the procedures in section 216B.026 and, for these purposes, each retail electric customer of the joint venture is deemed a member or stockholder as referred to in section 216B.026.

Subd. 5. [POWERS.] (a) A joint venture under this section has the powers, privileges, responsibilities, and duties of the separate utilities entering into the joint venture as the joint venture agreement may provide, including the powers under paragraph (b), except that:

(1) with respect to retail electric utility services, a joint venture shall not enlarge or extend the service territory served by the joint venture by virtue of the authority granted in sections 216B.44, 216B.45, and 216B.47;

(2) a joint venture may extend service to an existing connected load of 2,000 kilowatts or more, pursuant to section 216B.42, when the load is outside of the assigned service area of the joint venture, or of the electric utilities party to the joint venture, only if the load is already being served by one of the electric utilities party to the joint venture; and

(3) a privately owned utility, as defined in section 216B.02, may extend service to an existing connected load of 2,000 kilowatts or more, pursuant to section 216B.42, when the load is located within the assigned service territory of the joint venture, or of the electric utilities party to the joint venture, only if the load is already being served by that privately owned utility.

The limitations of clauses (1) to (3) do not apply if written consent to the action is obtained from the electric utility assigned to and serving the affected service territory or connected load.

(b) Joint venture powers include, but are not limited to, the authority to:

(1) finance, own, acquire, construct, and operate facilities necessary to provide utility services to retail customers of the joint venture, including generation, transmission, and distribution facilities, and like facilities used in other utility services;

(2) combine assigned service territories, in whole or in part, upon notice to, hearing by, and approval of the public utilities commission;

(3) serve customers in the utilities' service territories or in the combined service territory;

(4) combine, share, or employ administrative, managerial, operational, or other staff if combining or sharing will not degrade safety, reliability, or customer service standards;

(5) provide for joint administrative functions, such as meter reading and billings;

(6) purchase or sell utility services at wholesale for resale to customers;

(7) provide conservation programs, other utility programs, and public interest programs, such as cold weather shut-off protection and conservation spending programs, as required by law and rule; and

(8) participate as the parties deem necessary in providing utility services with other municipal utilities, cooperative utilities, investor-owned utilities, or other entities, public or private.

(c) Notwithstanding any contrary provision within this section, a joint venture formed under this section may engage in wholesale utility services unless the municipal utility, municipal power agency, cooperative association, or investor-owned utility party to the joint venture is prohibited under current law from conducting that activity; but, in any case, the joint venture may provide wholesale services to a municipal utility, a cooperative association, or an investor-owned utility that is party to the joint venture.

(d) This subdivision does not limit the authority of a joint venture to exercise rights of eminent domain for other utility purposes to the same extent as is permitted of those utilities party to the joint venture.

Subd. 6. [CONSTRUCTION.] (a) The powers conferred by this section are in addition to the powers conferred by other law or charter. A joint venture under this section, and a municipal utility with respect to any joint venture under this section, have the powers necessary to effect the intent and purpose of this section, including, but not limited to, the expenditure of public funds and the transfer of real or personal property in accordance with the terms and conditions of the joint venture and the joint venture agreement. This section is complete in itself with respect to the formation and operation of a joint venture under this section and with respect to a municipal utility, a cooperative association, or an investor-owned utility party to a joint venture related to their creation of and dealings with the joint venture, without regard to other laws or city charter provisions that do not specifically address or refer to this section or a joint venture created under this section.

(b) This section must not be construed to supersede or modify:

(1) the power of a city council conferred by charter to overrule or override any action of a governing body other than the actions of the joint venture;

(2) chapter 216B;

(3) any referendum requirements applicable to the creation of a new electric utility by a municipality under section 216B.46 or 216B.465; or

(4) any powers, privileges, or authority or any duties or obligations of a municipal utility, municipal power agency, or cooperative association acting as a separate legal entity without reference to a joint venture created under this section.

Sec. 2. [EXCEPTION.]

Laws 1996, chapter 300, section 1, as amended by Laws 1997, chapter 232, section 1, shall govern joint ventures created under it and those joint ventures are not governed by section 1.

Sec. 3. [EFFECTIVE DATE.]

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

ARTICLE 3

MISCELLANEOUS

Section 1. [216B.1611] [INTERCONNECTION OF ON-SITE DISTRIBUTED GENERATION.]

Subdivision 1. [PURPOSE.] The purpose of this section is to: (1) establish the terms and conditions that govern the interconnection and parallel operation of on-site distributed generation; (2) to provide cost savings and reliability benefits to customers; (3) to establish technical requirements that will promote the safe and reliable parallel operation of on-site distributed generation resources; (4) to enhance both the reliability of electric service and economic efficiency in the production and consumption of electricity; and (5) to promote the use of distributed resources in order to provide electric system benefits during periods of capacity constraints.

Subd. 2. [DISTRIBUTED GENERATION; GENERIC PROCEEDING.] (a) The commission shall initiate a proceeding within 30 days of the effective date of this section, to establish, by order, generic standards for utility tariffs for the interconnection and parallel operation of distributed generation fueled by natural gas or a renewable fuel, or another similarly clean fuel or combination of fuels of no more than ten megawatts of interconnected capacity. At a minimum, these tariff standards must:

(1) to the extent possible, be consistent with industry and other federal and state operational and safety standards;

(2) provide for the low-cost, safe, and standardized interconnection of facilities;

(3) take into account differing system requirements and hardware, as well as the overall demand load requirements of individual utilities;

(4) allow for reasonable terms and conditions, consistent with the cost and operating characteristics of the various technologies, so that a utility can reasonably be assured of the reliable, safe, and efficient operation of the interconnected equipment; and

(5) establish: (i) a standard interconnection agreement that sets forth the contractual conditions under which a company and a customer agree that one or more facilities may be interconnected with the company's utility system; and (ii) a standard application for interconnection and parallel operation with the utility system.

(b) The commission may develop financial incentives based on a public utility's performance in encouraging residential and small business customers to participate in on-site generation.

Subd. 3. [DISTRIBUTED GENERATION TARIFF.] Within 90 days of the issuance of an order under subdivision 2:

(1) each public utility providing electric service at retail shall file a distributed generation tariff consistent with that order, for commission approval or approval with modification; and

(2) each municipal utility and cooperative electric association shall adopt a distributed generation tariff that addresses the issues included in the commission's order.

Subd. 4. [REPORTING REQUIREMENTS.] (a) Each electric utility shall maintain records concerning applications received for interconnection and parallel operation of distributed generation. The records must include the date each application is received, documents generated in the course of processing each application, correspondence regarding each application, and the final disposition of each application.

(b) Every electric utility shall file with the commissioner a distributed generation interconnection report for the preceding calendar year that identifies each distributed generation facility interconnected with the utility's distribution system. The report must list the new distributed generation facilities interconnected with the system since the previous year's report, any distributed generation facilities no longer interconnected with the utility's system since the previous report, the capacity of each facility, and the feeder or other point on the company's utility system where the facility is connected. The annual report must also identify all applications for interconnection received during the previous one-year period, and the disposition of the applications.

Sec. 2. [216B.79] [PREVENTATIVE MAINTENANCE.]

The commission may order public utilities to make adequate infrastructure investments and undertake sufficient preventative maintenance with regard to generation, transmission, and distribution facilities.

Sec. 3. [ALTERNATIVE AND RENEWABLE ENERGY SOURCE DEVELOPMENT.]

The legislative electric energy task force shall evaluate options and priorities related to energy source development of resources derived from agricultural production and to energy options available in rural parts of the state. These energy sources include, but are not limited to:

(1) alternative diesel engine fuels derived from soybean and other agricultural plant oils or animal fats;

(2) ethanol derived from grains or other agricultural products or by-products;

(3) methane or other combustible gases derived from the processing of plant or animal wastes;

(4) biomass fuels such as short-rotation woody or fibrous agricultural crops produced for conversion to useful energy;

(5) use of corn and corn by-products as a fuel for electric generation, including for cogeneration facilities; and

(6) further development of the solar, wind, and biomass energy potential in the state.

ARTICLE 4

CONSUMER PROTECTION

Section 1. Minnesota Statutes 2000, section 216B.095, is amended to read:

216B.095 [DISCONNECTION DURING COLD WEATHER.]

The commission shall amend its rules governing disconnection of residential utility customers who are unable to pay for utility service during cold weather to include the following:

(1) coverage of customers whose household income is less than ~~185 percent of the federal poverty level~~ 50 percent of the state median income;

(2) a requirement that a customer who pays the utility at least ten percent of the customer's income or the full amount of the utility bill, whichever is less, in a cold weather month cannot be disconnected during that month. The customer's income means the actual monthly income of the customer or the average monthly income of the customer computed on an annual calendar year, whichever is less, and does not include any amount received for energy assistance;

(3) that the ten percent figure in clause (2) must be prorated between energy providers proportionate to each provider's share of the customer's total energy costs where the customer receives service from more than one provider;

~~(4) that a customer's household income does not include any amount received for energy assistance;~~

~~(5) verification of income by the local energy assistance provider or the utility, unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance, that uses income eligibility in an amount at or below the income eligibility in clause (1); and~~

~~(6) (5) a requirement that the customer receive, from the local energy assistance provider or other entity, budget counseling and referral referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's consumption of energy bills; and~~

(6) a requirement that customers who have demonstrated an inability to pay on forms provided for that purpose by the utility, and who make reasonably timely payments to the utility under a payment plan that considers the financial resources of the household, cannot be disconnected from utility service from October 15 through April 15. A customer who is receiving energy assistance is deemed to have demonstrated an inability to pay.

For the purpose of clause (2), the "customer's income" means ~~the actual monthly income of the customer except for a customer who is normally employed only on a seasonal basis and whose annual income is over 135 percent of the federal poverty level, in which case the customer's income is the average monthly income of the customer computed on an annual calendar year basis.~~

Sec. 2. Minnesota Statutes 2000, section 216B.097, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION; NOTICE TO RESIDENTIAL CUSTOMER.] (a) A municipal utility or a cooperative electric association must not disconnect the utility service of a residential customer during the period between October 15 and April 15 if the disconnection affects the primary heat source for the residential unit when the following conditions are met:

~~(1) the disconnection would occur during the period between October 15 and April 15;~~

~~(2)~~ the customer has declared inability to pay on forms provided by the utility. For the purposes of this clause, a customer that is receiving energy assistance is deemed to have demonstrated an inability to pay;

~~(3)~~ (2) the household income of the customer is less than 185 percent of the federal poverty level, as documented by the customer to the utility; and 50 percent of the state median income;

(3) verification of income may be conducted by the local energy assistance provider or the utility, unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance that uses income eligibility in an amount at or below the income eligibility in clause (2);

(4) the customer's a customer whose account is current for the billing period immediately prior to October 15 or the customer has entered who, at any time, enters into a payment schedule that considers the financial resources of the household and is reasonably current with payments under the schedule; and

(5) the customer receives referrals to energy assistance programs, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

(b) A municipal utility or a cooperative electric association must, between August 15 and October 15 of each year, notify all residential customers of the provisions of this section.

Sec. 3. [216B.098] [RESIDENTIAL CUSTOMER PROTECTIONS.]

Subdivision 1. [APPLICABILITY.] The provisions of this section apply to residential customers of public utilities, municipal utilities, and cooperative electric associations. Each municipal utility and cooperative electric association may establish terms and conditions for the plans and agreements required under subdivisions 2 and 3.

Subd. 2. [BUDGET BILLING PLANS.] A utility shall offer a customer a budget billing plan for payment of charges for service, including adequate notice to customers prior to changing budget payment amounts. Municipal utilities having 3,000 or fewer customers are exempt from this requirement. Municipal utilities having more than 3,000 customers shall implement this requirement within two years of the effective date of this chapter.

Subd. 3. [PAYMENT AGREEMENTS.] A utility shall offer a payment agreement for the payment of arrears.

Subd. 4. [UNDERCHARGES.] A utility shall offer a payment agreement to customers who have been undercharged if no culpable conduct by the customer or resident of the customer's household caused the undercharge. The agreement must cover a period equal to the time over which the undercharge occurred or a different time period that is mutually agreeable to the customer and the utility. No interest or delinquency fee may be charged under this agreement.

Subd. 5. [MEDICALLY NECESSARY EQUIPMENT.] A utility shall reconnect or continue service to a customer's residence where a medical emergency exists or where medical equipment requiring electricity is necessary to sustain life is in use, provided that the utility receives from a medical doctor written certification, or initial certification by telephone and written certification within five business days, that failure to reconnect or continue service will impair or threaten the health or safety of a resident of the customer's household. The customer must enter into a payment agreement.

Subd. 6. [COMMISSION AUTHORITY.] In addition to any other authority, the commission has the authority to resolve customer complaints against a public utility, as defined in section 216B.02, subdivision 4, whether or not the complaint involves a violation of this chapter. The commission may delegate this authority to commission staff as it deems appropriate.

Sec. 4. Minnesota Statutes 2000, section 216B.16, subdivision 15, is amended to read:

Subd. 15. [~~LOW-INCOME RATE PROGRAMS; REPORT.~~] (a) The commission may consider ability to pay as a factor in setting utility rates and may establish programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. ~~The commission shall order a pilot program for at least one utility. In ordering pilot programs, the commission shall consider the following:~~

~~(1) the potential for low-income programs to provide savings to the utility for all collection costs including but not limited to: costs of disconnecting and reconnecting residential ratepayers' service, all activities related to the utilities' attempt to collect past due bills, utility working capital costs, and any other administrative costs related to inability to pay programs and initiatives;~~

~~(2) the potential for leveraging federal low-income energy dollars to the state; and~~

~~(3) the impact of energy costs as a percentage of the total income of a low-income residential customer.~~

~~(b) In determining the structure of the pilot utility program, the commission shall:~~

~~(1) consult with advocates for and representatives of low-income utility customers, administrators of energy assistance and conservation programs, and utility representatives;~~

~~(2) coordinate eligibility for the program with the state and federal energy assistance program and low-income residential energy programs, including weatherization programs; and~~

~~(3) evaluate comprehensive low-income programs offered by utilities in other states. The purpose of the low-income programs is to lower the percentage of income that low-income households devote to energy bills, to increase customer payments, and to lower the utility costs associated with customer account collection activities. In ordering low-income programs, the commission may require public utilities to file program evaluations, including the coordination of other available low-income bill payment and conservation resources and the effect of the program on:~~

~~(1) reducing the percentage of income that participating households devote to energy bills;~~

~~(2) service disconnections; and~~

~~(3) customer payment behavior, utility collection costs, arrearages, and bad debt.~~

~~(c) The commission shall implement at least one pilot project by January 1, 1995, and shall allow a utility required to implement a pilot project to recover the net costs of the project in the utility's rates.~~

~~(d) The commission, in conjunction with the commissioner of the department of public service and the commissioner of economic security, shall review low-income rate programs and shall report to the legislature by January 1, 1998. The report must include:~~

~~(1) the increase in federal energy assistance money leveraged by the state as a result of this program;~~

~~(2) the effect of the program on low-income customer's ability to pay energy costs;~~

~~(3) the effect of the program on utility customer bad debt and arrearages;~~

~~(4) the effect of the program on the costs and numbers of utility disconnections and reconnections and other costs incurred by the utility in association with inability to pay programs;~~

- ~~(5) the ability of the utility to recover the costs of the low-income program without a general rate change;~~
- ~~(6) how other ratepayers have been affected by this program;~~
- ~~(7) recommendations for continuing, eliminating, or expanding the low-income pilot program; and~~
- ~~(8) how general revenue funds may be utilized in conjunction with low-income programs.~~

ARTICLE 5

INCENTIVE PAYMENTS

Section 1. Minnesota Statutes 2000, section 216C.41, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY WINDOW.] Payments may be made under this section only for electricity generated:

- (1) from a qualified hydroelectric facility that is operational and generating electricity before December 31, ~~2001~~ 2002; or
- (2) from a qualified wind energy conversion facility that is operational and generating electricity before January 1, 2005.

Sec. 2. Minnesota Statutes 2000, section 216C.41, subdivision 5, is amended to read:

Subd. 5. [AMOUNT OF PAYMENT.] (a) An incentive payment is based on the number of kilowatt hours of electricity generated. The amount of the payment is 1.5 cents per kilowatt hour. For electricity generated by qualified wind energy conversion facilities, the incentive payment under this section is limited to no more than 100 megawatts of nameplate capacity. During any period in which qualifying claims for incentive payments exceed 100 megawatts of nameplate capacity, the payments must be made to producers in the order in which the production capacity was brought into production.

(b) Beginning January 1, 2002, the total size of a wind energy conversion system under this section must be determined according to this paragraph. Unless the systems are interconnected with different distribution systems, the nameplate capacity of one wind energy conversion system must be combined with the nameplate capacity of any other wind energy conversion system that is:

- (1) located within five miles of the wind energy conversion system;
- (2) constructed within the same calendar year as the wind energy conversion system; and
- (3) under common ownership.

In the case of a dispute, the commissioner of commerce shall determine the total size of the system, and shall draw all reasonable inferences in favor of combining the systems.

(c) In making a determination under paragraph (b), the commissioner of commerce may determine that two wind energy conversion systems are under common ownership when the underlying ownership structure contains similar persons or entities, even if the ownership shares differ between the two systems. Wind energy conversion systems are not under common ownership solely because the same person or entity provided equity financing for the systems.

Sec. 3. Minnesota Statutes 2000, section 216C.41, is amended by adding a subdivision to read:

Subd. 6. [OWNERSHIP; FINANCING; CURE.] (a) For the purposes of subdivision 1, paragraph (c), clause (2), a wind energy conversion facility qualifies if it is owned at least 51 percent by one or more of any combination of the entities listed in that clause.

(b) A subsequent owner of a qualified facility may continue to receive the incentive payment for the duration of the original payment period if the subsequent owner qualifies for the incentive under subdivision 1.

(c) Nothing in this section may be construed to deny incentive payment to an otherwise qualified facility that has obtained debt or equity financing for construction or operation as long as the ownership requirements of subdivision 1 and this subdivision are met. If, during the incentive payment period for a qualified facility, the owner of the facility is in default of a lending agreement and the lender takes possession of and operates the facility and makes reasonable efforts to transfer ownership of the facility to an entity other than the lender, the lender may continue to receive the incentive payment for electricity generated and sold by the facility for a period not to exceed 18 months. A lender who takes possession of a facility shall notify the commissioner immediately on taking possession and, at least quarterly, document efforts to transfer ownership of the facility.

(d) If, during the incentive payment period, a qualified facility loses the right to receive the incentive because of changes in ownership, the facility may regain the right to receive the incentive upon cure of the ownership structure that resulted in the loss of eligibility and may reapply for the incentive, but in no case may the payment period be extended beyond the original ten-year limit.

(e) A subsequent or requalifying owner under paragraph (b) or (d) retains the facility's original priority order for incentive payments as long as the ownership structure requalifies within two years from the date the facility became unqualified or two years from the date a lender takes possession.

Sec. 4. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 6

DISTRIBUTION RELIABILITY

Section 1. [216B.81] [STANDARDS FOR DISTRIBUTION UTILITIES.]

Subdivision 1. [STANDARDS.] (a) The commission and each cooperative electric association and municipal utility shall adopt standards for safety, reliability, and service quality for distribution utilities. Standards for cooperative electric associations and municipal utilities should be as consistent as possible with the commission standards.

(b) Reliability standards must be based on the system average interruption frequency index, system average interruption duration index, and customer average interruption duration index measurement indices. Service quality standards must specify, if technically and administratively feasible:

- (1) average call center response time;
- (2) customer disconnection rate;
- (3) meter-reading frequency;
- (4) complaint resolution response time;
- (5) service extension request response time;
- (6) recording of service and circuit interrupter data;
- (7) summary reporting;

(8) historical reliability performance reporting;

(9) notices of interruptions of bulk power supply facilities and other interruptions of power; and

(10) customer complaints.

(c) Minimum performance standards developed under this section must treat similarly situated distribution systems similarly and recognize differing characteristics of system design and hardware.

(d) Electric distribution utilities shall comply with all applicable governmental and industry standards required for the safety, design, construction, and operation of electric distribution facilities, including section 326.243.

Subd. 2. [DEFINITIONS.] For the purpose of this section, the terms defined in this subdivision have the meanings given them.

(a) The "system average interruption frequency index" is the average number of interruptions per customer per year. It is determined by dividing the total annual number of customer interruptions by the average number of customers served during the year.

(b) The "system average interruption duration index" is the average customer-minutes of interruption per customer. It is determined by dividing the annual sum of customer-minutes of interruption by the average number of customers served during the year.

(c) The "customer average interruption duration index" is the average customer-minutes of interruption per customer interruption. It approximates the average length of time required to complete service restoration. It is determined by dividing the annual sum of all customer-minutes of interruption durations by the annual number of customer interruptions.

Sec. 2. [COST BENEFIT ANALYSIS.]

The commissioner of commerce shall provide an analysis of the costs and benefits to consumers and utilities of the provisions of section 216B.81, including any recommended changes to those provisions, to the chairs of the house of representatives and senate policy and finance committees with jurisdiction over electric utility issues by February 1, 2003.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective July 1, 2001. Section 2 is effective the day following final enactment.

ARTICLE 7

SITING AND ROUTING OF POWER PLANTS AND TRANSMISSION LINES

Section 1. Minnesota Statutes 2000, section 116C.52, subdivision 4, is amended to read:

Subd. 4. [HIGH VOLTAGE TRANSMISSION LINE.] "High voltage transmission line" means a conductor of electric energy and associated facilities designed for and capable of operation at a nominal voltage of ~~200~~ 100 kilovolts or more, ~~except that the board, by rule, may exempt lines pursuant to section 116C.57, subdivision 5.~~

Sec. 2. Minnesota Statutes 2000, section 116C.52, subdivision 10, is amended to read:

Subd. 10. [UTILITY.] "Utility" shall mean any entity engaged or intending to engage in this state in the generation, transmission or distribution of electric energy including, but not limited to, a private investor owned utility, cooperatively owned utility, and a public or municipally owned utility.

Sec. 3. Minnesota Statutes 2000, section 116C.53, subdivision 2, is amended to read:

Subd. 2. [JURISDICTION.] The board is hereby given the authority to provide for site and route selection for large electric power facilities. The board shall issue permits for large electric power facilities in a timely fashion. When the public utilities commission has determined the need for the project under section 216B.243 or 216B.2425, questions of need, including size, type, and timing; alternative system configurations; and voltage are not within the board's siting and routing authority and must not be included in the scope of environmental review conducted under sections 116C.51 to 116C.69.

Sec. 4. Minnesota Statutes 2000, section 116C.53, subdivision 3, is amended to read:

Subd. 3. [INTERSTATE ROUTES.] If a route is proposed in two or more states, the board shall attempt to reach agreement with affected states on the entry and exit points prior to ~~authorizing the construction of the~~ designating a route. The board, in discharge of its duties pursuant to sections 116C.51 to 116C.69 may make joint investigations, hold joint hearings within or without the state, and issue joint or concurrent orders in conjunction or concurrence with any official or agency of any state or of the United States. The board may negotiate and enter into any agreements or compacts with agencies of other states, pursuant to any consent of Congress, for cooperative efforts in certifying the construction, operation, and maintenance of large electric power facilities in accord with the purposes of sections 116C.51 to 116C.69 and for the enforcement of the respective state laws regarding such facilities.

Sec. 5. Minnesota Statutes 2000, section 116C.57, subdivision 1, is amended to read:

~~Subdivision 1. [DESIGNATION OF SITES SUITABLE FOR SPECIFIC FACILITIES; REPORTS SITE PERMIT.] A utility must apply to the board in a form and manner prescribed by the board for designation of a specific site for a specific size and type of facility. The application shall contain at least two proposed sites. In the event a utility proposes a site not included in the board's inventory of study areas, the utility shall specify the reasons for the proposal and shall make an evaluation of the proposed site based upon the planning policies, criteria and standards specified in the inventory. Pursuant to sections 116C.57 to 116C.60, the board shall study and evaluate any site proposed by a utility and any other site the board deems necessary which was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate sites. No site designation shall be made in violation of the site selection standards established in section 116C.55. The board shall indicate the reasons for any refusal and indicate changes in size or type of facility necessary to allow site designation. Within a year after the board's acceptance of a utility's application, the board shall decide in accordance with the criteria specified in section 116C.55, subdivision 2, the responsibilities, procedures and considerations specified in section 116C.57, subdivision 4, and the considerations in chapter 116D which proposed site is to be designated. The board may extend for just cause the time limitation for its decision for a period not to exceed six months. When the board designates a site, it shall issue a certificate of site compatibility to the utility with any appropriate conditions. The board shall publish a notice of its decision in the State Register within 30 days of site designation. No large electric power generating plant shall be constructed except on a site designated by the board. No person may construct a large electric generating plant without a site permit from the board. A large electric generating plant may be constructed only on a site approved by the board. The board must incorporate into one proceeding the route selection for a high voltage transmission line that is directly associated with and necessary to interconnect the large electric generating plant to the transmission system and whose need is certified as part of the generating plant project by the public utilities commission.~~

Sec. 6. Minnesota Statutes 2000, section 116C.57, subdivision 2, is amended to read:

Subd. 2. ~~[DESIGNATION OF ROUTES; PROCEDURE ROUTE PERMIT.] A utility shall apply to the board in a form and manner prescribed by the board for a permit for the construction of a high voltage transmission line. The application shall contain at least two proposed routes. Pursuant to sections 116C.57 to 116C.60, the board shall study, and evaluate the type, design, routing, right-of-way preparation and facility construction of any route proposed in a utility's application and any other route the board deems necessary which was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate routes~~

provided, however, that the board shall identify the alternative routes prior to the commencement of public hearings thereon pursuant to section 116C.58. ~~Within one year after the board's acceptance of a utility's application, the board shall decide in accordance with the criteria and standards specified in section 116C.55, subdivision 2, and the considerations specified in section 116C.57, subdivision 4, which proposed route is to be designated. The board may extend for just cause the time limitation for its decision for a period not to exceed 90 days. When the board designates a route, it shall issue a permit for the construction of a high voltage transmission line specifying the type, design, routing, right-of-way preparation and facility construction it deems necessary and with any other appropriate conditions. The board may order the construction of high voltage transmission line facilities which are capable of expansion in transmission capacity through multiple circuiting or design modifications. The board shall publish a notice of its decision in the state register within 30 days of issuance of the permit. No high voltage transmission line shall be constructed except on a route designated by the board, unless it was exempted pursuant to subdivision 5. No person may construct a high voltage transmission line without a route permit from the board. A high voltage transmission line may be constructed only along a route approved by the board.~~

Sec. 7. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2a. [APPLICATION.] Any person seeking to construct a large electric power generating plant or a high voltage transmission line must apply to the board for a site or route permit. The application shall contain such information as the board may require. The applicant shall propose at least two sites for a large electric power generating plant and two routes for a high voltage transmission line. The chair of the board shall determine whether an application is complete and advise the applicant of any deficiencies within ten days of receipt. An application is not incomplete if information not in the application can be obtained from the applicant during the first phase of the process and that information is not essential for notice and initial public meetings.

Sec. 8. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2b. [NOTICE OF APPLICATION.] Within 15 days after submission of an application to the board, the applicant shall publish notice of the application in a legal newspaper of general circulation in each county in which the site or route is proposed and send a copy of the application by certified mail to any regional development commission, county, incorporated municipality, and township in which any part of the site or route is proposed. Within the same 15 days, the applicant shall also send a notice of the submission of the application and description of the proposed project to each owner whose property is on or adjacent to any of the proposed sites for the power plant or along any of the proposed routes for the transmission line. The notice shall identify a location where a copy of the application can be reviewed. For the purpose of giving mailed notice under this subdivision, owners shall be those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. The failure to give mailed notice to a property owner, or defects in the notice, shall not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made. Within the same 15 days, the applicant shall also send the same notice of the submission of the application and description of the proposed project to those persons who have requested to be placed on a list maintained by the board for receiving notice of proposed large electric generating power plants and high voltage transmission lines.

Sec. 9. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2c. [ENVIRONMENTAL REVIEW.] The board shall prepare an environmental impact statement on each proposed large electric generating plant or high voltage transmission line for which a complete application has been submitted. For any project that has obtained a certificate of need from the public utilities commission, the board shall not consider whether or not the project is needed. No other state environmental review documents shall be required. The board shall study and evaluate any site or route proposed by an applicant and any other site or route the board deems necessary that was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate sites or routes.

Sec. 10. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2d. [PUBLIC HEARING.] The board shall hold a public hearing on an application for a site permit for a large electric power generating plant or a route permit for a high voltage transmission line. All hearings held for designating a site or route shall be conducted by an administrative law judge from the office of administrative hearings pursuant to the contested case procedures of chapter 14. Notice of the hearing shall be given by the board at least ten days in advance but no earlier than 45 days prior to the commencement of the hearing. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing is to be held and by certified mail to chief executives of the regional development commissions, counties, organized towns, townships, and the incorporated municipalities in which a site or route is proposed. Any person may appear at the hearings and offer testimony and exhibits without the necessity of intervening as a formal party to the proceedings. The administrative law judge may allow any person to ask questions of other witnesses. The administrative law judge shall hold a portion of the hearing in the area where the power plant or transmission line is proposed to be located.

Sec. 11. Minnesota Statutes 2000, section 116C.57, subdivision 4, is amended to read:

Subd. 4. [CONSIDERATIONS IN DESIGNATING SITES AND ROUTES.] The board's site and route permit determinations must be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure. To facilitate the study, research, evaluation and designation of sites and routes, the board shall be guided by, but not limited to, the following responsibilities, procedures, and considerations:

(1) Evaluation of research and investigations relating to the effects on land, water and air resources of large electric power generating plants and high voltage transmission ~~line routes~~ lines and the effects of water and air discharges and electric and magnetic fields resulting from such facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including base line studies, predictive modeling, and ~~monitoring of the water and air mass at proposed and operating sites and routes~~; evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) Environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air and human resources of the state;

(3) Evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) Evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) Analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) Evaluation of adverse direct and indirect environmental effects ~~which~~ that cannot be avoided should the proposed site and route be accepted;

(7) Evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) Evaluation of potential routes ~~which~~ that would use or parallel existing railroad and highway rights-of-way;

(9) Evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) Evaluation of the future needs for additional high voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(11) Evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved; and

(12) ~~Where~~ When appropriate, consideration of problems raised by other state and federal agencies and local entities.

~~(13)~~ If the board's rules are substantially similar to existing ~~rules and~~ regulations of a federal agency to which the utility in the state is subject, the federal ~~rules and~~ regulations ~~shall~~ must be applied by the board.

~~(14)~~ No site or route shall be designated which violates state agency rules.

Sec. 12. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 7. [TIMING.] The board shall make a final decision on an application within 60 days after receipt of the report of the administrative law judge. A final decision on the request for a site permit or route permit shall be made within one year after the chair's determination that an application is complete. The board may extend this time limit for up to three months for just cause or upon agreement of the applicant.

Sec. 13. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 8. [FINAL DECISION.] (a) No site permit shall be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the board. When the board designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The board shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.

(b) No route permit shall be issued in violation of the route selection standards and criteria established in this section and in rules adopted by the board. When the board designates a route, it shall issue a permit for the construction of a high voltage transmission line specifying the design, routing, right-of-way preparation, and facility construction it deems necessary, and with any other appropriate conditions. The board may order the construction of high voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The board shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.

Sec. 14. [116C.575] [ALTERNATIVE REVIEW OF APPLICATIONS.]

Subdivision 1. [ALTERNATIVE REVIEW.] An applicant who seeks a site permit or route permit for one of the projects identified in this section shall have the option of following the procedures in this section rather than the procedures in section 116C.57. The applicant shall notify the chair at the time the application is submitted which procedure the applicant chooses to follow.

Subd. 2. [APPLICABLE PROJECTS.] The requirements and procedures in this section apply to the following projects:

(1) large electric power generating plants with a capacity of less than 80 megawatts;

(2) large electric power generating plants that are fueled by natural gas;

(3) high voltage transmission lines of between 100 and 200 kilovolts;

(4) high voltage transmission lines in excess of 200 kilovolts and less than five miles in length in Minnesota;

(5) high voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located along existing high voltage transmission line right-of-way;

(6) a high voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length; and

(7) a high voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line.

Subd. 3. [APPLICATION.] The applicant for a site or route permit for any of the projects listed in subdivision 2 who chooses to follow these procedures shall submit information as the board may require, but the applicant shall not be required to propose a second site or route for the project. The applicant shall identify in the application any other sites or routes that were rejected by the applicant and the board may identify additional sites or routes to consider during the processing of the application. The chair of the board shall determine whether an application is complete and advise the applicant of any deficiencies.

Subd. 4. [NOTICE OF APPLICATION.] Upon submission of an application under this section, the applicant shall provide the same notice as required by section 116C.57, subdivision 2b.

Subd. 5. [ENVIRONMENTAL REVIEW.] For the projects identified in subdivision 2 and following these procedures, the board shall prepare an environmental assessment. The environmental assessment shall contain information on the human and environmental impacts of the proposed project and other sites or routes identified by the board and shall address mitigating measures for all of the sites or routes considered. The environmental assessment shall be the only state environmental review document required to be prepared on the project.

Subd. 6. [PUBLIC HEARING.] The board shall hold a public hearing in the area where the facility is proposed to be located. The board shall give notice of the public hearing in the same manner as notice under section 116C.57, subdivision 2d. The board shall conduct the public hearing under procedures established by the board. The applicant shall be present at the hearing to present evidence and to answer questions. The board shall provide opportunity at the public hearing for any person to present comments and to ask questions of the applicant and board staff. The board shall also afford interested persons an opportunity to submit written comments into the record.

Subd. 7. [TIMING.] The board shall make a final decision on an application within 60 days after completion of the public hearing. A final decision on the request for a site permit or route permit under this section shall be made within six months after the chair's determination that an application is complete. The board may extend this time limit for up to three months for just cause or upon agreement of the applicant.

Subd. 8. [CONSIDERATIONS.] The considerations in section 116C.57, subdivision 4, shall apply to any projects subject to this section.

Subd. 9. [FINAL DECISION.] (a) No site permit shall be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the board. When the board designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The board shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.

(b) No route designation shall be made in violation of the route selection standards and criteria established in this section and in rules adopted by the board. When the board designates a route, it shall issue a permit for the construction of a high voltage transmission line specifying the design, routing, right-of-way preparation, and facility construction it deems necessary and with any other appropriate conditions. The board may order the construction of high voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The board shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.

Sec. 15. [116C.576] [LOCAL REVIEW OF APPLICATIONS.]

Subdivision 1. [LOCAL REVIEW.] (a) Notwithstanding the requirements of sections 116C.57 and 116C.575, an applicant who seeks a site or route permit for one of the projects identified in this section shall have the option of applying to those local units of government that have jurisdiction over the site or route for approval to build the project. If local approval is granted, a site or route permit is not required from the board. If the applicant files an application with the board, the applicant shall be deemed to have waived its right to seek local approval of the project.

(b) A local unit of government with jurisdiction over a project identified in this section to whom an applicant has applied for approval to build the project may request the board to assume jurisdiction and make a decision on a site or route permit under the applicable provisions of sections 116C.52 to 116C.69. A local unit of government must file the request with the board within 60 days after an application for the project has been filed with any one local unit of government. If one of the local units of government with jurisdiction over the project requests the board to assume jurisdiction, jurisdiction over the project transfers to the board. If the local units of government maintain jurisdiction over the project, the board shall select the appropriate local unit of government to be the responsible governmental unit to conduct environmental review of the project.

Subd. 2. [APPLICABLE PROJECTS.] Applicants may seek approval from local units of government to construct the following projects:

- (1) large electric power generating plants with a capacity of less than 80 megawatts;
- (2) large electric power generating plants of any size that burn natural gas and are intended to be a peaking plant;
- (3) high voltage transmission lines of between 100 and 200 kilovolts;
- (4) substations with a voltage designed for and capable of operation at a nominal voltage of 100 kilovolts or more;
- (5) a high voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length; and
- (6) a high voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line.

Subd. 3. [NOTICE OF APPLICATION.] Within ten days of submission of an application to a local unit of government for approval of an eligible project, the applicant shall notify the board that the applicant has elected to seek local approval of the proposed project.

Sec. 16. [116C.577] [EMERGENCY PERMIT.]

(a) Any utility whose electric power system requires the immediate construction of a large electric power generating plant or high voltage transmission line due to a major unforeseen event may apply to the board for an emergency permit after providing notice in writing to the public utilities commission of the major unforeseen event and the need for immediate construction. The permit must be issued in a timely manner, no later than 195 days after the board's acceptance of the application and upon a finding by the board that (1) a demonstrable emergency exists, (2) the emergency requires immediate construction, and (3) adherence to the procedures and time schedules specified in section 116C.57 would jeopardize the utility's electric power system or would jeopardize the utility's ability to meet the electric needs of its customers in an orderly and timely manner.

(b) A public hearing to determine if an emergency exists must be held within 90 days of the application. The board, after notice and hearing, shall adopt rules specifying the criteria for emergency certification.

Sec. 17. Minnesota Statutes 2000, section 116C.58, is amended to read:

116C.58 [~~PUBLIC HEARINGS; NOTICE~~ ANNUAL HEARING.]

The board shall hold an annual public hearing at a time and place prescribed by rule in order to afford interested persons an opportunity to be heard regarding ~~its inventory of study areas and any other aspects of the board's activities and duties or policies specified in sections 116C.51 to 116C.69.~~ The board shall hold at least one public hearing in each county where a site or route is being considered for designation pursuant to section 116C.57. Notice and agenda of public hearings and public meetings of the board held in each county shall be given by the board at least ten days in advance but no earlier than 45 days prior to such hearings or meetings. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing or public meeting is to be held and by certified mailed notice to chief executives of the regional development commissions, counties, organized towns and the incorporated municipalities in which a site or route is proposed. All hearings held for designating a site or route or for exempting a route shall be conducted by an administrative law judge from the office of administrative hearings pursuant to the contested case procedures of chapter 14. Any person may appear at the hearings and present testimony and exhibits and may question witnesses without the necessity of intervening as a formal party to the proceedings any matters relating to the siting of large electric generating power plants and routing of high voltage transmission lines. At the meeting, the board shall advise the public of the permits issued by the board in the past year. The board shall provide at least ten days but no more than 45 days' notice of the annual meeting by mailing notice to those persons who have requested notice and by publication in the EQB Monitor.

Sec. 18. Minnesota Statutes 2000, section 116C.59, subdivision 1, is amended to read:

Subdivision 1. [~~ADVISORY TASK FORCE.~~] The board may appoint one or more advisory task forces to assist it in carrying out its duties. Task forces appointed to evaluate sites or routes considered for designation shall be comprised of as many persons as may be designated by the board, but at least one representative from each of the following: Regional development commissions, counties and municipal corporations and one town board member from each county in which a site or route is proposed to be located. No officer, agent, or employee of a utility shall serve on an advisory task force. Reimbursement for expenses incurred shall be made pursuant to the rules governing state employees. The task forces expire as provided in section 15.059, subdivision 6. At the time the task force is appointed, the board shall specify the charge to the task force. The task force shall expire upon completion of its charge, upon designation by the board of alternative sites or routes to be included in the environmental impact statement, or upon the specific date identified by the board in the charge, whichever occurs first.

Sec. 19. Minnesota Statutes 2000, section 116C.59, subdivision 4, is amended to read:

Subd. 4. [~~SCIENTIFIC ADVISORY TASK FORCE.~~] The board may appoint one or more advisory task forces composed of technical and scientific experts to conduct research and make recommendations concerning generic issues such as health and safety, underground routes, double circuiting and long-range route and site planning. Reimbursement for expenses incurred shall be made pursuant to the rules governing reimbursement of state employees. The task forces expire as provided in section 15.059, subdivision 6. The time allowed for completion of a specific site or route procedure may not be extended to await the outcome of these generic investigations.

Sec. 20. Minnesota Statutes 2000, section 116C.60, is amended to read:

116C.60 [~~PUBLIC MEETINGS; TRANSCRIPT OF PROCEEDINGS; WRITTEN RECORDS.~~]

Meetings of the board, including hearings, shall be open to the public. Minutes shall be kept of board meetings and a complete record of public hearings shall be kept. All books, records, files, and correspondence of the board shall be available for public inspection at any reasonable time. ~~The council~~ board shall also be subject to chapter 13D.

Sec. 21. Minnesota Statutes 2000, section 116C.61, subdivision 1, is amended to read:

Subdivision 1. [REGIONAL, COUNTY AND LOCAL ORDINANCES, RULES, REGULATIONS; PRIMARY RESPONSIBILITY AND REGULATION OF SITE DESIGNATION, IMPROVEMENT AND USE.] To assure the paramount and controlling effect of the provisions herein over other state agencies, regional, county and local governments, and special purpose government districts, the issuance of a ~~certificate of site permit compatibility or transmission line construction route~~ permit and subsequent purchase and use of such site or route locations for large electric power generating plant and high voltage transmission line purposes shall be the sole site or route approval required to be obtained by the utility. Such ~~certificate or~~ permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose government.

Sec. 22. Minnesota Statutes 2000, section 116C.61, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY PARTICIPATION.] State agencies authorized to issue permits required for construction or operation of large electric power generating plants or high voltage transmission lines shall participate ~~in and present the position of the agency during routing and siting~~ at public hearings and all other activities of the board on specific site or route designations ~~and design considerations~~ of the board, ~~which position and~~ shall clearly state whether the site or route being considered for designation or permit ~~and other design matters under consideration for approval for a certain size and type of facility~~ will be in compliance with state agency standards, rules or policies.

Sec. 23. Minnesota Statutes 2000, section 116C.62, is amended to read:

116C.62 [IMPROVEMENT OF SITES AND ROUTES.]

Utilities ~~which that~~ have acquired a site or route in accordance with sections 116C.51 to 116C.69 may proceed to construct or improve the site or route for the intended purposes at any time, subject to section 116C.61, subdivision 2, provided that if the construction and improvement ~~commences more than~~ has not commenced within four years after a ~~certificate or~~ permit for the site or route has been issued, then the utility must certify to the board that the site or route continues to meet the conditions upon which the ~~certificate of site compatibility or transmission line construction or route~~ permit was issued.

Sec. 24. Minnesota Statutes 2000, section 116C.64, is amended to read:

116C.64 [FAILURE TO ACT.]

If the board fails to act within the times specified in section 116C.57, the applicant or any affected utility person may seek an order of the district court requiring the board to designate or refuse to designate a site or route.

Sec. 25. Minnesota Statutes 2000, section 116C.645, is amended to read:

116C.645 [REVOCAION OR SUSPENSION.]

A site ~~certificate or construction route~~ permit may be revoked or suspended by the board after adequate notice of the alleged grounds for revocation or suspension and a full and fair hearing in which the affected utility has an opportunity to confront any witness and respond to any evidence against it and to present rebuttal or mitigating evidence upon a finding by the board of:

(1) Any false statement knowingly made in the application or in accompanying statements or studies required of the applicant, if a true statement would have warranted a change in the board's findings;

(2) Failure to comply with material conditions of the site certificate or construction permit, or failure to maintain health and safety standards; or

(3) Any material violation of the provisions of sections 116C.51 to 116C.69, any rule promulgated pursuant thereto, or any order of the board.

Sec. 26. Minnesota Statutes 2000, section 116C.65, is amended to read:

116C.65 [JUDICIAL REVIEW.]

Any utility applicant, party or person aggrieved by the issuance of a certificate site or route permit or emergency ~~certificate of site compatibility or transmission line construction~~ permit from the board or a certification of continuing suitability filed by a utility with the board or by a final order in accordance with any rules promulgated by the board, may appeal to the court of appeals in accordance with chapter 14. The appeal shall be filed within 60 ~~30~~ days after the publication in the State Register of notice of the issuance of the ~~certificate or~~ permit by the board or certification filed with the board or the filing of any final order by the board.

Sec. 27. Minnesota Statutes 2000, section 116C.66, is amended to read:

116C.66 [RULES.]

The board, in order to give effect to the purposes of sections 116C.51 to 116C.69, ~~shall prior to July 1, 1978, may~~ adopt rules consistent with sections 116C.51 to 116C.69, including promulgation of site and route designation criteria, the description of the information to be furnished by the utilities, establishment of minimum guidelines for public participation in the development, revision, and enforcement of any rule, plan or program established by the board, procedures for the revocation or suspension of a construction site or route permit or a ~~certificate of site compatibility~~, and the procedure and timeliness for proposing alternative routes and sites, ~~and route exemption criteria and procedures~~. No rule adopted by the board shall grant priority to state-owned wildlife management areas over agricultural lands in the designation of route avoidance areas. The provisions of chapter 14 shall apply to the appeal of rules adopted by the board to the same extent as it applies to review of rules adopted by any other agency of state government.

The chief administrative law judge shall, ~~prior to January 1, 1978,~~ adopt procedural rules for public hearings relating to the site and route designation permit process and to the route exemption process. The rules shall attempt to maximize citizen participation in these processes consistent with the time limits for board decision established in sections 116C.57, subdivision 8, and 116C.575, subdivision 7.

Sec. 28. Minnesota Statutes 2000, section 116C.69, is amended to read:

116C.69 [BIENNIAL REPORT; APPLICATION FEES; APPROPRIATION; FUNDING.]

Subdivision 1. [BIENNIAL REPORT.] Before November 15 of each even-numbered year the board shall prepare and submit to the legislature a report of its operations, activities, findings and recommendations concerning sections 116C.51 to 116C.69. The report shall also contain information on the board's biennial expenditures, its proposed budget for the following biennium, and the amounts paid in ~~certificate and~~ permit application fees pursuant to subdivisions 2 and 2a and in assessments pursuant to ~~subdivision 3~~ this section. The proposed budget for the following biennium shall be subject to legislative review.

Subd. 2. [SITE APPLICATION FEE.] Every applicant for a site certificate permit shall pay to the board a fee in an amount equal to \$500 for each \$1,000,000 of production plant investment in the proposed installation as defined in the Federal Power Commission Uniform System of Accounts. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. The applicant shall pay within 30 days of notification any additional fees reasonably necessary for completion of the site evaluation and designation process by the board. In no event shall the total fees required of the applicant under this subdivision exceed an amount equal

to 0.001 of said production plant investment (\$1,000 for each \$1,000,000). All money received pursuant to this subdivision shall be deposited in a special account. Money in the account is appropriated to the board to pay expenses incurred in processing applications for ~~certificates~~ site permits in accordance with sections 116C.51 to 116C.69 and in the event the expenses are less than the fee paid, to refund the excess to the applicant.

Subd. 2a. [ROUTE APPLICATION FEE.] Every applicant for a transmission line ~~construction route~~ permit shall pay to the board a base fee of \$35,000 plus a fee in an amount equal to \$1,000 per mile length of the longest proposed route. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. In the event the actual cost of processing an application up to the board's final decision to designate a route exceeds the above fee schedule, the board may assess the applicant any additional fees necessary to cover the actual costs, not to exceed an amount equal to \$500 per mile length of the longest proposed route. All money received pursuant to this subdivision shall be deposited in a special account. Money in the account is appropriated to the board to pay expenses incurred in processing applications for ~~construction route~~ permits in accordance with sections 116C.51 to 116C.69 and in the event the expenses are less than the fee paid, to refund the excess to the applicant.

Subd. 3. [FUNDING; ASSESSMENT.] The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site ~~certificates~~ and ~~construction route~~ permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.333, as determined by the board. The assessment shall be credited to the special revenue fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 29. Minnesota Statutes 2000, section 216B.2421, subdivision 2, is amended to read:

Subd. 2. [LARGE ENERGY FACILITY.] "Large energy facility" means:

(1) any electric power generating plant or combination of plants at a single site with a combined capacity of ~~80,000 kilowatts or more, or any facility of 50,000 kilowatts or more which requires oil, natural gas, or natural gas liquids as a fuel and for which an installation permit has not been applied for by May 19, 1977 pursuant to Minn. Reg. APC 3(a) and~~ transmission lines directly associated with the plant that are necessary to interconnect the plant to the transmission system;

(2) any high voltage transmission line with a capacity of 200 kilovolts or more ~~and with more than 50 miles of its length in Minnesota; or;~~

(3) any high voltage transmission line with a capacity of ~~300~~ 100 kilovolts or more with more than ~~25~~ ten miles of its length in Minnesota or that crosses a state line;

~~(3)~~ (4) any pipeline greater than six inches in diameter and having more than 50 miles of its length in Minnesota used for the transportation of coal, crude petroleum or petroleum fuels or oil or their derivatives;

~~(4)~~ (5) any pipeline for transporting natural or synthetic gas at pressures in excess of 200 pounds per square inch with more than 50 miles of its length in Minnesota;

~~(5)~~ (6) any facility designed for or capable of storing on a single site more than 100,000 gallons of liquefied natural gas or synthetic gas;

~~(6)~~ (7) any underground gas storage facility requiring permit pursuant to section 103I.681;

~~(7)~~ (8) any nuclear fuel processing or nuclear waste storage or disposal facility; and

~~(8)~~ (9) any facility intended to convert any material into any other combustible fuel and having the capacity to process in excess of 75 tons of the material per hour.

Sec. 30. [216B.2425] [STATE TRANSMISSION PLAN.]

Subdivision 1. [LIST.] The commission shall maintain a list of certified high voltage transmission line projects.

Subd. 2. [LIST DEVELOPMENT.] (a) By November 1 of each odd-numbered year, each public utility, municipal utility, and cooperative electric association, or the generation and transmission organization that serves each utility or association, that owns or operates electric transmission lines in Minnesota shall jointly or individually submit a transmission projects report to the commission. The report must:

(1) list specific present and reasonably foreseeable future inadequacies in the transmission system in Minnesota;

(2) identify alternative means of addressing each inadequacy listed;

(3) identify general economic, environmental, and social issues associated with each alternative; and

(4) provide a summary of public input the utilities and associations have gathered related to the list of inadequacies and the role of local government officials and other interested persons in assisting to develop the list and analyze alternatives.

(b) To meet the requirements of this subdivision, entities may rely on available information and analysis developed by a regional transmission organization or any subgroup of a regional transmission organization and may develop and include additional information as necessary.

Subd. 3. [COMMISSION APPROVAL.] By June 1 of each even-numbered year, the commission shall adopt a state transmission project list and shall certify, certify as modified, or deny certification of the projects proposed under subdivision 2. The commission may only certify a project that is a high voltage transmission line as defined in section 216B.2421, subdivision 2, that the commission finds is:

(1) necessary to maintain or enhance the reliability of electric service to Minnesota consumers;

(2) needed, applying the criteria in section 216B.241, subdivision 3; and

(3) in the public interest, taking into account electric energy system needs and economic, environmental, and social interests affected by the project.

Subd. 4. [LIST; EFFECT.] Certification of a project as a priority electric transmission project satisfies section 216B.243. A certified project on which construction has not begun more than six years after being placed on the list, must be reapproved by the commission.

Subd. 5. [TRANSMISSION INVENTORY.] The department of commerce shall create, maintain, and update annually an inventory of transmission lines in the state.

Subd. 6. [EXCLUSION.] This section does not apply to any transmission line proposal that has been approved, or was pending before a local unit of government, the environmental quality board, or the public utilities commission on August 1, 2001.

Sec. 31. Minnesota Statutes 2000, section 216B.243, subdivision 3, is amended to read:

Subd. 3. [SHOWING REQUIRED FOR CONSTRUCTION.] No proposed large energy facility shall be certified for construction unless the applicant can show that demand for electricity cannot be met more cost-effectively through energy conservation and load-management measures and unless the applicant has otherwise justified its need. In assessing need, the commission shall evaluate:

- (1) the accuracy of the long-range energy demand forecasts on which the necessity for the facility is based;
- (2) the effect of existing or possible energy conservation programs under sections 216C.05 to 216C.30 and this section or other federal or state legislation on long-term energy demand;
- (3) the relationship of the proposed facility to overall state energy needs, as described in the most recent state energy policy and conservation report prepared under section 216C.18;
- (4) promotional activities that may have given rise to the demand for this facility;
- (5) ~~socially beneficial uses of the output benefits~~ of this facility, including its uses to protect or enhance environmental quality, and to increase reliability of energy supply in Minnesota and the region;
- ~~(6) the effects of the facility in inducing future development;~~
- ~~(7) (6) possible alternatives for satisfying the energy demand or transmission needs including but not limited to potential for increased efficiency and upgrading of existing energy generation and transmission facilities, load management programs, and distributed generation;~~
- ~~(8) (7) the policies, rules, and regulations of other state and federal agencies and local governments; and~~
- ~~(9) (8) any feasible combination of energy conservation improvements, required under section 216B.241, that can~~ (i) replace part or all of the energy to be provided by the proposed facility, and (ii) compete with it economically.

Sec. 32. Minnesota Statutes 2000, section 216B.243, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FOR CERTIFICATE; HEARING.] Any person proposing to construct a large energy facility shall apply for a certificate of need prior to ~~construction of the facility~~ applying for a site or route permit under sections 116C.51 to 116C.69 or construction of the facility. The application shall be on forms and in a manner established by the commission. In reviewing each application the commission shall hold at least one public hearing pursuant to chapter 14. The public hearing shall be held at a location and hour reasonably calculated to be convenient for the public. An objective of the public hearing shall be to obtain public opinion on the necessity of granting a certificate of need. The commission shall designate a commission employee whose duty shall be to facilitate citizen participation in the hearing process. If the commission and the environmental quality board determine that a joint hearing on siting and need under this subdivision and section 116C.57, subdivision 2d, is feasible, more efficient, and may further the public interest, a joint hearing under those subdivisions may be held.

Sec. 33. Minnesota Statutes 2000, section 216B.243, subdivision 8, is amended to read:

Subd. 8. [EXEMPTIONS.] This section does not apply to:

- (1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, sections 796(18)(A) and 796(17)(A), and having a combined capacity at a single site of less than 80,000 kilowatts or to plants or facilities for the production of ethanol or fuel alcohol nor in any case where the commission shall determine after being advised by the attorney general that its application has been preempted by federal law;

(2) a high voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) conversion of the fuel source of an existing electric generating plant to using natural gas; or

(5) modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater.

Sec. 34. Minnesota Statutes 2000, section 216B.62, subdivision 5, is amended to read:

Subd. 5. [ASSESSING COOPERATIVES AND MUNICIPALS.] The commission and department may charge cooperative electric associations and municipal electric utilities their proportionate share of the expenses incurred in the review and disposition of resource plans, adjudication of service area disputes, proceedings under section 216B.2425, and the costs incurred in the adjudication of complaints over service standards, practices, and rates. Cooperative electric associations electing to become subject to rate regulation by the commission pursuant to section 216B.026, subdivision 4, are also subject to this section. Neither a cooperative electric association nor a municipal electric utility is liable for costs and expenses in a calendar year in excess of the limitation on costs that may be assessed against public utilities under subdivision 2. A cooperative electric association or municipal electric utility may object to and appeal bills of the commission and department as provided in subdivision 4.

The department shall assess cooperatives and municipalities for the costs of alternative energy engineering activities under section 216C.261. Each cooperative and municipality shall be assessed in proportion that its gross operating revenues for the sale of gas and electric service within the state for the last calendar year bears to the total of those revenues for all public utilities, cooperatives, and municipalities.

Sec. 35. [STATE ENERGY PLANNING REPORT.]

(a) The commissioner of the department of commerce shall prepare a state energy planning report and submit it to the legislature by December 15, 2001 and update the report by December 15, 2002. The report must identify important trends and issues in energy consumption, supply, technologies, conservation, environmental effects, and economics, and must recommend energy goals relating to the energy needs of the state. The report must recommend goals for the role of energy conservation, utilization of renewable energy resources, deployment of distributed generation resources, other modern energy technologies, and traditional energy technologies, and affordability of energy services for all Minnesotans. The report must recommend strategies to reach the recommended goals, including recommendations for amendments to state law.

(b) The report must address, among other issues:

(1) projected energy consumption over the next ten years;

(2) the need for new energy production and transportation facilities;

(3) options for streamlining of the procedures for certification of need, routing and siting, environmental review, and permitting of energy facilities;

(4) the potential role of energy conservation, modern and emerging energy technologies, and renewable generation;

(5) the role for traditional energy technologies;

(6) the environmental effects of energy consumption, including an analysis of the costs associated with reducing those effects; and

(7) projected energy costs over the next ten years.

(c) In preparing the report, the commissioner shall invite public participation and shall consult with other state agencies, including the environmental quality board staff, the public utilities commission staff, the pollution control agency, the department of health and other relevant agencies, local government units, regional energy planning groups, energy utilities, and other interested persons. Not later than October 1, 2001, the commissioner shall issue a draft report. The commissioner shall accept written comments and hold at least one public meeting to gather additional public input on the draft report.

Sec. 36. [REPEALER.]

Minnesota Statutes 2000, sections 116C.55, subdivisions 2 and 3; 116C.57, subdivisions 3, 5, and 5a; 116C.67; and 216B.2421, subdivision 3, are repealed.

Sec. 37. [EFFECTIVE DATE.]

This article is effective for certificates of need and route and site permits applied for on or after August 1, 2001.

ARTICLE 8

RENEWABLE ENERGY AND CONSERVATION

Section 1. Minnesota Statutes 2000, section 216B.1645, is amended to read:

216B.1645 [POWER PURCHASE CONTRACT OR INVESTMENT.]

Upon the petition of a public utility, the public utilities commission shall approve or disapprove power purchase contracts, investments, or expenditures entered into or made by the utility to satisfy the wind and biomass mandates contained in sections 216B.2423 ~~and~~ 216B.2424, and 216B.169, including reasonable investments and expenditures made to transmit the electricity generated from sources developed under those sections that is ultimately used to provide service to the utility's retail customers, or to develop renewable energy sources from the account required in section 116C.779. The expenses incurred by the utility over the duration of the approved contract or useful life of the investment and expenditures made pursuant to section 116C.779 shall be recoverable from the ratepayers of the utility, to the extent they are not offset by utility revenues attributable to the contracts, investments, or expenditures. Upon petition by a public utility, the commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover the expenses or costs approved by the commission, which, in the case of transmission expenditures, are limited to the portion of actual transmission costs that are directly allocable to the need to transmit power from the renewable sources of energy. The commission may not approve recovery of the costs for that portion of the power generated from sources governed by this section that the utility sells into the wholesale market. Nothing in this section shall be construed to determine the manner or extent to which revenues derived from other generation facilities of the utility may be considered in determining the recovery of the approved cost or expenses associated with the mandated contracts, investments, or expenditures in the event there is retail competition for electric energy.

Sec. 2. [216B.169] [RENEWABLE AND HIGH-EFFICIENCY ENERGY RATE OPTIONS.]

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

(a) "Utility" means a public utility, municipal utility, or cooperative electric association providing electric service at retail to Minnesota consumers.

(b) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c).

(c) "High-efficiency, low emissions, distributed generation" means a distributed generation facility of no more than ten megawatts of interconnected capacity that is certified by the commissioner under subdivision 3 as a high-efficiency, low emissions facility.

Subd. 2. [RENEWABLE AND HIGH-EFFICIENCY ENERGY RATE OPTIONS.] (a) Each utility shall offer its customers, and shall advertise the offer at least annually, one or more options that allow a customer to determine that a certain amount of the electricity generated or purchased on behalf of the customer is renewable energy or energy generated by high-efficiency, low emissions, distributed generation such as fuel cells and microturbines fueled by a renewable fuel.

(b) Each public utility shall file an implementation plan within 90 days of the effective date of this section to implement paragraph (a).

(c) Rates charged to customers must be calculated using the utility's cost of acquiring the energy for the customer and must:

(1) reflect the difference between the cost of generating or purchasing the renewable energy and the cost of generating or purchasing the same amount of nonrenewable energy; and

(2) be distributed on a per kilowatt-hour basis among all customers who choose to participate in the program.

(d) Implementation of these rate options may reflect a reasonable amount of lead time necessary to arrange acquisition of the energy. The utility may acquire the energy demanded by customers, in whole or in part, through procuring or generating the renewable energy directly, or through the purchase of credits from a provider that has received certification of eligible power supply pursuant to subdivision 3. If a utility is not able to arrange an adequate supply of renewable or high-efficiency energy to meet its customers' demand under this section, the utility must file a report with the commission detailing its efforts and reasons for its failure.

Subd. 3. [CERTIFICATION AND TRADEABLE CREDITS.] (a) The commissioner shall certify a power supply or supplies as eligible to satisfy customer requirements under this section upon finding:

(1) the power supply is renewable energy or energy generated by high-efficiency, low emissions, distributed generation; and

(2) the sales arrangements of energy from the supplies are such that the power supply is only sold once to retail consumers.

(b) To facilitate compliance with this section, the commission may, by order, establish a program for tradeable credits for eligible power supplies.

Sec. 3. [216B.1691] [RENEWABLE ENERGY OBJECTIVES.]

Subdivision 1. [DEFINITIONS.] (a) "Eligible energy technology" means:

(1) an energy technology that generates electricity from the following renewable energy sources: solar, wind, hydroelectric with a capacity of less than 60 megawatts, or biomass; and

(2) was not mandated by state law or commission order.

(b) "electric utility" means a public utility providing electric service, a generation and transmission cooperative electric association, or a municipal power agency.

Subd. 2. [ELIGIBLE ENERGY OBJECTIVES.] (a) Each electric utility shall make a good faith effort to generate or procure sufficient electricity generated by an eligible energy technology to provide its retail consumers, or the retail members of a distribution utility to which the electric utility provides wholesale electric service, so that:

(1) commencing in 2005, at least one percent of the electric energy provided to those retail customers is generated by eligible energy technologies;

(2) the amount provided under clause (1) is increased by one percent each year until 2015;

(3) ten percent of the electric energy provided to retail customers in Minnesota is generated by eligible energy technologies; and

(4) of the eligible energy technology generation required under clauses (1) and (2), at least 0.5 percent of the energy must be generated by biomass energy technologies by 2010 and one percent by 2015.

(b) Each electric utility shall report on its activities and progress with regard to these objectives in their filings under section 216B.2422.

(c) The commission, in consultation with the commissioner of commerce, shall compile the information provided to the commission under paragraph (b), and report to the chairs of the house of representatives and senate committees with jurisdiction over energy and environment policy issues as to the progress of utilities in the state in increasing the amount of renewable energy provided to retail customers, with any recommendations for regulatory or legislative action, by January 15, 2002.

Sec. 4. Minnesota Statutes 2000, section 216B.241, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section and section 216B.16, subdivision 6b, the terms defined in this subdivision have the meanings given them.

(a) "Commission" means the public utilities commission.

(b) "Commissioner" means the commissioner of public service.

(c) "Customer facility" means all buildings, structures, equipment, and installations at a single site.

(d) "Department" means the department of public service.

(e) "Energy conservation" means demand-side management of energy supplies resulting in a net reduction in energy use. Load management that reduces overall energy use is energy conservation.

(f) "Energy conservation improvement" means the purchase or installation of a device, method, material, or project that:

(1) reduces consumption of or increases efficiency in the use of electricity or natural gas, including but not limited to insulation and ventilation, storm or thermal doors or windows, caulking and weatherstripping, furnace efficiency modifications, thermostat or lighting controls, awnings, or systems to turn off or vary the delivery of energy;

(2) creates, converts, or actively uses energy from renewable sources such as solar, wind, and biomass, provided that the device or method conforms with national or state performance and quality standards whenever applicable;

(3) seeks to provide energy savings through reclamation or recycling and that is used as part of the infrastructure of an electric generation, transmission, or distribution system within the state or a natural gas distribution system within the state; or

~~(4)~~ provides research or development of new means of increasing energy efficiency or conserving energy or research or development of improvement of existing means of increasing energy efficiency or conserving energy a project that results in energy conservation.

~~(f)~~ (g) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement, including but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no-interest or below-market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

~~(g)~~ (h) "Large electric customer facility" means a customer facility that imposes a peak electrical demand on an electric utility's system of not less than 20,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes, and for which electric services are provided at retail on a single bill by a utility operating in the state.

(i) "Load management" means an activity, service, or technology to change the timing or the efficiency of a customer's use of energy that allows a utility or a customer to respond to wholesale market fluctuations or to reduce the overall demand for energy or capacity.

Sec. 5. Minnesota Statutes 2000, section 216B.241, subdivision 1a, is amended to read:

Subd. 1a. [INVESTMENT, EXPENDITURE, AND CONTRIBUTION; PUBLIC UTILITY.] (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

(1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues from service provided in the state;

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and

(3) for a utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.

For purposes of this paragraph (a), "gross operating revenues" do not include revenues from large electric customer facilities exempted by the commissioner ~~of the department of public service pursuant to~~ under paragraph (b).

(b) The owner of a large electric customer facility may petition the commissioner ~~of the department of public service~~ to exempt both electric and gas utilities serving the large energy customer facility from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the facility. At a minimum, the petition must be supported by evidence relating to competitive or economic pressures on the customer and a showing by the customer of reasonable efforts to identify, evaluate, and implement cost-effective conservation improvements at the facility. If a petition is filed on or before October 1 of any year, the order of the commissioner to exempt revenues attributable to the facility can be effective no earlier than January 1 of the following year. The commissioner shall not grant an exemption if the commissioner determines that granting the exemption is contrary to the public interest. The commissioner may, after investigation, rescind any exemption granted under this paragraph upon a determination that cost-effective energy conservation improvements are available at the large electric customer facility. For the purposes of this paragraph, "cost-effective" means that the projected total cost of the energy conservation improvement at the large electric customer facility is less than the projected present value

of the energy and demand savings resulting from the energy conservation improvement. For the purposes of investigations by the commissioner under this paragraph, the owner of any large electric customer facility shall, upon request, provide the commissioner with updated information comparable to that originally supplied in or with the owner's original petition under this paragraph.

(c) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100 megawatts or greater within five years under mid-range forecast assumptions.

(d) A public utility or owner of a large electric customer facility may appeal a decision of the commissioner under paragraph (b) or (c) to the commission under subdivision 2. In reviewing a decision of the commissioner under paragraph (b) or (c), the commission shall rescind the decision if it finds that the required investments or spending will:

- (1) not result in cost-effective energy conservation improvements; or
- (2) otherwise not be in the public interest.

(e) Each utility shall determine what portion of the amount it sets aside for conservation improvement will be used for conservation improvements under subdivision 2 and what portion it will contribute to the energy and conservation account established in subdivision 2a. A public utility may propose to the commissioner to designate that all or a portion of funds contributed to the account established in subdivision 2a be used for research and development projects that can best be implemented on a statewide basis. Contributions must be remitted to the commissioner of public service by February 1 of each year. Nothing in this subdivision prohibits a public utility from spending or investing for energy conservation improvement more than required in this subdivision.

Sec. 6. Minnesota Statutes 2000, section 216B.241, subdivision 1b, is amended to read:

Subd. 1b. [CONSERVATION IMPROVEMENT BY COOPERATIVE ASSOCIATION OR MUNICIPALITY.]

(a) This subdivision applies to:

(1) a cooperative electric association that ~~generates and transmits electricity to associations that provide electricity at retail including a cooperative electric association not located in this state that serves associations or others in the state~~ provides retail service to its members;

(2) a municipality that provides electric service to retail customers; and

(3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas and ~~one~~ 1.5 percent of its gross operating revenues from the sale of electricity ~~not purchased from a public utility governed by subdivision 1a or a cooperative electric association governed by this subdivision~~, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

(c) Each municipality and cooperative electric association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a large electric customer facility for which the commissioner has issued an exemption under subdivision 1a, paragraph (b).

(d) Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to ~~15~~ ten percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association. Load management may be used to meet the requirements of this subdivision if it reduces the demand for or increases the efficiency of electric services.

(e) Load management activities that do not reduce energy use but that increase the efficiency of the electric system may be used to meet the following percentage of the conservation investment and spending requirements of this subdivision:

(1) 2002 - 90 percent;

(2) 2003 - 80 percent;

(3) 2004 - 65 percent; and

(4) 2005 and thereafter - 50 percent.

~~(f) A generation and transmission cooperative electric association may include as spending and investment required under this subdivision conservation improvement spending and investment by that provides energy services to cooperative electric associations that provide electric service at retail to consumers and that are served by the generation and transmission association may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the conservation, spending, reporting, and energy savings goals on an aggregate basis. A municipal power agency or other not-for-profit entity that provides energy service to municipal utilities that provide electric service at retail may invest in energy conservation improvements on behalf of the municipal utilities it serves and may fulfill the conservation, spending, reporting, and energy savings goals on an aggregate basis, under an agreement between the municipal power agency or not-for-profit entity and each municipal utility for funding the investments.~~

~~(d) (g) By February 1 of each year June 1, 2002, and every two years thereafter, each municipality or cooperative shall report file an overview of its conservation improvement plan with the commissioner. With this overview, the municipality or cooperative shall also provide an evaluation to the commissioner detailing its energy conservation improvement spending and investments with a brief analysis of effectiveness in reducing consumption of electricity or gas for the previous period. The evaluation must briefly describe each conservation program and must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility or association that is the result of the spending and investments. The evaluation must analyze the cost-effectiveness of the utility's or association's conservation programs, using a list of baseline energy and capacity savings assumptions developed in consultation with the department.~~

The commissioner shall review each report evaluation and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities. Up to three percent of a utility's conservation spending obligation under this section may be used for program pre-evaluation, testing, and monitoring and program evaluation.

(h) The commissioner shall also review each report evaluation for whether a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available. For the purposes of this subdivision and subdivision 2, "low-income" means an income ~~of less than 185 percent of the federal poverty level~~ at or below 50 percent of the state median income.

~~(e)~~ (i) As part of its spending for conservation improvement, a municipality or association may contribute to the energy and conservation account. A municipality or association may propose to the commissioner to designate that all or a portion of funds contributed to the account be used for research and development projects that can best be implemented on a statewide basis. Any amount contributed must be remitted to the commissioner of public service by February 1 of each year.

Sec. 7. Minnesota Statutes 2000, section 216B.241, subdivision 2, is amended to read:

Subd. 2. [PROGRAMS.] (a) The commissioner may ~~by rule~~ require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover a two-year period. Public utilities shall file conservation improvement plans by June 1, on a schedule determined by order of the commissioner. Plans received by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year. The commissioner shall ~~require at least one public utility to establish a pilot program to make investments in and expenditures for energy from renewable resources such as solar, wind, or biomass and shall give special consideration and encouragement to programs that bring about significant net savings through the use of energy-efficient lighting.~~ The commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. ~~The rules of the department commissioner's order~~ must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

(b) The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department. ~~Load management may be used to meet the requirements for energy conservation improvements under this section if it results in a demonstrable reduction in consumption of energy.~~

(c) Each public utility subject to subdivision 1a may spend and invest annually up to ~~15~~ ten percent of the total amount required to be spent and invested on energy conservation improvements under this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility.

(d) A public utility may not spend for or invest in energy conservation improvements that directly benefit a large electric customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision or a nonprofit or community organization.

~~(e) No utility may make an energy conservation improvement under this section to a building envelope unless:~~

~~(1) it is the primary supplier of energy used for either space heating or cooling in the building;~~

~~(2) the commissioner determines that special circumstances, that would unduly restrict the availability of conservation programs, warrant otherwise; or~~

~~(3)~~ the utility has been awarded a contract under subdivision 2a.

~~(f)~~ (e) The commissioner may, by order, establish a list of programs that may be offered as energy conservation improvements by a public utility, municipal utility, cooperative electric association, or other entity providing conservation services pursuant to this section. The list of programs may include rebates for high-efficiency appliances, rebates or subsidies for high-efficiency lamps, small business energy audits, and building recommissioning. The commissioner may, by order, change this list to add or subtract programs as the commissioner determines is necessary to promote efficient and effective conservation programs.

(f) The commissioner shall ensure that a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons, in proportion to the amount the utility has historically spent on such programs based on the most recent three-year average relative to the utility's total conservation spending under this section, unless an insufficient number of appropriate programs are available.

~~(e)~~ (g) A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. ~~The person petitioning for commission review has the burden of proof.~~ The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

(h) The commissioner may order a public utility to include, with the filing of the utility's proposed conservation improvement plan under paragraph (a), the results of an independent audit of the utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility that is the result of the spending and investments. The audit must evaluate the cost-effectiveness of the utility's conservation programs.

Up to three percent of a utility's conservation spending obligation under this section may be used for program pre-evaluation, testing, and monitoring and program audit and evaluation.

Sec. 8. Minnesota Statutes 2000, section 216C.051, subdivision 6, is amended to read:

Subd. 6. [ASSESSMENT; APPROPRIATION.] On request by the cochairs of the legislative task force and after approval of the legislative coordinating commission, the commissioner of ~~the department of public service~~ commerce shall assess from ~~electric utilities~~ all public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing electric or natural gas services in Minnesota, in addition to assessments made under section 216B.62, the amount requested for the operation of the task force not to exceed \$700,000 ~~\$150,000 in a fiscal year.~~ This authority to assess continues until the commissioner has assessed a total of \$700,000. The amount assessed under this section is appropriated to the director of the legislative coordinating commission for those purposes, and is available until expended. The department shall apportion those costs among all energy utilities in proportion to their respective gross operating revenues from the sale of gas or electric service within the state during the last calendar year. For the purposes of administrative efficiency, the department shall assess energy utilities and issue bills in accordance with the billing and assessment procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision.

Sec. 9. Minnesota Statutes 2000, section 216C.051, subdivision 9, is amended to read:

Subd. 9. [EXPIRATION.] This section is repealed ~~March 15, 2001~~ June 30, 2005.

Sec. 10. [216C.052] [RELIABILITY ADMINISTRATOR.]

Subdivision 1. [RESPONSIBILITIES.] (a) There is established the position of reliability administrator in the department of commerce. The administrator shall act as a source of independent expertise and a technical advisor to the commissioner, the commission, the public, and the legislative electric energy task force on issues related to the reliability of the electric system. In conducting its work, the administrator shall:

(1) model and monitor the use and operation of the energy infrastructure in the state, including generation facilities, transmission lines, natural gas pipelines, and other energy infrastructure;

(2) develop and present to the commission and parties technical analyses of proposed infrastructure projects, and provide technical advice to the commission;

(3) present independent, factual, expert, and technical information on infrastructure proposals and reliability issues at public meetings hosted by the task force, the environmental quality board, the department, or the commission.

(b) Upon request and subject to resource constraints, the administrator shall provide technical assistance regarding matters unrelated to applications for infrastructure improvements to the task force, the department, or the commission.

(c) The administrator may not advocate for any particular outcome in a commission proceeding, but may give technical advice to the commission as to the impact on the reliability of the energy system of a particular project or projects. The administrator must not be considered a party or a participant in any proceeding before the commission.

Subd. 2. [ADMINISTRATIVE ISSUES.] (a) The commissioner may select the administrator who shall serve for a four-year term. The commissioner shall oversee and direct the work of the administrator, annually review the expenses of the administrator, and annually approve the budget of the administrator. The administrator may hire staff and may contract for technical expertise in performing duties when existing state resources are required for other state responsibilities or when special expertise is required. The salary of the administrator is governed by section 15A.0815, subdivision 2.

(b) Costs relating to a specific proceeding, analysis, or project are not general administrative costs. For purposes of this section, "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state.

(c) The department of commerce shall pay:

(1) the general administrative costs of the administrator, not to exceed \$1,500,000 in a fiscal year, and shall assess energy utilities for reimbursement for those administrative costs. These costs must be consistent with the budget approved by the commissioner under paragraph (a). The department shall apportion the costs among all energy utilities in proportion to their respective gross operating revenues from sales of gas or electric service within the state during the last calendar year, and shall then render a bill to each utility on a regular basis; and

(2) costs relating to a specific proceeding analysis or project and shall render a bill for reimbursement to the specific energy utility or utilities participating in the proceeding, analysis, or project directly, either at the conclusion of a particular proceeding, analysis, or project, or from time to time during the course of the proceeding, analysis, or project.

(d) For purposes of administrative efficiency, the department shall assess energy utilities and issue bills in accordance with the billing and assessment procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision. The amount of the bills rendered by the department under paragraph (c) must be paid by the energy utility into an account in the special revenue fund in the state treasury within 30 days from the date of billing and is appropriated to the commissioner for the purposes provided in this

section. The commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover amounts paid by utilities under this section. All amounts assessed under this section are in addition to amounts appropriated to the commission and the department by other law.

Subd. 3. [EXPIRATION.] This section expires June 30, 2006.

Sec. 11. [CONSERVATION IMPROVEMENT PLAN; EVALUATION OF COOPERATIVE AND MUNICIPAL PROGRAMS.]

(a) In consultation with the department of commerce, cooperative electric associations and municipal utilities shall evaluate their energy and capacity conservation programs, develop plans for future programs, and report their findings and plans to the chairs of the house of representatives and senate committees with jurisdiction over energy issues by June 1, 2002. Evaluations may be conducted jointly with other entities subject to this section, and shall address:

(1) whether the utility or association has implemented and is implementing cost-effective energy conservation programs;

(2) the availability of basic conservation services and programs to customers;

(3) methodologies that best quantify energy savings, cost-effectiveness, and the potential for cost-effective conservation improvements;

(4) the role of capacity conservation in meeting utility planning needs and state energy goals; and

(5) the ability of energy conservation programs to avoid the need for construction of generation facilities and transmission lines.

(b) The evaluation must develop program and performance goals that recognize customer class, utility service area demographics, cost of program delivery, regional economic indicators, and utility load shape. The cost of the evaluation may be deducted from the utility's or association's conservation spending obligation under Minnesota Statutes 2000, section 216B.241.

Sec. 12. [COOPERATIVE CONSERVATION INVESTMENT INCREASE PHASE-IN.]

The increase in required conservation improvement expenditures by a cooperative electric association that results from the amendments in section 5 to Minnesota Statutes, section 216B.241, subdivision 1b, paragraph (a), clause (1), must be phased in as follows:

(1) at least 25 percent shall be effective in year 2002;

(2) at least 50 percent shall be effective in year 2003;

(3) at least 75 percent shall be effective in year 2004; and

(4) all of the increase shall be effective in year 2005 and thereafter.

Sec. 13. [DISTRIBUTED ENERGY RESOURCES.]

(a) To the extent that cost-effective projects are available in the service territory of a utility or association providing conservation services under Minnesota Statutes, section 216B.241, the utility or association shall use five percent of the total amount to be spent on energy conservation improvements under Minnesota Statutes, section 216B.241, on:

(1) projects to construct an electric generating facility that utilizes renewable fuels as defined in Minnesota Statutes, section 216B.2422, subdivision 1, such as methane or other combustible gases derived from the processing of plant or animal wastes, biomass fuels such as short-rotation woody or fibrous agricultural crops, or other renewable fuel, as its primary fuel source; or

(2) projects to install a distributed generation facility of ten megawatts or less of interconnected capacity that is fueled by natural gas, renewable fuels, or another similarly clean fuel.

(b) For public utilities, as defined under Minnesota Statutes, section 216B.02, subdivision 4, projects under this section must be considered energy conservation improvements as defined in Minnesota Statutes, section 216B.241. For cooperative electric associations and municipal utilities, projects under this section must be considered load management activities described in Minnesota Statutes, section 216B.241, subdivision 1, paragraph (i).

(c) This section expires May 30, 2006.

Sec. 14. [TRANSITION.]

The commission may provide an alternative recovery mechanism for the expense of continuing existing approved cost-effective projects by a rate-regulated distribution cooperative electric association.

Sec. 15. [CONSERVATION INVESTMENT PROGRAM STUDY.]

(a) The commissioner of commerce shall study the conservation investment program created under Minnesota Statutes, section 216B.241, and make recommendations to the legislature on changes in the program that will assist the program to obtain the maximum energy savings possible from spending and investments under the program. The study must include, at a minimum:

(1) a review of administrative burdens imposed by the program with the goal to reduce them to the maximum extent consistent with ensuring that the program will meet its goal of maximum energy savings with program funds;

(2) identification of spending and investments with high potential for saving energy and suggestions for targeting the program at those expenditures and investments; and

(3) appropriate levels of spending and investment under the program.

(b) The commissioner shall solicit written public comment on the study and submit a report and a copy of the written comments to the committees of the legislature having principal jurisdiction on energy matters by November 15, 2001.

Sec. 16. [EXEMPTION EXTENDED.]

(a) The commissioner of commerce shall not review the exemption under Minnesota Statutes, section 216B.241, subdivision 1a, paragraph (b), of a large electric customer facility, as defined in Minnesota Statutes, section 216B.241, subdivision 1, paragraph (g), from the investment and expenditure requirements of Minnesota Statutes, section 216B.241, subdivision 1a, paragraph (b), for five years from the date the exemption was granted, provided the exemption was granted before April 15, 2001.

(b) A large electric customer facility as defined in Minnesota Statutes, section 216B.241, subdivision 1, that is exempt from the investment and expenditure requirements of Minnesota Statutes, section 216B.241, by virtue of a contract approved by the public utilities commission prior to April 15, 2001, under Minnesota Statutes, section 216B.162, shall remain exempt from those requirements until April 15, 2006.

(c) This section does not apply if the customer facility's monthly peak measured demand for three consecutive months exceeds 110 percent of the annual peak measured demand of the facility in the year the exemption was granted.

Sec. 17. [UNIVERSAL ENERGY SERVICE PROGRAM.]

The department of commerce shall report to the legislature by January 15, 2002, regarding the development of a universal energy service program. The purpose of the program is to provide energy bill payment and conservation assistance to low- and moderate-income energy customers. The report shall include proposals for implementing the program, including, but not limited to, proposals to establish income eligibility, estimate the percentage of income that eligible customers devote to energy costs, determine the level of funding required to significantly lower the energy burden of eligible customers, establish funding collection and distribution methods, and measure the impact of charges for the program on all Minnesota energy consumers.

Sec. 18. [APPROPRIATION.]

The commissioner of commerce shall transfer up to \$500,000 annually of the amounts provided for in section 11, subdivision 2, to the commissioner of administration for the purposes provided in article 1, section 2, as needed to implement that section.

Sec. 19. [EFFECTIVE DATE.]

Sections 14, 15, and 16 are effective the day following final enactment. Sections 4 to 7, 10, 12, 13, and 18 are effective January 1, 2002. Section 9 is effective retroactively from March 1, 2001. Section 8 is effective July 1, 2001."

Delete the title and insert:

"A bill for an act relating to energy; enacting the Minnesota Energy Security and Reliability Act; requiring an energy security blueprint and a state transmission plan; establishing position of reliability administrator; providing for essential energy infrastructure; modifying provisions for siting, routing, and determining the need for large electric power facilities; regulating conservation expenditures by energy utilities and eliminating state pre-approval of conservation plans by public utilities; encouraging regulatory flexibility in supplying and obtaining energy; regulating interconnection of distributed utility resources; providing for safety and service standards from distribution utilities; clarifying the state cold weather disconnection requirements; authorizing municipal utilities, municipal power agencies, cooperative utilities, and investor-owned utilities to form joint ventures to provide utility services; eliminating the requirement for individual utility resource plans; requiring reports; making technical, conforming, and clarifying changes; appropriating money; amending Minnesota Statutes 2000, sections 16B.32, subdivision 2; 116C.52, subdivisions 4, 10; 116C.53, subdivisions 2, 3; 116C.57, subdivisions 1, 2, 4, by adding subdivisions; 116C.58; 116C.59, subdivisions 1, 4; 116C.60; 116C.61, subdivisions 1, 3; 116C.62; 116C.64; 116C.645; 116C.65; 116C.66; 116C.69; 216B.095; 216B.097, subdivision 1; 216B.16, subdivision 15; 216B.1645; 216B.241, subdivisions 1, 1a, 1b, 2; 216B.2421, subdivision 2; 216B.243, subdivisions 3, 4, 8; 216B.62, subdivision 5; 216C.051, subdivisions 6, 9; 216C.41, subdivisions 3, 5, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16B; 116C; 216B; 216C; 452; repealing Minnesota Statutes 2000, sections 116C.55, subdivisions 2, 3; 116C.57, subdivisions 3, 5, 5a; 116C.67; 216B.2421, subdivision 3."

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

Senate Conferees: JAMES P. METZEN, KENRIC J. SCHEEVEL, STEVE KELLEY, ELLEN R. ANDERSON AND DALLAS C. SAMS.

House Conferees: KEN WOLF, DENNIS OZMENT, BOB GUNTHER, MARK WILLIAM HOLSTEN AND LOREN JENNINGS.

Wolf moved that the report of the Conference Committee on S. F. No. 722 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 722, A bill for an act relating to energy; providing for comprehensive energy conservation, production, and regulatory changes; amending Minnesota Statutes 2000, sections 16B.32, subdivision 2; 116C.52, subdivisions 4, 10; 116C.53, subdivisions 2, 3; 116C.57, subdivisions 1, 2, 4, by adding subdivisions; 116C.58; 116C.59, subdivisions 1, 4; 116C.60; 116C.61, subdivisions 1, 3; 116C.62; 116C.63, subdivision 2; 116C.645; 116C.65; 116C.66; 116C.69; 216B.095; 216B.097, subdivision 1; 216B.16, subdivision 15; 216B.241, subdivisions 1, 1a, 1b, 1c, 2; 216B.2421, subdivision 2; 216B.243, subdivisions 3, 4, 8; 216B.62, subdivision 5; 216C.41; proposing coding for new law in Minnesota Statutes, chapters 16B; 116C; 216B; 452; repealing Minnesota Statutes 2000, sections 116C.55, subdivisions 2, 3; 116C.57, subdivisions 3, 5, 5a; 116C.67; 216B.2421, subdivision 3.

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 98 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Abeler	Eastlund	Johnson, J.	Marquart	Rhodes	Thompson
Abrams	Erhardt	Johnson, R.	McElroy	Rifenberg	Tingelstad
Anderson, B.	Erickson	Juhnke	Molnau	Rukavina	Tuma
Anderson, I.	Finseth	Kielkucki	Mulder	Ruth	Vandever
Bakk	Fuller	Knoblach	Ness	Schumacher	Walz
Bishop	Gerlach	Krinkie	Nornes	Seagren	Wenzel
Boudreau	Goodno	Kubly	Olson	Seifert	Westerberg
Bradley	Gunther	Kuisle	Opatz	Sertich	Westrom
Buesgens	Haas	Larson	Osskopp	Skoe	Wilkin
Carlson	Hackbarth	Lenczewski	Osthoff	Slawik	Winter
Cassell	Harder	Leppik	Ozment	Smith	Wolf
Clark, J.	Holberg	Lieder	Paulsen	Solberg	Workman
Daggett	Holsten	Lindner	Pawlenty	Stanek	Spk. Sviggum
Dehler	Howes	Lipman	Pelowski	Stang	
Dempsey	Huntley	Mahoney	Penas	Swapinski	
Dorman	Jacobson	Mares	Peterson	Swenson	
Dorn	Jennings	Marko	Pugh	Sykora	

Those who voted in the negative were:

Bernardy	Entenza	Greiling	Kahn	Mariani	Paymar
Biernat	Evans	Hausman	Kalis	McGuire	Skoglund
Clark, K.	Folliard	Hilstrom	Kelliher	Milbert	Wagenius
Davnie	Gleason	Hilty	Koskinen	Mullery	Walker
Dawkins	Goodwin	Jaros	Leighton	Murphy	Wasiluk
Dibble	Gray	Johnson, S.	Luther	Otremba	

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. 2208, A bill for an act relating to public finance; updating and making technical changes to public finance provisions related to debt obligations, financing of certain equipment and hardware and software; removing election requirements for issuance of certain obligations; authorizing flexibility in stating certain ballot questions;

updating and changing the Minnesota Bond Allocation Act; providing for the powers of housing and redevelopment authorities in Scott county and Carver county; authorizing issuance of certain obligations by the city of St. Paul; clarifying an appropriation; amending Minnesota Statutes 2000, sections 103B.555, by adding a subdivision; 165.10, subdivision 2; 275.60; 373.01, subdivision 3; 373.45, subdivision 3; 376.08, subdivisions 1, 3, by adding a subdivision; 410.32; 412.301; 429.091, subdivision 7a; 474A.02, subdivisions 8, 13a, 22a, 22b, 23a; 474A.03, subdivisions 1, 2a, 4; 474A.04, subdivisions 1a, 5; 474A.045; 474A.047, subdivisions 1, 2; 474A.061, subdivisions 1, 2a, 2b, 2c, 4; 474A.091, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 474A.131, subdivisions 1, 2, by adding a subdivision; 474A.14; 475.54, subdivision 1; 475.58, subdivision 1; 475.59; Laws 1974, chapter 473; Laws 1980, chapter 482; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 2000, section 474A.061, subdivision 6.

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

Senators Pogemiller, Fowler and Belanger.

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

Abrams 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. 2208. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1261, A bill for an act relating to the operation of state government; continuing a task force on agency purchases from correctional industries; requiring an annual report from the department of corrections; providing certification standards for juvenile facilities; requiring standards for chemical dependency treatment programs; requiring the commissioner of corrections to establish a health care peer review committee; requiring commissioner of corrections to contract with commissioner of human services for background studies of individuals providing services in certain facilities; removing certain obsolete provisions in correction law; clarifying responsibilities and updating language in law governing correctional psychiatric unit; authorizing a corrections agent to request a review of an offender's risk level based on offender behavior in the community; providing for investigation of deaths occurring in correctional facilities; requiring judges to determine if offenders are eligible for challenge incarceration programs based upon correctional department criteria; defining criminal sexual conduct to include certain employees working in correctional facilities; requiring mandatory sex offender assessments for repeat offenders; providing that human immunodeficiency virus testing data of sex offenders to be maintained in correctional medical records; amending Minnesota Statutes 2000, sections 16B.181, subdivision 2; 241.016, subdivision 1; 241.018; 241.021, subdivisions 1, 4, 4a, 6, by adding a subdivision; 241.67, subdivision 8; 241.69; 242.32, subdivision 1a; 243.05, subdivision 6; 243.51, subdivision 2; 243.53, subdivision 1; 244.052, subdivision 3; 244.17, subdivision 1; 244.173; 390.11, subdivision 1, by adding a subdivision; 390.32, by adding a subdivision; 609.105, by adding a subdivision; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3452, subdivision 1, by adding subdivisions; 611A.19; Laws 1996, chapter 463, section 16, subdivision 3, as amended; repealing Minnesota Statutes 2000, sections 241.016, subdivision 2; 241.018; 241.19; 241.272, subdivision 7; 242.51.

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. 1310, A bill for an act relating to construction; giving the state building official final authority for interpreting the State Building Code and prescribing its enforcement; requiring municipalities to submit annual reports on construction-related fees; regulating construction-related fees; prohibiting municipalities from requiring waivers of rights as a condition for issuance of a construction-related permit; amending Minnesota Statutes 2000, sections 16B.61, subdivision 1; 16B.62, subdivision 1; 16B.63, by adding a subdivision; 326.90, subdivision 1; 462.353, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16B; 462.

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. 1406, A bill for an act relating to health; establishing maternal death reviews; amending Minnesota Statutes 2000, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 2000, sections 13.3806, subdivision 19; and 145.90.

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 the repassage by the Senate of the following Senate File, notwithstanding the veto by the Governor:

S. F. No. 1821, A bill for an act relating to utilities; modifying provisions regulating utility facilities in railroad rights-of-way; amending Minnesota Statutes 2000, section 237.04.

The enrolled copy of S. F. No. 1821, with all of the signatures of the officers of the Senate and the House together with the Governor's objections, is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

MOTION TO OVERRIDE VETO

Workman moved that S. F. No. 1821, Chapter No. 122, be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

The question was taken on the Workman motion to reconsider and repass S. F. No. 1821, Chapter No. 122, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota and the roll was called. There were 83 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holsten	Lipman	Pugh	Swenson
Abrams	Eastlund	Howes	Mares	Rhodes	Sykora
Anderson, B.	Entenza	Huntley	McElroy	Rifenberg	Tingelstad
Anderson, I.	Erhardt	Jacobson	Milbert	Rukavina	Tuma
Bakk	Erickson	Jaros	Molnau	Ruth	Vandever
Bishop	Finseth	Jennings	Ness	Schumacher	Walz
Boudreau	Fuller	Johnson, J.	Nornes	Seagren	Wenzel
Bradley	Gerlach	Kelliher	Olson	Seifert	Westerberg
Buesgens	Goodno	Kielkucki	Osskopp	Sertich	Westrom
Cassell	Gunther	Knoblach	Otremba	Smith	Wilkin
Clark, J.	Haas	Kubly	Paulsen	Solberg	Wolf
Daggett	Hackbarth	Kuisle	Pawlenty	Stanek	Workman
Dehler	Harder	Leppik	Pelowski	Stang	Spk. Sviggum
Dempsey	Hilty	Lindner	Penas	Swapinski	

Those who voted in the negative were:

Bernardy	Folliard	Johnson, S.	Lieder	Murphy	Wagenius
Biernat	Gleason	Juhnke	Luther	Opatz	Walker
Carlson	Goodwin	Kahn	Mahoney	Osthoff	Wasiluk
Clark, K.	Gray	Kalis	Mariani	Paymar	Winter
Davnie	Greiling	Koskinen	Marko	Peterson	
Dawkins	Hausman	Krinkie	Marquart	Skoe	
Dibble	Hilstrom	Larson	McGuire	Skoglund	
Dorn	Holberg	Leighton	Mulder	Slawik	
Evans	Johnson, R.	Lenczewski	Mullery	Thompson	

Not having received the constitutionally required two-thirds vote, the bill was not reconsidered and repassed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2208:

Abrams, McElroy and Milbert.

MESSAGES FROM THE SENATE, Continued

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 8, A senate concurrent resolution relating to adjournment of the Senate and House of Representatives until 2002.

PATRICK E. FLAHAVER, Secretary of the Senate

SUSPENSION OF RULES

Pawlenty moved that the rules be so far suspended that Senate Concurrent Resolution No. 8 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 8

A Senate concurrent resolution relating to adjournment of the Senate and House of Representatives until 2002.

Be It Resolved, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon their adjournments on May 21, 2001, the Senate may set its next day of meeting for Tuesday, January 29, 2002, at 12:00 noon and the House of Representatives may set its next day of meeting for Tuesday, January 29, 2002, at 12:00 noon.
2. By the adoption of this resolution, each house consents to adjournment of the other house for more than three days.

Pawlenty moved that Senate Concurrent Resolution No. 8 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 8 was adopted.

REPORTS FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Pawlenty for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Be It Resolved, by the House of Representatives of the State of Minnesota, that while it is adjourned during the Eighty-Second Legislature, the Chief Clerk and Chief Sergeant at Arms under the direction of the Speaker shall maintain House facilities in the Capitol complex. The House Chamber, Retiring Room, hearing and conference rooms, and offices shall be set up and made ready for legislative use and reserved for the House and its committees. Those rooms may be reserved for uses by others that are not in conflict with the House's use.

Be It Further Resolved that the House Chamber, Retiring Room, and hearing rooms may be used by the Territorial Pioneers, YMCA Youth in Government, Girls' State, Young Leaders Organization, National Forensics League, and 4-H Leadership Conference.

The motion prevailed and the report was adopted.

Pawlenty for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Be It Resolved, by the House of Representatives of the State of Minnesota, that while it is adjourned during the Eighty-Second Legislature, it retains the use of parking lots AA, B, C, P, O, X and N, and the state office building parking ramp, for members and employees of the House of Representatives.

Be It Further Resolved that the Chief Sergeant at Arms is directed to manage the use of the lots and ramp while the House of Representatives is adjourned.

The motion prevailed and the report was adopted.

Pawlenty for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Be It Resolved, by the House of Representatives of the State of Minnesota, that the Chief Clerk is directed to correct and approve the Journal of the House for May 21, 2001.

Be It Further Resolved that the Chief Clerk is authorized to include in the Journal of the House for May 21, 2001, any proceedings including subsequent proceedings and any legislative interim committees or commissions created or appointments made to them by legislative action or by law.

The motion prevailed and the report was adopted.

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the repassage by the Senate of the following Senate File, notwithstanding the veto by the Governor:

S. F. No. 2031, A bill for an act relating to contracts; regulating public works contracts; proposing coding for new law in Minnesota Statutes, chapter 15.

The enrolled copy of S. F. No. 2031, with all of the signatures of the officers of the Senate and the House together with the Governor's objections, is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

MOTION TO OVERRIDE VETO

Clark, J., moved that S. F. No. 2031, Chapter No. 126, be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

The question was taken on the Clark, J., motion to reconsider and repass S. F. No. 2031, Chapter No. 126, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota and the roll was called. There were 70 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Harder	Lipman	Rifenberg	Vanderveer
Abrams	Eastlund	Hilty	Mares	Rukavina	Walz
Anderson, B.	Entenza	Holsten	McElroy	Ruth	Wenzel
Bakk	Erhardt	Howes	Molnau	Seagren	Westerberg
Bishop	Erickson	Jacobson	Nornes	Seifert	Westrom
Boudreau	Finseth	Johnson, J.	Olson	Stanek	Wilkin
Bradley	Fuller	Kelliher	Osskopp	Stang	Winter
Buesgens	Gerlach	Kielkucki	Paulsen	Swenson	Wolf
Cassell	Goodno	Knoblach	Pawlenty	Sykora	Workman
Clark, J.	Gunther	Kuisele	Penas	Thompson	Spk. Sviggum
Daggett	Haas	Leppik	Pugh	Tingelstad	
Dehler	Hackbarth	Lindner	Rhodes	Tuma	

Those who voted in the negative were:

Anderson, I.	Folliard	Johnson, R.	Lieder	Ness	Skoglund
Bernardy	Gleason	Johnson, S.	Luther	Opatz	Slawik
Biernat	Goodwin	Juhnke	Mahoney	Osthoff	Smith
Carlson	Gray	Kahn	Mariani	Otremba	Solberg
Clark, K.	Greiling	Kalis	Marko	Ozment	Swapinski
Davnie	Hausman	Koskinen	Marquart	Paymar	Wagenius
Dawkins	Hilstrom	Krinkie	McGuire	Pelowski	Walker
Dempsey	Holberg	Kubly	Milbert	Peterson	Wasiluk
Dibble	Huntley	Larson	Mulder	Schumacher	
Dorn	Jaros	Leighton	Mullery	Sertich	
Evans	Jennings	Lenczewski	Murphy	Skoe	

Not having received the constitutionally required two-thirds vote, the bill was not reconsidered and repassed.

Mr. Speaker:

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

S. F. No. 1495.

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. 1495

A bill for an act relating to agriculture; modifying provisions of the value-added agricultural product processing and marketing grant program; eliminating the late fee for the license to use the Minnesota grown label; clarifying the term "private contributions" for the Minnesota grown matching account; modifying provisions of the shared

savings loan program and the sustainable agriculture demonstration grant program; modifying provisions of the agriculture best management practices loan program; regulating pesticide application in certain schools; modifying financing limitations for the administration of the state meat inspection program; authorizing the state agricultural society to establish a nonprofit corporation for charitable purposes; modifying provisions relating to the rural finance authority; extending the sunset date and providing for designation of replacement members of the Minnesota agriculture education leadership council; modifying the definition of "agricultural land" for the purpose of recreational trespass; extending the sunset of the dairy producers board, and conditionally voiding its repeal; providing for pesticide application on golf courses; changing certain membership provisions on the state agricultural society; defining biodiesel fuel and requiring it in diesel fuel oil; requiring reports on it; allowing natural gasoline as a petroleum component in E85 fuel; extending the sunset date for the farmer-lender mediation program; providing a temporary waiver of board of animal health rules for use of biological products on poultry; adding cultivated wild rice to the agricultural commodities promotion act provision; repealing obsolete agricultural statutes; amending Minnesota Statutes 2000, sections 17.101, subdivision 5; 17.102, subdivision 3; 17.109, subdivision 3; 17.115; 17.116; 17.117; 17.53, subdivisions 2, 8, 13; 17.63; 17.76, subdivision 2; 18B.01, by adding a subdivision; 31A.21, subdivision 2; 37.03, subdivision 1; 41B.025, subdivision 1; 41B.03, subdivision 2; 41B.043, subdivisions 1b, 2; 41B.046, subdivision 2; 41D.01, subdivisions 1, 3, 4; 97B.001, subdivision 1; 116O.09, subdivision 1a; 296A.01, subdivision 19; Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapters 18B; 37; 239; repealing Minnesota Statutes 2000, sections 17.987; 24.001; 24.002; 24.12; 24.131; 24.135; 24.141; 24.145; 24.151; 24.155; 24.161; 24.171; 24.175; 24.18; 24.181; 33.09; 33.111.

May 19, 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. 1495, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1495 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 15.059, subdivision 5a, is amended to read:

Subd. 5a. [LATER EXPIRATION.] Notwithstanding subdivision 5, the advisory councils and committees listed in this subdivision do not expire June 30, 1997. These groups expire June 30, 2001, unless the law creating the group or this subdivision specifies an earlier expiration date.

Investment advisory council, created in section 11A.08;

Intergovernmental information systems advisory council, created in section 16B.42, expires June 30, 1999;

~~Feedlot and manure management advisory committee, created in section 17.136;~~

Aquaculture advisory committee, created in section 17.49;

Dairy producers board, created in section 17.76;

~~Pesticide applicator education and examination review board, created in section 18B.305;~~

~~Advisory seed potato certification task force, created in section 21.112;~~

~~Food safety advisory committee, created in section 28A.20;~~
~~Minnesota organic advisory task force, created in section 31.95;~~
Public programs risk adjustment work group, created in section 62Q.03;
Workers' compensation self-insurers' advisory committee, created in section 79A.02;
Youth corps advisory committee, created in section 84.0887;
Iron range off-highway vehicle advisory committee, created in section 85.013;
Mineral coordinating committee, created in section 93.002;
Game and fish fund citizen advisory committees, created in section 97A.055;
Wetland heritage advisory committee, created in section 103G.2242;
Wastewater treatment technical advisory committee, created in section 115.54;
Solid waste management advisory council, created in section 115A.12;
Nuclear waste council, created in section 116C.711;
Genetically engineered organism advisory committee, created in section 116C.93;
Environment and natural resources trust fund advisory committee, created in section 116P.06;
Child abuse prevention advisory council, created in section 119A.13;
Chemical abuse and violence prevention council, created in section 119A.293;
Youth neighborhood centers advisory board, created in section 119A.295;
Interagency coordinating council, created in section 125A.28, expires June 30, 1999;
Desegregation/integration advisory board, created in section 124D.892;
Nonpublic education council, created in section 123B.445;
Permanent school fund advisory committee, created in section 127A.30;
Indian scholarship committee, created in section 124D.84, subdivision 2;
American Indian education committees, created in section 124D.80;
Summer scholarship advisory committee, created in section 124D.95;
Multicultural education advisory committee, created in section 124D.894;
Male responsibility and fathering grants review committee, created in section 124D.33;
Library for the blind and physically handicapped advisory committee, created in section 134.31;

Higher education advisory council, created in section 136A.031;

Student advisory council, created in section 136A.031;

Cancer surveillance advisory committee, created in section 144.672;

Maternal and child health task force, created in section 145.881;

State community health advisory committee, created in section 145A.10;

Mississippi River Parkway commission, created in section 161.1419;

School bus safety advisory committee, created in section 169.435;

Advisory council on workers' compensation, created in section 175.007;

Code enforcement advisory council, created in section 175.008;

Medical services review board, created in section 176.103;

Apprenticeship advisory council, created in section 178.02;

OSHA advisory council, created in section 182.656;

Health professionals services program advisory committee, created in section 214.32;

Rehabilitation advisory council for the blind, created in section 248.10;

American Indian advisory council, created in section 254A.035;

Alcohol and other drug abuse advisory council, created in section 254A.04;

Medical assistance drug formulary committee, created in section 256B.0625;

Home care advisory committee, created in section 256B.071;

Preadmission screening, alternative care, and home and community-based services advisory committee, created in section 256B.0911;

Traumatic brain injury advisory committee, created in section 256B.093;

Minnesota commission serving deaf and hard-of-hearing people, created in section 256C.28;

American Indian child welfare advisory council, created in section 260.835;

Juvenile justice advisory committee, created in section 268.29;

Northeast Minnesota economic development fund technical advisory committees, created in section 298.2213;

Iron range higher education committee, created in section 298.2214;

Northeast Minnesota economic protection trust fund technical advisory committee, created in section 298.297;

Advisory council on battered women and domestic abuse, created in section 611A.34.

Sec. 2. Minnesota Statutes 2000, section 17.039, is amended to read:

17.039 [ETHICAL GUIDELINES FOR FARM ADVOCATES.]

~~The commissioner of agriculture shall establish not later than August 1, 1986, ethical guidelines for farm advocates who perform the duties of an advocate. The Ethical guidelines developed by the commissioner must be part of the contract with each farm advocate.~~

Sec. 3. Minnesota Statutes 2000, section 17.101, subdivision 5, is amended to read:

Subd. 5. [VALUE-ADDED AGRICULTURAL PRODUCT PROCESSING AND MARKETING GRANT PROGRAM.] (a) For purposes of this section:

(1) "agricultural commodity" means a material produced for use in or as food, feed, seed, or fiber and includes crops for fiber, food, oilseeds, seeds, livestock, livestock products, dairy, dairy products, poultry, poultry products, and other products or by-products of the farm produced for the same or similar use, except ethanol; and

(2) "agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agricultural commodities produced in Minnesota.

(b) The commissioner shall establish and implement a value-added agricultural product processing and marketing grant program to help farmers finance new cooperatives that organize for the purposes of operating agricultural product processing facilities, forming marketing cooperatives, and for marketing activities related to the sale and distribution of processed agricultural products.

(c) To be eligible for this program a grantee must:

(1) be a cooperative organized under chapter 308A;

(2) certify that all of the control and equity in the cooperative is from farmers, family farm partnerships, family farm limited liability companies, or family farm corporations as defined in section 500.24, subdivision 2, who are actively engaged in agricultural commodity production;

(3) be operated primarily for the processing of agricultural commodities produced in Minnesota;

(4) receive agricultural commodities produced primarily by shareholders or members of the cooperative; and

(5) have no direct or indirect involvement in the production of agricultural commodities.

(d) The commissioner may receive applications from and make grants up to \$50,000 for feasibility, marketing analysis, assistance with organizational development, financing and managing new cooperatives, product development, development of business and marketing plans, and predesign of facilities including site analysis, development of bid specifications, preliminary blueprints and schematics, and completion of purchase agreements and other necessary legal documents to eligible cooperatives. The commissioner shall give priority to applicants who use the grants for planning costs related to an application for financial assistance from the United States Department of Agriculture, Rural Business - Cooperative Service.

Sec. 4. Minnesota Statutes 2000, section 17.109, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] Appropriations to the Minnesota grown matching account may be expended only to the extent that they are matched with contributions to the account from private sources on a basis of \$4 of the appropriation to each \$1 of private contributions. Matching funds are

not available after the appropriation is encumbered. For the purposes of this subdivision, "private contributions" includes, but is not limited to, advertising revenue, listing fees, and revenues from the development and sale of promotional materials.

Sec. 5. Minnesota Statutes 2000, section 17.115, is amended to read:

17.115 [SHARED SAVINGS LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish a shared savings loan program to provide loans that enable farmers to adopt best management practices that emphasize sufficiency and self-sufficiency in agricultural inputs, including energy efficiency, reduction or improved management of petroleum and chemical inputs, and increasing the energy self-sufficiency of production by agricultural producers, and environmental improvements.

Subd. 2. [LOAN CRITERIA.] (a) The shared savings loan program must provide loans for purchase of new or used machinery; and installation of equipment; and for projects that reduce or make more efficient farm energy use make environmental improvements or enhance farm profitability. Eligible loan uses do not include seed, fertilizer, or fuel.

(b) Loans may not exceed ~~\$15,000~~ \$25,000 per individual applying for a loan and may not exceed ~~\$75,000~~ \$100,000 for loans to ~~five~~ four or more individuals on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest on the loans is six percent.

(c) Loans may only be made to residents of this state engaged in farming.

Subd. 3. [AWARDING OF LOANS.] (a) Applications for loans must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a loan review panel appointed by the commissioner. The loan review panel shall consist of two lenders with agricultural experience, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, a farm management specialist, a representative from a post-secondary education institution, and a chair from the department.

(c) The loan review panel shall rank applications according to the following criteria:

(1) realize savings to the cost of agricultural production ~~and project savings to repay the cost of the loan;~~

(2) reduce or make more efficient use of energy or inputs; ~~and~~

(3) ~~reduce production costs~~ increase overall farm profitability; ~~and~~

(4) result in environmental benefits.

(d) A loan application must show that the loan can be repaid by the applicant.

(e) The commissioner must consider the recommendations of the loan review panel and may make loans for eligible projects. ~~Priority must be given based on the amount of savings realized by adopting the practice implemented by the loan.~~

Subd. 4. [ADMINISTRATION; INFORMATION DISSEMINATION.] The amount in the revolving loan account is appropriated to the commissioner to make loans under this section and administer the loan program. The interest on the money in the revolving loan account and the interest on loans repaid to the state may be spent by the commissioner for administrative expenses. The commissioner shall collect and disseminate information relating to projects for which loans are given under this section.

Subd. 5. [FARM MANURE DIGESTER TECHNOLOGY.] Appropriations in Laws 1998, chapter 401, section 6, must be used for revolving loans for demonstration projects of farm manure digester technology. Notwithstanding the limitations of subdivision 2, paragraphs (b) and (c), loans under this subdivision are no-interest loans in principal amounts not to exceed \$200,000 and may be made to any resident of this state. Loans for one or more projects must be made only after the commissioner seeks applications. Loans under this program may be used as a match for federal loans or grants. Money repaid from loans must be returned to the revolving fund for future projects.

Sec. 6. Minnesota Statutes 2000, section 17.116, is amended to read:

17.116 [SUSTAINABLE AGRICULTURE DEMONSTRATION GRANTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner ~~of agriculture~~ shall establish a grant program for sustainable agriculture methods that demonstrates best management practices, including farm input reduction or management, enterprise diversification including new crops and livestock, farm energy efficiency; ~~or usable on-farm energy production, or the transfer of technologies that enhance the environment and farm profitability.~~ The commissioner shall use the program to demonstrate and publicize the energy efficiency, environmental benefit, and profitability of sustainable agriculture techniques or systems from production through marketing. The grants must fund research or demonstrations on farms ~~of external input reduction techniques or farm scale energy production methods~~ consistent with the program objectives.

Subd. 2. [ELIGIBILITY.] (a) Grants may only be made to farmers, educational institutions, individuals at educational institutions, or nonprofit organizations residing or located in the state for research or demonstrations on farms in the state.

(b) Grants may only be made for projects that show:

- (1) the ability to maximize direct or indirect energy savings or production;
- (2) a positive effect or reduced adverse effect on the environment; and
- (3) increased profitability for the individual farm by reducing costs or improving marketing opportunities.

Subd. 3. [AWARDING OF GRANTS.] (a) Applications for grants must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a technical review panel appointed by the commissioner. The technical review panel shall consist of a soil scientist, an agronomist, a representative from a post-secondary educational institution, an agricultural marketing specialist, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, and a chair from the department.

(c) The technical review panel shall rank applications according to the following criteria:

- (1) direct or indirect energy savings or production;
- (2) environmental benefit;
- (3) farm profitability;
- (4) the number of farms able to apply the techniques or the technology proposed;
- (5) the effectiveness of the project as a demonstration;
- (6) the immediate transferability of the project to farms; and

(7) the ability of the project to accomplish its goals.

(d) The commissioner shall consider the recommendations of the technical review panel and may award grants for eligible projects. Priority must be given to applicants who are farmers or groups of farmers.

(e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000 is matched on an equal basis by the applicant's cash or in-kind land use contribution. Grant funding of projects may not exceed \$50,000 under this section, but applicants may utilize other funding sources. A portion of each grant must be targeted for public information activities of the project.

(f) A project may continue for up to three years. Multiyear projects must be reevaluated by the technical review panel and the commissioner before second or third year funding is approved. A project is limited to one grant for its funding.

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 17.53, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL COMMODITY.] (a) Except as provided in paragraph (b), "agricultural commodity" means any agricultural product, including, without limitation, animals and animal products, grown, raised, produced, or fed within Minnesota for use as food, feed, seed, or any industrial or chemurgic purpose.

(b) For wheat ~~and~~, barley, and cultivated wild rice, "agricultural commodity" means wheat ~~and~~, barley, and cultivated wild rice including, without limitation, wheat ~~and~~, barley, and cultivated wild rice grown or produced within or outside Minnesota, for use as food, feed, seed, or any industrial or chemurgic purpose.

Sec. 9. Minnesota Statutes 2000, section 17.53, subdivision 8, is amended to read:

Subd. 8. [FIRST PURCHASER.] (a) Except as provided in paragraph (b), "first purchaser" means any person that buys agricultural commodities for movement into commercial channels from the producer; or any lienholder, secured party or pledgee, public or private, or assignee of said lienholder, secured party or pledgee, who gains title to the agricultural commodity from the producer as the result of exercising any legal rights by the lienholder, secured party, pledgee, or assignee thereof, regardless of when the lien, security interest or pledge was created and regardless of whether the first purchaser is domiciled within the state or without. "First purchaser" does not mean the commodity credit corporation when a commodity is used as collateral for a federal nonrecourse loan unless the commissioner determines otherwise.

(b) For wheat ~~and~~, barley, and cultivated wild rice, "first purchaser" means a person who buys, receives delivery of, or provides storage for the agricultural commodity from a producer for movement into commercial channels; or a lienholder, secured party, or pledgee, who gains title to the agricultural commodity from the producers as the result of exercising any legal rights by the lienholder, secured party, pledgee, or assignee, regardless of when the lien, security interest, or pledge was created and regardless of whether or not the first purchaser is domiciled in the state. "First purchaser" does not mean the commodity credit corporation when the wheat ~~or~~, barley, or cultivated wild rice is used as collateral for a federal nonrecourse loan unless the commissioner determines otherwise.

Sec. 10. Minnesota Statutes 2000, section 17.53, subdivision 13, is amended to read:

Subd. 13. [PRODUCER.] (a) Except as provided in paragraph (b), "producer" means any person who owns or operates an agricultural producing or growing facility for an agricultural commodity and shares in the profits and risk of loss from such operation, and who grows, raises, feeds or produces the agricultural commodity in Minnesota during the current or preceding marketing year.

(b) For wheat ~~and~~, barley, and cultivated wild rice, "producer" means in addition to the meaning in paragraph (a) and for the purpose of the payment or the refund of the checkoff fee paid pursuant to sections 17.51 to 17.69 only, a person who delivers into, stores within, or makes the first sale of the agricultural commodity in Minnesota.

Sec. 11. Minnesota Statutes 2000, section 17.63, is amended to read:

17.63 [REFUND OF FEES.]

(a) Any producer, except a producer of potatoes in area number one, as listed in section 17.54, subdivision 9, a producer of wheat or barley, or a producer of ~~paddy~~ cultivated wild rice, may, by the use of forms to be provided by the commissioner and upon presentation of such proof as the commissioner requires, have the checkoff fee paid pursuant to sections 17.51 to 17.69 fully or partially refunded, provided the checkoff fee was remitted on a timely basis. The request for refund must be received in the office of the commissioner within the time specified in the promotion order following the payment of the checkoff fee. In no event shall these requests for refund be accepted more often than 12 times per year. Refund shall be made by the commissioner and council within 30 days of the request for refund provided that the checkoff fee sought to be refunded has been received. Rules governing the refund of checkoff fees for all commodities shall be formulated by the commissioner, shall be fully outlined in the promotion order, and shall be available for the information of all producers concerned with the referendum.

(b) The commissioner must allow partial refund requests from corn producers who have checked off and must allow for assignment of payment to the Minnesota corn growers association if the Minnesota corn research and promotion council requests such action by the commissioner.

(c) The Minnesota corn research and promotion council shall not elect to impose membership on any individual producer not requesting a partial refund or assignment of payment to the association.

(d) For any wheat or, barley, or cultivated wild rice for which the checkoff fee must be paid pursuant to sections 17.51 to 17.69 and for which a checkoff fee or fee that serves a comparable purpose in a jurisdiction outside Minnesota had been previously paid for the same wheat or, barley, or cultivated wild rice, the producer of the wheat or, barley, or cultivated wild rice is exempt from payment of the checkoff fee. The commissioner, in consultation with the wheat research and promotion council and, barley research and promotion council, and cultivated wild rice research and promotion council, shall determine jurisdictions outside of Minnesota which collect a checkoff fee or fee that serves a comparable purpose. In order to qualify for the exemption, the producer must demonstrate to the first purchaser that a checkoff fee or fee has been paid to such a jurisdiction.

Sec. 12. Minnesota Statutes 2000, section 18B.01, is amended by adding a subdivision to read:

Subd. 26a. [SCHOOL PEST MANAGEMENT COORDINATOR.] "School pest management coordinator" means a person employed by a Minnesota kindergarten through 12th grade public, private, or parochial school who is responsible for the school's pest management plans and implementation of pest management at the school, including the application of pesticides to the inside or outdoor property of the school.

Sec. 13. [18B.095] [PESTICIDE APPLICATION IN SCHOOLS.]

Subdivision 1. [AUTHORIZED APPLICATORS.] To the extent authorized under this chapter, application of a pesticide to the inside or outdoor property of a Minnesota kindergarten through 12th grade public, private, or parochial school must be performed by:

- (1) a structural pest control applicator;
- (2) a commercial or noncommercial pesticide applicator with appropriate use category certification; or
- (3) a school pest management coordinator or a school employee with school pest management knowledge.

Subd. 2. [EXEMPTION.] Pesticides determined by the commissioner to be sanitizers or disinfectants are exempt from subdivision 1.

Subd. 3. [REGISTRY AND INFORMATION.] The commissioner, in consultation with the departments of health; administration; and children, families, and learning; the University of Minnesota Extension Service; the Minnesota School Boards Association; and other persons as necessary and appropriate, must:

- (1) establish and maintain a registry of school pest management coordinators; and
- (2) provide information on a regular and periodic basis to school pest management coordinators on pest management techniques and programs, including model school policies; proper pesticide use, storage, handling, and disposal; and other relevant pesticide and pest management information.

Sec. 14. 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. 15. [18B.345] [PESTICIDE APPLICATION ON GOLF COURSES.]

(a) Application of a pesticide to the property of a golf course must be performed by:

(1) a structural pest control applicator;

(2) a commercial or noncommercial pesticide applicator with appropriate use certification; or

(3) an aquatic pest control applicator.

(b) Pesticides determined by the commissioner to be sanitizers and disinfectants are exempt from the requirements in paragraph (a).

Sec. 16. Minnesota Statutes 2000, section 28A.075, is amended to read:

28A.075 [DELEGATION TO LOCAL BOARD OF HEALTH.]

(a) At the request of a local board of health that licensed and inspected grocery and convenience stores on January 1, 1999, the commissioner must enter into agreements before January 1, 2001, with local boards of health to delegate to the appropriate local board of health the licensing and inspection duties of the commissioner pertaining to retail food handlers that are grocery or convenience stores. At the request of a local board of health that licensed and inspected part of any grocery or convenience store on January 1, 1999, the commissioner must enter into agreements before July 1, 2001, with local boards of health to delegate to the appropriate local board of health the licensing and inspection duties of the commissioner pertaining to retail food handlers that are grocery or convenience stores. At any time thereafter, the commissioner may enter into an agreement with a local board of health that licensed and inspected all or part of any grocery or convenience store on January 1, 1999, to delegate to the appropriate local board of health the licensing and inspection duties of the commissioner pertaining to retail food handlers that are grocery or convenience stores. Retail grocery or convenience stores inspected under the state meat inspection program of chapter 31A are exempt from delegation.

(b) A local board of health must adopt an ordinance consistent with the Minnesota Food Code, Minnesota Rules, chapter 4626, for all of its jurisdiction to regulate grocery and convenience stores and the ordinance (Food Code) must not be in conflict with standards set in law or rule.

(c) A fee to recover the estimated costs of enforcement of this chapter shall not exceed the combination of state fees specified in section 28A.08 and fees paid for inspections conducted by the local board of health similar to those specified in section 28A.08 that were paid by each licensee immediately prior to the local board of health entering into the delegation agreement. The fee must be established by ordinance and must be fair, reasonable, and proportionate to the actual cost of the licensing and inspection services. The fee must only be maintained and used for the estimated costs of enforcing this chapter. The local board of health shall take reasonable steps to send notice by mail at least 60 days prior to any public meeting regarding proposed fee changes to the last known address of each licensee or person required to hold a license and to a statewide trade association representing grocery and convenience stores. Notice to individual license holders shall state the current fee paid by the license holder and the proposed fee for the individual license holder and the current fee structure and the proposed fee structure. The notice shall state the time, place, and date of the meeting.

Sec. 17. 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. 18. Minnesota Statutes 2000, section 29.23, subdivision 2, is amended to read:

Subd. 2. [EQUIPMENT.] The commissioner shall also by rule provide for minimum plant and equipment requirements for candling, grading, handling and storing eggs, and shall define candling. Equipment in use before July 1, 1991, that does not meet the design and fabrication requirements of this chapter may remain in use if it is in good repair, capable of being maintained in a sanitary condition, and capable of maintaining a temperature of ~~50~~ 45 degrees Fahrenheit (~~+0~~ 7 degrees Celsius) or less.

Sec. 19. Minnesota Statutes 2000, section 29.23, subdivision 3, is amended to read:

Subd. 3. [EGG TEMPERATURE.] Eggs must be held at a temperature not to exceed ~~50~~ 45 degrees Fahrenheit (~~+0~~ 7 degrees Celsius) after being received by the egg handler except for cleaning, sanitizing, grading, and further processing when they must immediately be placed under refrigeration that is maintained at 45 degrees Fahrenheit (7 degrees Celsius) or below. Eggs offered for retail sale must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees Celsius). ~~After August 1, 1992, eggs offered for retail sale must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees Celsius).~~ Equipment in use prior to August 1, 1991, is not subject to this requirement.

Sec. 20. Minnesota Statutes 2000, section 29.23, subdivision 4, is amended to read:

Subd. 4. [VEHICLE TEMPERATURE.] A vehicle used for the transportation of shell eggs from a warehouse, retail store, candling and grading facility, or egg holding facility must have an ambient air temperature of ~~50~~ 45 degrees Fahrenheit (~~+0~~ 7 degrees Celsius) or below.

Sec. 21. Minnesota Statutes 2000, section 29.237, is amended to read:

29.237 [UNIFORMITY WITH FEDERAL LAW.]

Subdivision 1. [SHELL EGGS.] Federal regulations governing the grading of shell eggs and United States standards, grades, and weight classes for shell eggs, in effect on July 1, ~~1990~~ 2000, as provided by Code of Federal Regulations, title 7, part 56, are the grading and candling rules in this state, subject to amendment by the commissioner under chapter 14, the Administrative Procedure Act.

Subd. 2. [INSPECTION.] Federal regulations governing the inspection of eggs and egg products, in effect on May 1, ~~1990~~ 2000, as provided by Code of Federal Regulations, title 7, part 59, are the inspection of egg and egg products rules in this state, subject to amendment by the commissioner under chapter 14, the Administrative Procedure Act.

Sec. 22. Minnesota Statutes 2000, section 31.101, is amended by adding a subdivision to read:

Subd. 12. [DAIRY GRADE RULES; MANUFACTURING PLANT STANDARDS.] Federal grading and inspection standards for manufacturing dairy plants and products and amendments thereto in effect on January 1, 2001, as provided by Code of Federal Regulations, title 7, part 58, subparts B-W, are adopted as the dairy grade rules and manufacturing plant standards in this state.

Sec. 23. Minnesota Statutes 2000, section 31A.21, subdivision 2, is amended to read:

Subd. 2. [FEDERAL ASSISTANCE.] In its cooperative efforts, the Minnesota department of agriculture may accept from the United States Secretary of Agriculture (1) advisory assistance in planning and otherwise developing the state program, (2) technical and laboratory assistance and training, including necessary curricular and instructional materials and equipment, and (3) financial and other aid for the administration of the program. ~~The Minnesota department of agriculture may spend a sum for administration of this chapter equal to 50 percent of the estimated total cost of the cooperative program.~~

Sec. 24. Minnesota Statutes 2000, section 32.21, subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] (a) A person, other than a milk producer, who violates this section is guilty of a misdemeanor or subject to a civil penalty up to \$1,000.

(b) A milk producer may not change milk plants within 30 days, without permission of the commissioner, after receiving notification from the commissioner under paragraph (c) or (d) that the milk producer has violated this section.

(c) A milk producer who violates subdivision 3, clause (1), (2), (3), (4), or (5), is subject to clauses (1) to (3) of this paragraph.

(1) Upon notification of the first violation in a 12-month period, the producer must meet with the dairy plant field service representative to initiate corrective action within 30 days.

(2) Upon the second violation within a 12-month period, the producer is subject to a civil penalty of \$300. The commissioner shall notify the producer by certified mail stating the penalty is payable in 30 days, the consequences of failure to pay the penalty, and the consequences of future violations.

(3) Upon the third violation within a 12-month period, the producer is subject to an additional civil penalty of \$300 and possible revocation of the producer's permit or certification. The commissioner shall notify the producer by certified mail that all civil penalties owed must be paid within 30 days and that the commissioner is initiating administrative procedures to revoke the producer's permit or certification to sell milk for at least 30 days.

(d) The producer's shipment of milk must be immediately suspended if the producer is identified as an individual source of milk containing residues causing a bulk load of milk to test positive in violation of subdivision 3, clause (6) or (7). The Grade A or manufacturing grade permit must be converted to temporary status for not more than 30 days and shipment may resume only after subsequent milk has been sampled by the commissioner or the commissioner's agent and found to contain no residues above established tolerances or safe levels.

The Grade A or manufacturing grade permit may be restored if the producer completes the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, displays the signed certificate in the milkhouse, and sends verification to the commissioner within the 30-day temporary permit status period. If the producer does not comply within the temporary permit status period, the Grade A or manufacturing grade permit must be suspended. A milk producer whose milk supply is in violation of subdivision 3, clause (6) or (7), and has caused a bulk load to test positive is subject to clauses (1) to (3) of this paragraph.

(1) For the first violation in a 12-month period, the penalty is the value of all milk on the contaminated load plus any costs associated with the disposition of the contaminated load. Future pick-ups are prohibited until subsequent testing reveals the milk is free of drug residue. A farm inspection must be completed by the plant representative and the producer to determine the cause of the residue and actions required to prevent future violations.

(2) For the second violation in a 12-month period, the penalty is the value of all milk on the contaminated load plus any costs associated with the disposition of the contaminated load. Future pick-ups are prohibited until subsequent testing reveals the milk is free of drug residue. A farm inspection must be completed by the regulatory agency or its agent to determine the cause of the residue and actions required to prevent future violations.

(3) For the third violation in a 12-month period, the penalty is the value of all milk on the contaminated load plus any costs associated with the disposition of the contaminated load. Future pick-ups are prohibited until subsequent testing reveals the milk is free of drug residue. The commissioner or the commissioner's agent shall also notify the producer by certified mail that the commissioner is initiating administrative procedures to revoke the producer's right to sell milk for a minimum of 30 days.

(4) If a bulk load of milk tests negative for residues and there is a positive producer sample on the load, no civil penalties may be assessed to the producer. The plant must report the positive result within 24 hours and reject further milk shipments from that producer until the producer's milk tests negative. A farm inspection must be completed by the plant representative and the producer to determine the cause of the residue and actions required to prevent future violations. The department shall suspend the producer's permit and count the violation on the producer's record. The Grade A or manufacturing grade permit must be converted to temporary status for not more than 30 days during which time the producer must review the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, display the signed certificate in the milkhouse, and send verification to the commissioner. If these conditions are met, the Grade A or manufacturing grade permit must be reinstated. If the producer does not comply within the temporary permit status period, the Grade A or manufacturing grade permit must be suspended.

(e) A milk producer that has been certified as completing the "Milk and Dairy Beef Residue Prevention Protocol" within 12 months of the first violation of subdivision 3, clause (7), need only review the cause of the violation with a field service representative within three days to maintain Grade A or manufacturing grade permit and shipping status if all other requirements of this section are met.

(f) Civil penalties collected under this section must be deposited in the milk inspection services account established in this chapter.

Sec. 25. Minnesota Statutes 2000, section 32.394, subdivision 4, is amended to read:

Subd. 4. [RULES.] The commissioner shall by rule promulgate identity, production and processing standards for milk, milk products and goat milk which are intended to bear the Grade A label.

In the exercise of the authority to establish requirements for Grade A milk, milk products and goat milk, the commissioner ~~may adopt~~ adopts definitions, standards of identity, and requirements for production and processing contained in the "1999 Grade A Pasteurized Milk Ordinance" and the "1995 Grade A Condensed and Dry Milk Ordinance" of the United States Department of Health and Human Services, in a manner provided for and not in conflict with law.

Sec. 26. Minnesota Statutes 2000, section 32.415, is amended to read:

32.415 [MILK FOR MANUFACTURING; QUALITY STANDARDS.]

(a) The commissioner may adopt rules to provide uniform quality standards, and producers of milk used for manufacturing purposes shall conform to the standards contained in Subparts B, C, D, E, and F of the United States Department of Agriculture Consumer and Marketing Service Recommended Requirements for Milk for Manufacturing Purposes and its Production and Processing, ~~Vol. 37 Federal Register, No. 68, Part II, April 7, 1972,~~ as revised through ~~March 1, 1997~~ November 12, 1996, except that the commissioner shall develop methods by which producers can comply with the standards without violation of religious beliefs.

(b) The commissioner shall perform or contract for the performance of the inspections necessary to implement this section or shall certify dairy industry personnel to perform the inspections.

(c) The commissioner and other employees of the department shall make every reasonable effort to assist producers in achieving the milk quality standards at minimum cost and to use the experience and expertise of the University of Minnesota and the agricultural extension service to assist producers in achieving the milk quality standards in the most cost-effective manner.

(d) The commissioner shall consult with producers, processors, and others involved in the dairy industry in order to prepare for the implementation of this section including development of informational and educational materials, meetings, and other methods of informing producers about the implementation of standards under this section.

Sec. 27. Minnesota Statutes 2000, section 32.475, subdivision 2, is amended to read:

Subd. 2. [MINNESOTA GRADES.] It is unlawful to sell, offer or expose for sale, or have in possession with intent to sell any butter at retail unless it has been graded and labeled with such grades as follows:

- (a) Grade, Minnesota, AA -- ~~93-score~~ U.S. Grade AA
- (b) Grade, Minnesota, A -- ~~92-score~~ U.S. Grade A
- (c) Grade, Minnesota, B -- ~~90-score~~ U.S. Grade B
- (d) Grade, Minnesota, undergrade -- all butter below Minnesota B.

For the purposes of this section "sale at retail" shall include all sales to a restaurant or eating establishment that serves butter to its patrons or that uses butter in the preparation of any food which is served to its patrons.

Sec. 28. Minnesota Statutes 2000, section 32.70, subdivision 7, is amended to read:

Subd. 7. [SELECTED CLASS I DAIRY PRODUCTS.] "Selected class I dairy products" means milk for human consumption in fluid form and all other class I dairy products as defined by the Upper Midwest Milk Marketing Order, Code of Federal Regulations, title 7, part ~~1068.40~~ 1030.40, or successor orders.

Sec. 29. Minnesota Statutes 2000, section 32.70, subdivision 8, is amended to read:

Subd. 8. [SELECTED CLASS II DAIRY PRODUCTS.] "Selected class II dairy products" means milk for human consumption processed into fluid cream, eggnog, yogurt, and all other class II dairy products as defined by the Upper Midwest Milk Marketing Order, Code of Federal Regulations, title 7, part ~~1068.40~~ 1030.40, or successor orders.

Sec. 30. Minnesota Statutes 2000, section 37.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] Members of the state agricultural society must be citizens of this state. The membership is as follows:

(a) Three delegates chosen annually by each agricultural society or association in the state which maintains an active existence, holds annual fairs, and is entitled to share in the state appropriation under the provisions of section 38.02. If one of those societies or associations fails to choose delegates, then its president, secretary, and treasurer, by virtue of their offices, are its delegates. If two fairs receiving state aid are operating in one county, each delegate from each society or association is entitled to one-half vote at regular or special meetings of the state society.

(b) One delegate appointed by the county board of each county in which no county or district agricultural society exists.

(c) Individuals elected by the society as honorary members for having performed eminent services in agriculture, horticulture, or related arts and sciences or long and faithful service in or benefits to the society. Honorary members must be elected by two-thirds vote at any annual meeting. The number of honorary members may not exceed the society's membership and only one honorary member may be elected annually. Each honorary member is entitled to one vote.

(d) Two elected delegates and the president may represent each of the following societies and associations: Red River Valley Winter Shows, the Minnesota State Horticultural Society, the State Dairyman's Association, the Minnesota Dairy Goat Association, the Minnesota Honey Producers Association, Inc., the Minnesota Livestock Breeders' Association, the Minnesota Crop Improvement Association, the Minnesota Pork Producers Association, the Minnesota Lamb and Wool Producers Association, the Minnesota Horse Breeders' Association, the Minnesota Veterinary Medical Association, the Minnesota Cattle Breeders' Association, the Central Livestock Association, the

Minnesota State Poultry Association, the Farm Equipment Association, the North Central Florist Association, the Minnesota Garden Flower Society, the State Fair Exhibitors' Organization, the Minnesota Federation of County Fairs, the State Forestry Association, the Minnesota Horse Council, Minnesota Nurserymen's Association, Minnesota Apple Growers' Association, State Grange of Minnesota, Minnesota Farmers' Union, American Dairy Association of Minnesota, and the Minnesota Farm Bureau Federation.

(e) The following societies and associations are entitled to one delegate each: Central Minnesota Vegetable Growers Association, the Minnesota Fruit and Vegetable Growers' Association, Minnesota Shorthorn Breeders' Association, the Minnesota Milking Shorthorn Association, Minnesota Guernsey Breeders' Association, Minnesota Jersey Cattle Club, Minnesota Holstein Association, Minnesota Hereford Association, Minnesota Aberdeen Angus Breeders', Minnesota Red Polled Breeders', Minnesota Ayresshire Breeders' Association, Minnesota Brown Swiss Association, Minnesota Poland China Breeders' Association, Minnesota Duroc Breeders', Minnesota Chester White Association, Minnesota Turkey Growers' Association, Minnesota Gladiolus Society, Minnesota Hampshire Association, Minnesota Suffolk Association, North American Dairy Sheep Association, and the Minnesota Berkshire Association.

~~All of these~~ (f) The societies and associations listed in paragraphs (d) and (e) must be active and statewide in their scope and operation, hold annual meetings, and be incorporated under the laws of the state before they are entitled to a delegate. The societies and associations must file with the secretary of state, on or before December 20, a report showing that the society or association has held a regular annual meeting for that year, a summary of its financial transactions for the current year, and an affidavit of the president and secretary that it has a paid-up membership of at least 25. On or before December 31, the secretary of state shall certify to the secretary of the state agricultural society the names of the societies or associations that have complied with these provisions.

(g) If a society or association ceases to exist or otherwise fails to comply with the requirements of paragraph (f), its membership in the state agricultural society and its right to delegates is terminated and it may be replaced by another society or association representing the same or similar interests and chosen by a majority vote of the members of the society at its next annual meeting.

~~(f)~~ (h) The members of the board of managers of the state agricultural society are members of the society and entitled to one vote each.

Sec. 31. [37.27] [FAIR FOUNDATION.]

The state agricultural society may establish a nonprofit corporation to be operated exclusively for charitable purposes as contemplated by sections 170(c)(2) and 501(c)(3) of the United States Internal Revenue Code. Subject to those sections, the corporation must be organized and operated exclusively for the benefit and to carry out the purposes of the state agricultural society for so long as the state agricultural society is and remains an organization as described in section 509(a)(1) or 509(a)(2) of the Internal Revenue Code. The corporation shall solicit, receive, hold, invest, and contribute funds and property for the use and benefit of the state agricultural society in a manner consistent with the public good and primarily for capital expenditures and other needs not funded by other means. The corporation may be known as the Minnesota state fair foundation.

Sec. 32. Minnesota Statutes 2000, section 41B.025, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] There is created a public body corporate and politic to be known as the "Minnesota rural finance authority," which shall perform the governmental functions and exercise the sovereign powers delegated to it in sections 41B.01 to 41B.23 and chapter 41C in furtherance of the public policies and purposes declared in section 41B.01. The board of the authority consists of the commissioners of agriculture, commerce, trade and economic development, and finance, the state auditor, and six public members appointed by the governor with the advice and consent of the senate. The state auditor may designate one staff member to serve in the auditor's place. No public member may reside within the metropolitan area, as defined in section 473.121, subdivision 2. Each member shall hold office until a successor has been appointed and has qualified. A certificate of appointment or reappointment of any member is conclusive evidence of the proper appointment of the member.

Sec. 33. Minnesota Statutes 2000, section 41B.03, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR RESTRUCTURED LOAN.] In addition to the eligibility requirements of subdivision 1, a prospective borrower for a restructured loan must:

(1) have received at least 50 percent of average annual gross income from farming for the past three years or, for homesteaded property, received at least 40 percent of average gross income from farming in the past three years, and farming must be the principal occupation of the borrower;

~~(2) have a debt-to-asset ratio equal to or greater than 50 percent and in determining this ratio, the assets must be valued at their current market value;~~

~~(3) have projected annual expenses, including operating expenses, family living, and interest expenses after the restructuring, that do not exceed 95 percent of the borrower's projected annual income considering prior production history and projected prices for farm production, except that the authority may reduce the 95 percent requirement if it finds that other significant factors in the loan application support the making of the loan;~~

~~(4) (3) demonstrate substantial difficulty in meeting projected annual expenses without restructuring the loan; and~~

~~(5) (4) must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$400,000 in 1999 and an amount in subsequent years which is adjusted for inflation by multiplying \$400,000 by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.~~

Sec. 34. Minnesota Statutes 2000, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. [LOAN PARTICIPATION.] The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$100,000~~ \$125,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 35. Minnesota Statutes 2000, section 41B.043, subdivision 2, is amended to read:

Subd. 2. [SPECIFICATIONS.] No direct loan may exceed \$35,000 or \$125,000 for a loan participation ~~or be made to refinance an existing debt~~. Each direct loan and participation must be secured by a mortgage on real property and such other security as the authority may require.

Sec. 36. Minnesota Statutes 2000, section 41B.046, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT.] The authority shall establish and implement a value-added agricultural product loan program to help farmers finance the purchase of stock in a cooperative that is proposing to build or purchase and operate an agricultural product processing facility or already owns and operates an agricultural product processing facility.

Sec. 37. Minnesota Statutes 2000, section 41D.01, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] (a) The Minnesota agriculture education leadership council is established. The council is composed of 16 members as follows:

(1) the chair of the University of Minnesota agricultural education program;

(2) a representative of the commissioner of children, families, and learning;

(3) a representative of the Minnesota state colleges and universities recommended by the chancellor;

(4) the president and the president-elect of the Minnesota ~~vocational agriculture instructors association~~ Association of Agriculture Educators;

(5) a representative of the Future Farmers of America Foundation;

(6) a representative of the commissioner of agriculture;

(7) the dean of the college of agriculture, food, and environmental sciences at the University of Minnesota;

(8) two members representing agriculture education and agriculture business appointed by the governor;

(9) the chair of the senate committee on agriculture ~~and rural development~~; general legislation and veterans affairs;

(10) the chair of the house committee on agriculture;

(11) the ranking minority member of the senate committee on agriculture ~~and rural development~~, general legislation and veterans affairs, and a member of the senate ~~committee on children, families and learning education committee~~ designated by the subcommittee on committees of the committee on rules and administration; and

(12) the ranking minority member of the house agriculture committee, and a member of the house education committee designated by the speaker.

(b) An ex officio member of the council under paragraph (a), clause (1), (4), (7), (9), (10), (11), or (12), may designate a permanent or temporary replacement member representing the same constituency.

Sec. 38. Minnesota Statutes 2000, section 41D.01, subdivision 3, is amended to read:

Subd. 3. [COUNCIL OFFICERS; TERMS AND COMPENSATION OF APPOINTEES; STAFF.] (a) The chair of the senate agriculture ~~and rural development~~, general legislation and veterans affairs committee and the chair of the house agriculture committee, or their designees, are the cochairs of the council.

(b) The council's membership terms, compensation, filling of vacancies, and removal of members are as provided in section 15.0575.

(c) The council may employ an executive director and any other staff to carry out its functions.

Sec. 39. Minnesota Statutes 2000, section 41D.01, subdivision 4, is amended to read:

Subd. 4. [EXPIRATION.] This section expires on June 30, ~~2002~~ 2003.

Sec. 40. Minnesota Statutes 2000, section 97B.001, subdivision 1, is amended to read:

Subdivision 1. [AGRICULTURAL LAND DEFINITION.] For purposes of this section, "agricultural land" means land:

(1) that is plowed or tilled;

(2) that has standing crops or crop residues; ~~or~~

(3) within a maintained fence for enclosing domestic livestock;

(4) that is planted native or introduced grassland or hay land; or

(5) that is planted to short rotation woody crops as defined in section 41B.048, subdivision 4.

Sec. 41. Minnesota Statutes 2000, section 116O.09, subdivision 1a, is amended to read:

Subd. 1a. [BOARD OF DIRECTORS.] The board of directors of the agricultural utilization research institute is comprised of:

(1) the chairs of the senate ~~agriculture and rural development committee~~ and the house of representatives ~~committees with jurisdiction over agriculture committee policy~~;

(2) two representatives of statewide farm organizations;

(3) two representatives of agribusiness, one of whom is a member of the Minnesota Technology, Inc. board representing agribusiness; and

(4) three representatives of the commodity promotion councils.

A member of the board of directors under clauses (1) to (4) may designate a permanent or temporary replacement member representing the same constituency.

Sec. 42. [239.77] [BIODIESEL; USE IN STATE VEHICLES; CONTENT REQUIREMENT.]

Subdivision 1. [BIODIESEL FUEL OIL, DEFINED.] "Biodiesel fuel oil" means a biodegradable, combustible liquid fuel derived from vegetable oils or animal fats that meets ASTM specifications PS 121-99 and is suitable for blending with diesel fuel oil for use in internal combustion diesel engines.

Subd. 2. [STATE VEHICLE MANDATE.] Beginning July 1, 2002, all diesel fuel consumed in internal combustion engines in vehicles owned or operated by the state of Minnesota must contain at least two percent biodiesel fuel by volume if the fuel is available.

Subd. 3. [MONITOR AND REPORT.] The commissioner of transportation, in consultation with the commissioners of the pollution control agency, administration, and agriculture, shall monitor the performance of vehicles under subdivision 2 and report to the legislative committees with jurisdiction over agriculture, agriculture finance, transportation, environment, and state government policy and finance no later than February 1, 2003. The report must assess the operating costs, operational performance, and environmental impact of the mandate under subdivision 2.

Subd. 4. [CONTENT REQUIREMENT.] On and after July 1, 2003, all diesel fuel oil sold or offered for sale in Minnesota for use in internal combustion piston engines must contain at least 2.0 percent biodiesel fuel oil by volume.

Subd. 5. [EXCEPTION.] The minimum content requirements of subdivision 4 do not apply to fuel used in motors located at an electric generating plant in the state regulated by the federal Nuclear Regulatory Commission. This exemption expires 30 days after the Nuclear Regulatory Commission has approved the use of biodiesel fuel in such motors.

Subd. 6. [BIODIESEL SUPPLY AND DISTRIBUTION REPORT.] By February 15 in 2002 and 2003, the commissioner of agriculture, in consultation with the commissioners of transportation and commerce, shall report to the legislative committees with jurisdiction over agriculture and transportation policy on (1) the production and distribution of biodiesel fuel oil in Minnesota, (2) the adequacy of biodiesel fuel oil supplies, and (3) the distribution system to achieve the requirement in Minnesota Statutes, section 239.77.

Sec. 43. Minnesota Statutes 2000, section 296A.01, subdivision 19, is amended to read:

Subd. 19. [E85.] "E85" means a petroleum product that is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline that typically contains 85 percent ethanol by volume, but at a minimum must contain 60 percent ethanol by volume. For the purposes of this chapter, the energy content of E85 will be considered to be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles as defined in ~~section 296A.01~~, subdivision 5, must comply with ASTM specification D 5798-96.

Sec. 44. [325E.165] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 325E.165 to 325E.167, the terms defined in this section have the meanings given them.

Subd. 2. [FARM TRACTOR.] "Farm tractor" means a self-propelled vehicle that is designed primarily for pulling or propelling agricultural machinery and implements and is used principally in the occupation or business of farming, including an implement of husbandry, as defined in section 169.01, subdivision 55, that is self-propelled.

Subd. 3. [PERSON.] "Person" means an individual, firm, partnership, incorporated and unincorporated association, or other legal or commercial entity.

Sec. 45. [325E.166] [CLOCK-HOUR METERS; PROHIBITED ACTS.]

Subdivision 1. [TAMPERING.] No person shall, with intent to defraud, knowingly tamper with, adjust, alter, change, set back, disconnect, or fail to connect the clock-hour meter of a farm tractor, or cause any of the foregoing to occur to a clock-hour meter of a farm tractor, so as to reflect fewer hours than the farm tractor has actually been in operation.

Subd. 2. [OPERATION WITH DISCONNECTED OR NONFUNCTIONAL METER.] No person shall, with intent to defraud, operate a farm tractor knowing that the clock-hour meter of the farm tractor is disconnected or nonfunctional.

Subd. 3. [TAMPERING DEVICE.] No person shall advertise for sale, sell, use, or install on any part of a farm tractor or on a clock-hour meter in a farm tractor a device that causes the clock-hour meter to register any hours of operation other than the true hours of operation that the clock-hour meter was designed to measure.

Subd. 4. [DISCLOSURE.] No person shall sell or offer for sale a farm tractor with knowledge that the hours registered on the clock-hour meter have been altered so as to reflect fewer hours than the farm tractor has actually been in operation, without disclosing the fact to prospective purchasers.

Subd. 5. [CONSPIRACY.] No person shall conspire with another person to violate this section.

Sec. 46. [325E.167] [PENALTIES; REMEDIES.]

Subdivision 1. [CRIMINAL PENALTY.] A person who is found to have violated sections 325E.165 to 325E.167 is guilty of a gross misdemeanor.

Subd. 2. [CIVIL PENALTY.] In addition to the penalties provided in subdivision 1, any person who is found to have violated sections 325E.165 to 325E.167 is subject to the penalties in section 8.31.

Subd. 3. [PRIVATE RIGHT OF ACTION.] A person injured by a violation of sections 325E.165 to 325E.167 may recover the actual damages sustained together with costs and disbursements, including reasonable attorney fees. The court in its discretion may increase the award of damages to an amount not to exceed three times the actual damages sustained or \$1,500, whichever is greater.

Sec. 47. [348.125] [COYOTE CONFLICT MANAGEMENT OPTION.]

A county board may, by resolution, offer a bounty for the destruction of coyotes (*Canis latrans*). The resolution may be made applicable to the whole or any part of the county. The bounty must apply during the months specified in the resolution and be in an amount determined by the board.

Sec. 48. 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), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, ~~2001~~ 2003.

Sec. 49. [GOPHER STATE ETHANOL PLANT ODOR.]

If gopher state ethanol does not install a thermal oxidizer by December 30, 2001, the commissioner of agriculture shall immediately suspend all ethanol producer payments to gopher state ethanol under Minnesota Statutes, section 41A.09, subdivision 3a.

Sec. 50. [TEMPORARY SUSPENSION OF RULE.]

The application of Minnesota Rules, part 1720.0620, is temporarily suspended from January 1, 2001, to June 1, 2002, for products used exclusively for poultry.

Sec. 51. [REPEALER.]

Minnesota Statutes 2000, sections 17.042; 17.06; 17.07; 17.108; 17.139; 17.45; 17.76; 17.987; 17A.091, subdivision 1; 17B.21; 17B.23; 17B.24; 17B.25; 17B.26; 17B.27; 18.205; 24.001; 24.002; 24.12; 24.131; 24.135; 24.141; 24.145; 24.151; 24.155; 24.161; 24.171; 24.175; 24.18; 24.181; 25.47; 27.185; 29.025; 29.049; 30.50; 30.51; 31.185; 31.73; 31B.07; 32.11; 32.12; 32.18; 32.19; 32.20; 32.203; 32.204; 32.206; 32.208; 32.471, subdivision 1; 32.474; 32.481, subdivision 2; 32.529; 32.53; 32.531, subdivisions 1, 5, 6, and 7; 32.5311; 32.5312; 32.532; 32.533; 32.534; 32.55, subdivisions 15, 16, and 17; 33.001; 33.002; 33.01; 33.011; 33.02; 33.03; 33.031; 33.032; 33.06; 33.07; 33.08; 33.09; 33.091; 33.111; 35.04; 35.14; and 35.84, are repealed.

Sec. 52. [EFFECTIVE DATE.]

Sections 1, 3, 14, 17, 32 to 36, 44, 46, and 47 are effective the day following final enactment. Section 13 is effective August 1, 2002. Section 15 is effective January 1, 2002."

Delete the title and insert:

"A bill for an act relating to agriculture; establishing or changing certain agriculture-related provisions; extending certain advisory committees and a board; requiring certain ethical guidelines; modifying provisions of the value-added agricultural product processing and marketing grant program; clarifying the term "private contributions" for the Minnesota grown matching account; modifying provisions of the shared savings loan program and the sustainable agriculture demonstration grant program; regulating pesticide application in certain schools and golf courses; changing certain licensing and inspection duties; changing certain shell egg regulations; adopting certain federal standards; changing rules and standards; modifying financing limitations for the administration of the state meat inspection program; authorizing the state agricultural society to establish a nonprofit corporation for charitable purposes; modifying provisions relating to the rural finance authority; modifying the definition of "agricultural land" for the purpose of recreational trespass; changing certain membership provisions on the state agricultural society; imposing a biodiesel mandate on certain vehicles; requiring reports; limiting ethanol producer payments in certain cases; extending the sunset date for the farmer-lender mediation program; prescribing criminal and civil penalties; providing a coyote conflict management option; providing a temporary waiver of board of animal health rules for use of biological products on poultry; adding cultivated wild rice to the agricultural commodities promotion act; repealing obsolete or unnecessary statutes; amending Minnesota Statutes 2000, sections 15.059, subdivision 5a;

17.039; 17.101, subdivision 5; 17.109, subdivision 3; 17.115; 17.116; 17.136; 17.53, subdivisions 2, 8, 13; 17.63; 18B.01, by adding a subdivision; 18B.305, subdivision 3; 28A.075; 28A.20; 29.23, subdivisions 2, 3, 4; 29.237; 31.101, by adding a subdivision; 31A.21, subdivision 2; 32.21, subdivision 4; 32.394, subdivision 4; 32.415; 32.475, subdivision 2; 32.70, subdivisions 7, 8; 37.03, subdivision 1; 41B.025, subdivision 1; 41B.03, subdivision 2; 41B.043, subdivision 1b, 2; 41B.046, subdivision 2; 41D.01, subdivisions 1, 3, 4; 97B.001, subdivision 1; 296A.01, subdivision 19; 116O.09, subdivision 1a; Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapters 18B; 37; 239; 325E; 348; repealing Minnesota Statutes 2000, sections 17.042; 17.06; 17.07; 17.108; 17.139; 17.45; 17.4996; 17.76; 17.861; 17A.091, subdivision 1; 17B.21; 17B.23; 17B.24; 17B.25; 17B.26; 17B.27; 18.205; 24.001; 24.002; 24.12; 24.131; 24.135; 24.141; 24.145; 24.151; 24.155; 24.161; 24.171; 24.175; 24.18; 24.181; 25.47; 27.185; 29.025; 29.049; 30.50; 30.51; 31.185; 31.73; 31B.07; 32.11; 32.12; 32.18; 32.19; 32.20; 32.203; 32.204; 32.206; 32.208; 32.471, subdivision 1; 32.474; 32.481, subdivision 2; 32.529; 32.53; 32.531, subdivisions 1, 5, 6, 7; 32.5311; 32.5312; 32.532; 32.533; 32.534; 32.55, subdivisions 15, 16, 17; 33.001; 33.002; 33.01; 33.011; 33.02; 33.03; 33.031; 33.032; 33.06; 33.07; 33.08; 33.09; 33.091; 33.111; 35.04; 35.14; 35.84."

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

Senate Conferees: STEVE MURPHY, STEVE DILLE AND TWYLA RING.

House Conferees: HOWARD SWENSON, TIM FINSETH AND AL JUHNKE.

Swenson moved that the report of the Conference Committee on S. F. No. 1495 be adopted and that the bill be repassed as amended by the Conference Committee.

CALL OF THE HOUSE

On the motion of Wilkin and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Pawlenty moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Wilkin moved that the House refuse to adopt the Conference Committee Report on S. F. No. 1495, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Wilkin motion and the roll was called.

Pursuant to rule 2.05, Molnau was excused by the Speaker from voting on the Wilkin motion relating to the Conference Committee Report on S. F. No. 1495.

Pawlenty moved that those not voting be excused from voting. The motion prevailed.

There were 76 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Abrams	Dibble	Holsten	Lindner	Ozment	Sykora
Anderson, B.	Erhardt	Howes	Lipman	Paulsen	Thompson
Anderson, I.	Evans	Huntley	Luther	Paymar	Vandever
Bakk	Folliard	Jacobson	Mahoney	Rhodes	Wagenius
Biernat	Fuller	Johnson, J.	Mariani	Rukavina	Walker
Boudreau	Gerlach	Johnson, S.	Marko	Seagren	Walz
Bradley	Goodwin	Kahn	McElroy	Sertich	Wasiluk
Buesgens	Greiling	Knoblach	Milbert	Skoglund	Westerberg
Carlson	Hackbarth	Koskinen	Mullery	Slawik	Wilkin
Clark, K.	Hausman	Krinkie	Murphy	Smith	Wolf
Daggett	Hilstrom	Larson	Olson	Solberg	Workman
Dawkins	Hilty	Lenczewski	Opatz	Stanek	
Dempsey	Holberg	Leppik	Osthoff	Swapinski	

Those who voted in the negative were:

Abeler	Entenza	Johnson, R.	Marquart	Peterson	Tuma
Bernardy	Erickson	Juhnke	McGuire	Pugh	Wenzel
Bishop	Finseth	Kalis	Mulder	Rifenberg	Westrom
Cassell	Gleason	Kelliher	Ness	Ruth	Winter
Clark, J.	Goodno	Kielkucki	Nornes	Schumacher	Spk. Sviggum
Davnie	Gray	Kubly	Osskopp	Seifert	
Dehler	Gunther	Kuisle	Otremba	Skoe	
Dorman	Harder	Leighton	Pawlenty	Stang	
Dorn	Jaros	Lieder	Pelowski	Swenson	
Eastlund	Jennings	Mares	Penas	Tingelstad	

The motion prevailed.

CALL OF THE HOUSE LIFTED

Wilkin moved that the call of the House be suspended. The motion prevailed and it was so ordered.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2377:

Paulsen, Abrams, Boudreau, Seifert and Pelowski.

MESSAGES FROM THE SENATE, Continued

The following messages were received from 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. 1769.

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. 1769

A bill for an act relating to transportation; allowing commissioner of transportation to convey interest in certain land to property owners; modifying provisions for speed limits in highway work zones; modifying seasonal highway weight limitations; transferring responsibilities from transportation regulation board to commissioner of transportation; transferring, discontinuing, or changing description of portions of certain trunk highways; making technical and clarifying changes; repealing obsolete or invalid provisions; amending Minnesota Statutes 2000, sections 161.114; 161.115, subdivisions 36, 48, and by adding a subdivision; 161.24, subdivision 4; 161.442; 169.14, subdivision 5d; 169.825, subdivision 11; 174.02, subdivisions 4 and 5; 174.10, subdivisions 1, 3, and 4; 174A.02, subdivisions 1, 2, and 4; 174A.04; 174A.06; 218.031, subdivision 2; 218.041, subdivisions 4, 5, and 6; 219.074, subdivision 2; 219.384, subdivision 2; and 219.402; repealing Minnesota Statutes 2000, sections 174A.01; 174A.02, subdivision 5; 174A.03; 174A.05; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.97; 222.631; 222.632; and 222.633.

May 21, 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. 1769, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1769 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 160.292, subdivision 10, is amended to read:

Subd. 10. [SPECIFIC SERVICE.] "Specific service" means restaurants; rural agricultural or tourist-oriented businesses; places of worship; gasoline service stations and other retail motor fuel businesses; and motels, resorts, or recreational camping areas that provide sleeping accommodations for the traveling public. "Tourist-oriented business" means a business, service, or activity that receives the major portion of its income or visitors during the normal business season from motorists not residing in the immediate area of the business or activity. "Tourist-oriented business" includes, but is not limited to: (1) a greenhouse or nursery, (2) a bait and tackle shop, (3) a marina, and (4) a gift or antique shop. "Rural agricultural business" includes but is not limited to: (1) a grain-handling facility; (2) a business providing care and well-being to animals; and (3) the sale of feed or seed.

Sec. 2. Minnesota Statutes 2000, section 161.114, is amended to read:

161.114 [CONSTITUTIONAL TRUNK HIGHWAYS.]

Subdivision 1. [DESIGNATION.] The trunk highway routes, numbered 1 through 70, as described in the constitutional amendment adopted November 2, 1920, are designated as the constitutional routes of the trunk highway system.

Subd. 2. [DESCRIPTIONS.] The constitutional routes are described as follows:

Route No. 1. Beginning at a point on the boundary line between the states of Minnesota and Iowa, southeasterly at Albert Lea and thence extending in a northwesterly direction to a point in Albert Lea and thence extending in a northerly direction to a point and on the southerly limits of the city of St. Paul and then beginning at a point on the northerly limits of the city of St. Paul and thence extending in a northerly direction to a point on the westerly limits of the city of Duluth and then beginning at a point on the northerly limits of the city of Duluth and thence extending in a northeasterly direction to a point on the boundary line between the state of Minnesota and the province of Ontario, affording Albert Lea, Owatonna, Faribault, Northfield, Farmington, St. Paul, White Bear, Forest Lake, Wyoming, Rush City, Pine City, Hinckley, Sandstone, Moose Lake, Carlton, Duluth, Two Harbors, Grand Marais and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 2. Beginning at a point on Route No. 1 on the westerly limits of the city of Duluth and thence extending in a southwesterly direction along said Route No. 1 to a point on said route at Carlton and thence extending in a westerly direction to a point on the east bank of the Red River of the North at Moorhead, affording Duluth, Carlton, McGregor, Aitkin, Brainerd, Motley, Staples, Wadena, Detroit, Moorhead and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 3. Beginning at a point on the boundary line between the states of Minnesota and Wisconsin, westerly of La Crosse, Wisconsin, and thence extending in a northwesterly direction to a point on the easterly limits of the city of St. Paul and then beginning at a point on the westerly limits of the city of Minneapolis and thence extending in a northwesterly direction to a point on the east bank of the Red River of the North at Breckenridge, affording La Crescent, Winona, Kellogg, Wabasha, Lake City, Red Wing, Hastings, St. Paul, Minneapolis, Osseo, Champlin, Anoka, Elk River, Big Lake, St. Cloud, Albany, Sauk Centre, Alexandria, Elbow Lake, Fergus Falls, Breckenridge and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 4. Beginning at a point on the boundary line between the states of Minnesota and Iowa, southwesterly of Jackson and thence extending in a northerly direction to a point on Route No. 3, southeasterly of Sauk Centre and thence extending in a northwesterly direction along said Route No. 3 to a point on said route at Sauk Centre and thence extending in a northerly direction to a point at International Falls, affording Jackson, Windom, Sanborn, Redwood Falls, Morton, Olivia, Willmar, Paynesville, Sauk Centre, Long Prairie, Wadena, Park Rapids, Itasca State Park, Bemidji, International Falls and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 5. Beginning at a point on the boundary line between the states of Minnesota and Iowa, southerly of Blue Earth and thence extending in a northeasterly direction to a point on the southerly limits of the city of Minneapolis and then beginning at a point on the northerly limits of the city of Minneapolis and thence extending in a northerly direction to a point in Swan River on Route No. 8, hereinafter described, affording Blue Earth, Winnebago, Mankato, St. Peter, Le Sueur, Jordan, Shakopee, Minneapolis, Cambridge, Mora, McGregor, Swan River and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 6. Beginning at a point on the boundary line between the states of Minnesota and Iowa, southerly of Ash Creek, and thence extending in a northerly direction to a point on the boundary line between the state of Minnesota and the province of Manitoba, near St. Vincent, affording Luverne, Pipestone, Lake Benton, Ivanhoe, Canby, Madison, Bellingham, Odessa, Ortonville, Graceville, Dumont, Wheaton, Breckenridge, Moorhead, Kragnes, Georgetown, Perley, Hendrum, Ada, Crookston, Warren, Donaldson, Hallock and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 7. Beginning at a point on Route No. 3 at Winona and thence extending in a westerly direction to a point on the boundary line between the states of Minnesota and South Dakota, westerly of Lake Benton, affording Winona, St. Charles, Rochester, Kasson, Dodge Center, Claremont, Owatonna, Waseca, Mankato, St. Peter, New Ulm, Springfield, Tracy, Lake Benton and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 8. Beginning at a point on the westerly limits of the city of Duluth and thence extending in a northwesterly direction to a point on Route No. 6 near Crookston and thence extending in a westerly and northerly direction along said Route No. 6 to a point on said route northerly of Crookston and thence extending in a northwesterly direction to a point on the east bank of the Red River of the North at East Grand Forks, affording Duluth, Floodwood, Swan River, Grand Rapids, Cass Lake, Bemidji, Bagley, Erskine, Crookston, East Grand Forks and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 9. Beginning at a point on Route No. 3 at La Crescent and thence extending in a westerly direction to a point on the boundary line between the states of Minnesota and South Dakota southwesterly of Beaver Creek, affording La Crescent, Hokah, Houston, Rushford, Lanesboro, Preston, Fountain, Spring Valley, Austin, Albert Lea, Blue Earth, Fairmont, Jackson, Worthington, Luverne and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 10. Beginning at a point on the westerly limits of the city of Minneapolis and thence extending in a northwesterly direction to a point on Route No. 6 at or near Wheaton, affording Minneapolis, Montrose, Cokato, Litchfield, Willmar, Benson, Morris, Herman, Wheaton and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 11. Beginning at a point on Route No. 8 at the westerly limits of the city of Duluth and thence extending in a northwesterly and northerly direction to a point on Route No. 4 at International Falls and thence extending in a southwesterly direction along said Route No. 4 to a point on said route southwesterly of International Falls and thence extending in a westerly direction to a point on Route No. 6 at Donaldson, affording Duluth, Eveleth, Virginia, Cook, Orr, Cussons, International Falls, Baudette, Warroad, Roseau, Greenbush, Donaldson and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 12. Beginning at a point on the west bank of the St. Croix River near Hudson, Wisconsin and thence extending in a westerly direction to a point on the easterly limits of the city of St. Paul and then beginning at a point on the westerly limits of the city of Minneapolis and thence extending in a westerly direction to a point on Route No. 6 at Madison, affording St. Paul, Minneapolis, Hopkins, Norwood, Glencoe, Olivia, Granite Falls, Montevideo, Dawson, Madison and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 13. Beginning at a point on Route No. 9 at Albert Lea and thence extending in a northerly direction to a point on Route No. 5 at Jordan affording Albert Lea, Waseca, Waterville, Montgomery, New Prague, Jordan and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 14. Beginning at a point on Route No. 6 at Ivanhoe and thence extending in an easterly direction to a point on Route No. 4 at Redwood Falls and thence extending in an easterly direction along said Route No. 4 to a point on said route at Morton and thence extending in an easterly direction to a point on Route No. 22, hereinafter described, at Gaylord affording Ivanhoe, Marshall, Redwood Falls, Morton, Winthrop, Gaylord and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 15. Beginning at a point on the boundary line between the states of Minnesota and Iowa southerly of Fairmont and thence extending in a northerly direction to a point on Route No. 14 at Winthrop, affording Fairmont, Madelia, New Ulm, Winthrop and intervening and adjacent communities a reasonable means of communication each with the other and other places within the state.

Route No. 16. Beginning at a point on Route No. 5 southwesterly of Mankato and thence extending westerly to a point on Route No. 15 at Madelia and thence extending in a southerly direction along said Route No. 15 to a point on said route southerly of Madelia and thence extending in a westerly direction to a point on Route No. 4 northerly of Windom and thence extending in a southerly direction along said Route No. 4 to a point on said route at Windom and thence extending in a westerly direction to a point at Fulda and thence extending in a southerly direction to a point on Route No. 9 at Worthington, affording Mankato, Madelia, St. James, Windom, Fulda, Worthington and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 17. Beginning at a point on Route No. 16 at Fulda and thence extending in a northerly direction to a point on Route No. 12 at Granite Falls, affording Fulda, Slayton, Garvin, Marshall, Granite Falls and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 18. Beginning at a point on Route No. 3 at Elk River and thence extending in a northerly direction to a point on Route No. 2 easterly of Brainerd, affording Elk River, Princeton, Milaca, Onamia and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 19. Beginning at a point on Route No. 2 at Brainerd and thence extending in a northwesterly direction to a point on Route No. 8 at Cass Lake, affording Brainerd, Pine River, Walker, Cass Lake and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 20. Beginning at a point on the boundary line between the states of Minnesota and Iowa near Canton and thence extending in a northwesterly direction to a point on Route No. 9 at or near Preston and thence extending in a northwesterly direction along said Route No. 9 to a point on said route at Fountain and thence extending in a northwesterly direction to a point on Route No. 3 in the town of Douglas, Dakota county (T. 113, R. 17 W.) affording Canton, Harmony, Preston, Fountain, Chatfield, Oronoco, Pine Island, Zumbrota, Cannon Falls and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 21. Beginning at a point on Route No. 20 at Zumbrota and thence extending in a westerly direction to a point on Route No. 5 at St. Peter, affording Zumbrota, Kenyon, Faribault, Le Sueur Center, Cleveland, St. Peter and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 22. Beginning at a point on Route No. 5 at St. Peter and thence extending in a northwesterly direction to a point on Route No. 4 at Paynesville, affording St. Peter, Gaylord, Glencoe, Hutchinson, Litchfield, Paynesville and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 23. Beginning at a point on Route No. 4 at Paynesville and thence extending in a northeasterly direction through the village of Richmond, Coldspring, Rockville and Waite Park to a point on Route No. 3 westerly of St. Cloud, and thence extending in a northeasterly direction to a point on Route No. 5 southerly of Mora, and thence extending in a northerly direction along said Route No. 5 to a point on said route at Mora, and thence extending in an easterly direction to a point on Route No. 1 southerly of Hinckley, affording Paynesville, St. Cloud, Foley, Milaca, Ogilvie, Mora and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 24. Beginning at a point on Route No. 10 at Litchfield and thence extending in a northeasterly direction to a point on Route No. 3 at St. Cloud, affording Litchfield, St. Cloud and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 25. Beginning at a point on Route No. 5 at or near Belle Plaine and thence extending in a northerly direction to a point on Route No. 3 at Big Lake, affording Belle Plaine, Norwood, Watertown, Montrose, Buffalo, Monticello, Big Lake and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 26. Beginning at a point on Route No. 10 at Benson and thence extending in a westerly direction to a point on Route No. 6 near Ortonville, affording Benson, Ortonville and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 27. Beginning at a point on Route No. 3 at St. Cloud and thence extending in a northerly direction to a point on Route No. 2 at Brainerd, affording St. Cloud, Sauk Rapids, Royalton, Little Falls, Brainerd and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 28. Beginning at a point on Route No. 27 at Little Falls and thence extending in a southwesterly direction to a point on the boundary line between the states of Minnesota and South Dakota at Browns Valley, affording Little Falls, Sauk Centre, Glenwood, Starbuck, Morris, Graceville, Browns Valley and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 29. Beginning at a point on Route No. 28 at Glenwood and thence extending in a northerly direction to a point on Route No. 2 westerly of Wadena affording Glenwood, Alexandria, Parkers Prairie, Deer Creek and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 30. Beginning at a point on Route No. 3 at Fergus Falls, and thence extending in a northerly direction to a point on Route No. 8 at Erskine, affording Fergus Falls, Pelican Rapids, Detroit, Mahnomen, Erskine and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 31. Beginning at a point on Route No. 6 at Ada, and thence extending in an easterly direction to a point on Route No. 30 near Mahnomen, affording Ada, Mahnomen and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 32. Beginning at a point on Route No. 8 easterly of Crookston and thence extending in a northerly direction to a point on Route No. 11 at Greenbush, affording Red Lake Falls, Thief River Falls, Middle River, Greenbush and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 33. Beginning at a point on Route No. 32 at Thief River Falls and thence extending in a northwesterly direction to a point on Route No. 6 at Warren, affording Thief River Falls, Warren and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 34. Beginning at a point on Route No. 2 at Detroit and thence extending in a northeasterly direction to a point on Route No. 8 westerly of Grand Rapids, affording Detroit, Park Rapids, Walker, Remer, Grand Rapids and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 35. Beginning at a point on Route No. 18 near Mille Lacs Lake and thence extending in a northerly direction to a point at Grand Rapids and thence extending in a northeasterly direction to a point at Ely, affording Aitkin, Grand Rapids, Hibbing, Chisholm, Buhl, Mountain Iron, Virginia, Gilbert, McKinley, Biwabik, Aurora, Tower, and Ely and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 36. Beginning at a point on Route No. 3 at Fergus Falls and thence extending in an easterly direction to a point on Route No. 29 easterly of Henning, affording Fergus Falls, Henning and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 37. Beginning at a point on Route No. 27 at Little Falls and thence extending in a northwesterly direction to a point on Route No. 2 at Motley, affording Little Falls, Motley and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 38. Beginning at a point on Route No. 12 at Montevideo and thence extending in a northerly direction to a point on Route No. 28 at Starbuck, affording Montevideo, Benson, Starbuck and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 39. Beginning at a point on Route No. 7 at Mankato and thence extending in a southeasterly direction to a point on Route No. 9 westerly of Albert Lea, affording Mankato, Mapleton, Minnesota Lake, Wells and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 40. Beginning at a point on the boundary line between the states of Minnesota and Iowa at Lyle and thence extending in a northwesterly direction to a point on Route No. 7 at Owatonna, affording Lyle, Austin, Blooming Prairie, Owatonna and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 41. Beginning at a point on Route No. 40 at or near Blooming Prairie and thence extending in an easterly direction to a point on Route No. 56, hereinafter described, near Hayfield, affording Blooming Prairie, Hayfield and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 42. Beginning at a point on Route No. 7 easterly of Rochester and thence extending (1) in a northeasterly direction to a point on Route No. 3 at Kellogg, affording Rochester, Elgin, Plainview, Kellogg and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state and (2) in a southerly direction to a point on Route No. 391.

Route No. 43. Beginning at a point on Route No. 9 at Rushford and thence extending in a northeasterly direction to a point on Route No. 3 at Winona, affording Rushford, Winona and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 44. Beginning at a point on Route No. 9 at Hokah and thence extending in a southwesterly direction to a point on Route No. 20 near Canton, affording Hokah, Caledonia, Canton and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 45. Beginning at a point on the west bank of the St. Croix River at Stillwater and thence extending in a southwesterly direction to a point on the easterly limits of the city of St. Paul, affording Stillwater, Lake Elmo, St. Paul and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 46. Beginning at a point on the west bank of the St. Croix River at Taylors Falls and thence extending in a southwesterly direction to a point on Route No. 1 near Wyoming, affording Taylors Falls, Center City, Wyoming and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 47. Beginning at a point on Route No. 17 at Slayton and thence extending in a westerly direction to a point on Route No. 6 at Pipestone, affording Slayton, Pipestone and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 48. Beginning at a point on Route No. 17 westerly of Granite Falls and thence extending in a westerly direction to a point on Route No. 6 at Canby, affording Granite Falls, Clarkfield, Canby and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 49. Beginning at a point on Route No. 12 easterly of Montevideo and thence extending in a northeasterly direction to a point on Route No. 4 southerly of Willmar, affording Montevideo, Clara City, Willmar and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 50. Beginning at a point on Route No. 20 at Cannon Falls and thence extending in a northwesterly direction to a point on the southerly limits of the city of Minneapolis, affording Cannon Falls, Farmington, Minneapolis and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 51. Beginning at a point on Route No. 5 at Shakopee and thence extending in a northerly direction to a point on Route No. 12 northerly of Shakopee, affording a connection between said Route No. 5 and said Route No. 12.

Route No. 52. Beginning at a point on Route No. 5 south of the city of Minneapolis and thence extending in a northeasterly direction to a point on the westerly limits of the United States Military reservation at Fort Snelling, affording St. Paul and adjacent communities a reasonable communication with said Route No. 5.

Route No. 53. Beginning at a point on Route No. 3 at Hastings and thence extending in a northwesterly direction to a point on the southerly limits of the city of South St. Paul, affording Hastings, South St. Paul and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 54. Beginning at a point on Route No. 3 at Elbow Lake and thence extending in a southwesterly direction to a point on Route No. 10 at Herman, affording Elbow Lake, Herman and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 55. Beginning at a point on Route No. 2 northwesterly of Carlton and thence extending in a northerly direction to a point in Cloquet, affording Carlton, Cloquet and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 56. Beginning at a point on Route No. 9 easterly of Austin and thence extending in a northerly direction to a point on Route No. 21 at or near Kenyon, affording Brownsdale, Hayfield, Dodge Center, West Concord, Kenyon and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 57. Beginning at a point in Mantorville and extending in a southerly direction to a point on Route No. 7 southerly of Mantorville, affording Mantorville a reasonable means of communication with said Route No. 7.

Route No. 58. Beginning at a point on Route No. 20 at Zumbrota and thence extending in a northeasterly direction to a point on Route No. 3 at Red Wing, affording Zumbrota, Red Wing and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 59. Beginning at a point on the boundary line between the states of Minnesota and Iowa southerly of Spring Valley and thence extending in a northerly direction to a point on No. 3 at Lake City, affording Spring Valley, Stewartville, Rochester, Zumbrota Falls, Lake City and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 60. Beginning at a point on Route No. 1 at Faribault and thence extending in a southwesterly direction to a point on Route No. 7 at or near Madison Lake, affording Faribault, Morristown, Waterville, Madison Lake and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 61. Beginning at a point on Route No. 8 at Deer River and thence extending in a northerly direction to a point on Route No. 4 at or near Big Falls, affording Deer River, Big Falls and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 62. Beginning at a point on Route No. 3 at Anoka and thence extending in a southeasterly direction to a point on the northerly limits of the city of St. Paul, affording Anoka, St. Paul and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 63. Beginning at a point on Route No. 1 southerly of Forest Lake and thence extending in a southwesterly direction to a point on the northerly and easterly limits of the city of Minneapolis, affording a reasonable means of communication between Route No. 1 and Minneapolis.

Route No. 64. Beginning at a point on Route No. 30 northerly of Fergus Falls and thence extending in a northerly and westerly direction to a point on Route No. 6 southerly of Moorhead, affording Fergus Falls, Rothsay, Barnesville, Moorhead and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 65. Beginning at a point on Route No. 8 at Bagley, and thence extending in a northerly and westerly direction to a point on Route No. 32 southerly of Red Lake Falls, affording Bagley, Clearbrook, Gonvick, Gully, Brooks, Terrebonne and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 66. Beginning at a point on Route No. 12 at Montevideo and thence extending in a northwesterly direction to a point on Route No. 26 northerly of Appleton affording Montevideo, Appleton and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 67. Beginning at a point on Route No. 14 southerly of Echo and thence extending in a northerly and westerly direction to a point on Route No. 17 at or near Granite Falls, affording Echo, Granite Falls and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 68. Beginning at a point on Route No. 14 at Marshall and thence extending in a northwesterly direction to a point on Route No. 6 near Canby, affording Marshall, Minneota, Canby and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 69. Beginning at a point on Route No. 25 at Buffalo and thence extending in a northwesterly direction to a point on Route No. 22 southeasterly of Paynesville, affording Buffalo, Maple Lake, Annandale, Eden Valley, Paynesville and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 70. Beginning at a point on Route No. 7 westerly of New Ulm and thence extending in a northerly direction to a point on Route No. 12 at or near the village of Hector, affording Fort Ridgely, Fairfax, Hector and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

[EFFECTIVE DATE.] This section is effective when the transfer of jurisdiction of approximately 3.5 miles of county state-aid highway 7 from marked U.S. highway 14 to interstate highway I-90 is agreed to by the commissioner of transportation and Olmsted county and a copy of the agreement, signed by the commissioner and the chair of the Olmsted county board, has been filed in the office of the commissioner.

Sec. 3. Minnesota Statutes 2000, section 161.115, subdivision 36, is amended to read:

Subd. 36. [ROUTE NO. 105.] Beginning at ~~a point on the southerly limits of~~ Washington avenue in the city of Minneapolis, thence extending in a northeasterly direction through Minneapolis to a point at the beginning of Route No. 5 on the northerly limits of the city of Minneapolis.

[EFFECTIVE DATE.] This section is effective when the transfer of jurisdiction of a portion of legislative route No. 105, from 10th street south to Washington avenue south in Minneapolis, is agreed to by the commissioner of transportation and the city of Minneapolis and a copy of the agreement, signed by the commissioner and the mayor of the city of Minneapolis, has been filed in the office of the commissioner.

Sec. 4. Minnesota Statutes 2000, section 161.115, subdivision 48, is amended to read:

Subd. 48. [ROUTE NO. 117.] Beginning at a point on Route No. 100 as herein established easterly of New Prague, thence extending in a northeasterly direction ~~and crossing the Mississippi River easterly of the city of South St. Paul,~~ thence extending in a northerly direction to a point on Route No. ~~1 at or near White Bear~~ 393.

[EFFECTIVE DATE.] This section is effective when the transfer of jurisdiction of a portion of legislative route No. 117, marked as trunk highway 120, is agreed to by the commissioner of transportation and the counties of Ramsey and Washington and a copy of the agreement, signed by the commissioner and the chair of the Ramsey county board and the chair of the Washington county board, has been filed in the office of the commissioner.

Sec. 5. Minnesota Statutes 2000, section 161.115, is amended by adding a subdivision to read:

Subd. 268. [ROUTE NO. 337.] From a point on Route No. 2 in the city of Brainerd thence extending southwesterly to its intersection with new, marked trunk highway 371 as signed on the day following final enactment of this subdivision.

Sec. 6. Minnesota Statutes 2000, section 161.24, subdivision 4, is amended to read:

Subd. 4. [ACCESS TO ISOLATED PROPERTY.] When the establishment, construction, or reconstruction of a trunk highway closes off any other highway or street, including ~~a city streets~~ street, private road, or entrance at the boundary of ~~such the~~ trunk highway, the commissioner may, in mitigation of damages; or in the interest of safety and convenient public travel, construct a road either within ~~the limits of the trunk highway,~~ or ~~without~~ outside the limits of the trunk highway, connecting the ~~closed-off~~ closed-off highway, street, private road, or entrance with another public highway. In determining whether to build the road within or ~~without~~ outside the limits of the trunk highway, the commissioner may take into consideration economy to the state and local traffic needs. The commissioner, in mitigation of damages, may connect the ~~closed-off~~ closed-off private road with the remaining portion of the private road or with another private road. All lands necessary ~~therefor~~ for connecting a highway, street, private road, or entrance to another public highway or for connecting a closed-off private road to the remaining portion of a private road or to another private road, may be acquired by purchase, gift, or condemnation. Notwithstanding section 161.23, 161.43, 161.431, or 161.44, the commissioner may convey and quitclaim a fee title or easement held or owned by the state in land used to construct a road to connect the closed-off highway, street, entrance, or private road with another public highway or to reconnect the private road to the property served by the road.

Sec. 7. [161.366] [TRANSPORTATION CONSTRUCTION CONTRACT; TACONITE RELIEF AREA.]

The commissioner of transportation, as a condition of awarding a transportation construction contract in the taconite tax relief area, may require the contractor to hire a certain percentage of workers for that contract whose principal place of residence is in the taconite tax relief area. Taconite tax relief area means the tax relief area defined in section 273.134.

Sec. 8. Minnesota Statutes 2000, section 161.442, is amended to read:

161.442 [RECONVEYANCE TO FORMER OWNER.]

Notwithstanding sections 161.23, 161.41, 161.411, 161.43, 161.44, or any other statute, the commissioner of transportation, ~~at the commissioner's sole discretion~~ with the consent of the owner, may transfer, sell, or convey real property including fixtures, and interests in real property including easements, to the owner from whom the property was acquired by the state for trunk highway purposes through a pending eminent domain action. The transfer of title may be by stipulation, partial dismissal, bill of sale, or conveyance. Any resulting change in the state's acquisition must be explained in the final certificate for that action. This provision does not confer on a landowner the right to compel a reconveyance without the consent of the commissioner.

Sec. 9. Minnesota Statutes 2000, section 169.14, subdivision 5d, is amended to read:

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

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

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

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

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

Sec. 10. Minnesota Statutes 2000, section 169.825, subdivision 11, is amended to read:

Subd. 11. [GROSS WEIGHT SEASONAL INCREASES.] (a) The limitations provided in this section are increased:

(1) by ten percent ~~from January 1 to March 7~~ between the dates set by the commissioner based on a freezing index model each winter, statewide;

(2) by ten percent ~~from December 1 through December 31~~ between the dates set by the commissioner based on a freezing index model each winter, in the zone bounded as follows: beginning at Pigeon River in the northeast corner of Minnesota; thence in a southwesterly direction along the north shore of Lake Superior along trunk highway No. 61 to the junction with trunk highway No. 210; thence westerly along trunk highway No. 210 to the junction with trunk highway No. 10; thence northwesterly along trunk highway No. 10 to the Minnesota-North Dakota border; thence northerly along that border to the Minnesota-Canadian Border; thence easterly along said Border to Lake Superior; and

(3) by ten percent from the beginning of harvest to November 30 each year for the movement of sugar beets and potatoes within an area having a 75-mile radius from the field of harvest to the point of the first unloading. The commissioner shall not issue permits under this clause if to do so will result in a loss of federal highway funding to the state.

(b) The duration of a ten percent increase in load limits is subject to limitation by order of the commissioner, subject to implementation of springtime load restrictions, ~~or March 7.~~

(c) When the ten percent increase is in effect, a permit is required for a motor vehicle, trailer, or semitrailer combination that has a gross weight in excess of 80,000 pounds, an axle group weight in excess of that prescribed in subdivision 10, or a single axle weight in excess of 20,000 pounds and which travels on interstate routes.

(d) In cases where gross weights in an amount less than that set forth in this section are fixed, limited, or restricted on a highway or bridge by or under another section of this chapter, the lesser gross weight as fixed, limited, or restricted may not be exceeded and must control instead of the gross weights set forth in this section.

(e) Notwithstanding any other provision of this subdivision, no vehicle may exceed a total gross vehicle weight of 80,000 pounds on routes which have not been designated by the commissioner under section 169.832, subdivision 11.

(f) The commissioner may, after determining the ability of the highway structure and frost condition to support additional loads, grant a permit extending seasonal increases for vehicles using portions of routes falling within two miles of the southern boundary of the zone described under paragraph (a), clause (2).

Sec. 11. Minnesota Statutes 2000, section 174.02, subdivision 4, is amended to read:

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

Sec. 12. Minnesota Statutes 2000, section 174.02, subdivision 5, is amended to read:

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

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

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

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

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

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

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

Sec. 13. Minnesota Statutes 2000, section 174.10, subdivision 1, is amended to read:

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

Sec. 14. Minnesota Statutes 2000, section 174.10, subdivision 3, is amended to read:

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

Sec. 15. Minnesota Statutes 2000, section 174.10, subdivision 4, is amended to read:

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

Sec. 16. Minnesota Statutes 2000, section 174A.02, subdivision 1, is amended to read:

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

Sec. 17. Minnesota Statutes 2000, section 174A.02, subdivision 2, is amended to read:

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

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

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

~~(3) issuing permits.~~

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

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

Sec. 18. Minnesota Statutes 2000, section 174A.02, subdivision 4, is amended to read:

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

Sec. 19. Minnesota Statutes 2000, section 174A.04, is amended to read:

174A.04 [HEARINGS AND APPEALS.]

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

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

Sec. 20. Minnesota Statutes 2000, section 174A.06, is amended to read:

174A.06 [CONTINUATION OF RULES.]

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

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

(2) section 219.40;

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

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

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

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

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

Sec. 21. Minnesota Statutes 2000, section 218.031, subdivision 2, is amended to read:

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

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

~~(2) all information duly required in blanks and forms furnished by the commissioner;~~

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

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

~~(5) all tariff agreements or arrangements with other carriers;~~

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

Sec. 22. Minnesota Statutes 2000, section 218.041, subdivision 4, is amended to read:

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

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

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

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

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

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

~~(6)₂ direct the repair, reconstruction₂ or replacement of any inadequate or unsafe trackage, structure or facility.~~

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

Sec. 23. Minnesota Statutes 2000, section 218.041, subdivision 5, is amended to read:

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

(1) investigate and determine whether any common carriers are granting rebates or, in any other particular, failing to comply with laws or with orders, rules₂ or directives of the commissioner; and

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

~~(3) institute and prosecute all actions and proceedings in the appropriate courts for the enforcement of ~~the provisions of this chapter~~₂; the orders, rules₂ and directives of the commissioner issued ~~thereunder~~ under this chapter; and any violations thereof.~~

Sec. 24. Minnesota Statutes 2000, section 218.041, subdivision 6, is amended to read:

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

(1) subpoena books, papers₂ or accounts kept by any regulated business within or without the state, or compel production of verified copies;

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

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

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

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

Sec. 25. Minnesota Statutes 2000, section 219.074, subdivision 2, is amended to read:

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

Sec. 26. Minnesota Statutes 2000, section 219.402, is amended to read:

219.402 [ADEQUATE CROSSING PROTECTION.]

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

Sec. 27. Minnesota Statutes 2000, section 222.632, is amended to read:

222.632 [RIGHT OF FIRST REFUSAL.]

A railroad interest that is in bankruptcy proceedings may not sell or offer for sale an interest in real property that is within the right-of-way, a railroad interest that is abandoning a railroad line may not sell or offer for sale an interest in real property within the right-of-way to be abandoned, and a nonrailroad lessor may not sell or offer for sale an interest in real property within the right-of-way with respect to which it is a nonrailroad lessor, unless it first extends a written offer to sell that interest at a fair market value price to each person who is a leaseholder with respect to the property. Leaseholders must respond to the offer within 60 days of receipt of the notice and the railroad interest must negotiate in good faith with an interested leaseholder for a period of 90 days following the leaseholder's response. ~~After the 90-day negotiation period, either party may file a notice of dispute with the commissioner of transportation under section 222.633.~~ The property may not be sold to a party other than the leaseholder during the response and negotiation periods ~~or while a dispute is pending before the commissioner.~~ This section does not apply to a sale of an entire operating railroad line by one operating railroad to another for the purpose of operating a railroad.

Sec. 28. [TRANSFERRING CARRIER REGULATORY RESPONSIBILITIES.]

(a) Responsibilities, as defined in Minnesota Statutes, section 15.039, subdivision 1, held by the transportation regulation board including, but not limited to, responsibilities relating to administration, regulation, recordkeeping, operating authority, permitting, rate making, rulemaking, and enforcement of transportation laws, rules, and

regulations relating to motor carriers and common carriers by rail under Minnesota Statutes, chapters 218, 219, 221, and 222, are transferred to the commissioner of the Minnesota department of transportation under Minnesota Statutes, section 15.039.

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

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

Sec. 29. [TRUNK HIGHWAYS DISCONTINUED; REPEALER, CONTINGENT EFFECTIVE DATE.]

(a) Minnesota Statutes 2000, section 161.115, subdivision 164, is repealed on the date the transfer of jurisdiction of legislative route No. 233 is agreed to by the commissioner of transportation and the county of Crow Wing and a copy of the agreement, signed by the commissioner and the chair of the Crow Wing county board, has been filed in the office of the commissioner.

(b) Minnesota Statutes 2000, section 161.115, subdivision 175, is repealed on the date the transfer of jurisdiction of legislative route No. 244 is agreed to by the commissioner of transportation and the counties of Ramsey and Washington and a copy of each agreement, signed by the commissioner and the chair of the Ramsey county board and the chair of the Washington county board, as applicable, has been filed in the office of the commissioner.

(c) Minnesota Statutes 2000, section 161.115, subdivision 236, is repealed on the date the transfer of jurisdiction of legislative route No. 305 is agreed to by the commissioner of transportation and the city of Brainerd and a copy of the agreement, signed by the commissioner and the mayor of the city of Brainerd, has been filed in the office of the commissioner.

(d) Minnesota Statutes 2000, section 161.115, subdivision 253, is repealed on the date the transfer of jurisdiction of legislative route No. 322 is agreed to by the commissioner of transportation and the city of Brainerd and a copy of the agreement, signed by the commissioner and the mayor of the city of Brainerd, has been filed in the office of the commissioner.

Sec. 30. [INSTRUCTIONS TO REVISOR.]

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

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

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

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

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

(2) Minnesota Rules, chapter 8850.

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

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

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

(f) The revisor of statutes shall change the description of the route identified in section 2 in the next publication of Minnesota Statutes unless the commissioner of transportation informs the revisor that the conditions required to modify the route were not satisfied.

(g) The revisor of statutes shall change the description of each route identified in sections 3 and 4 in the next publication of Minnesota Statutes unless the commissioner of transportation informs the revisor that the conditions required to modify a particular route were not satisfied.

(h) The revisor of statutes shall delete each route identified in section 29 in the next publication of Minnesota Statutes unless the commissioner of transportation informs the revisor that the conditions required to transfer the routes were not satisfied.

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

Sec. 31. [REPEALER.]

Minnesota Statutes 2000, sections 174A.01; 174A.02, subdivision 5; 174A.03; 174A.05; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.88; 219.97, subdivisions 6, 7, and 10; and 222.633, are repealed."

Delete the title and insert:

"A bill for an act relating to transportation; modifying provisions relating to highway information signs; transferring, discontinuing, or changing description of portions of certain trunk highways; authorizing commissioner of transportation to set certain highway construction contract conditions in taconite tax relief areas; allowing commissioner of transportation to convey interest in certain land to property owners; modifying provisions for speed limits in highway work zones; modifying seasonal highway weight limitations; transferring responsibilities from transportation regulation board to commissioner of transportation; making technical and clarifying changes; repealing obsolete or invalid provisions; amending Minnesota Statutes 2000, sections 160.292, subdivision 10; 161.114; 161.115, subdivisions 36, 48, by adding a subdivision; 161.24, subdivision 4; 161.442; 169.14, subdivision 5d; 169.825, subdivision 11; 174.02, subdivisions 4, 5; 174.10, subdivisions 1, 3, 4; 174A.02, subdivisions 1, 2, 4; 174A.04; 174A.06; 218.031, subdivision 2; 218.041, subdivisions 4, 5, 6; 219.074, subdivision 2; 219.402; 222.632; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 2000, sections 174A.01; 174A.02, subdivision 5; 174A.03; 174A.05; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.88; 219.97, subdivisions 6, 7, 10; 222.633."

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

Senate Conferees: MARK OURADA, JAMES P. METZEN AND DEAN E. JOHNSON.

House Conferees: TOM WORKMAN, CONNIE RUTH AND AL JUHNKE.

Workman moved that the report of the Conference Committee on S. F. No. 1769 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1769, A bill for an act relating to transportation; allowing commissioner of transportation to convey interest in certain land to property owners; modifying provisions for speed limits in highway work zones; modifying seasonal highway weight limitations; transferring responsibilities from transportation regulation board to commissioner of transportation; transferring, discontinuing, or changing description of portions of certain trunk highways; making technical and clarifying changes; repealing obsolete or invalid provisions; amending Minnesota Statutes 2000, sections 161.114; 161.115, subdivisions 36, 48, and by adding a subdivision; 161.24, subdivision 4; 161.442; 169.14, subdivision 5d; 169.825, subdivision 11; 174.02, subdivisions 4 and 5; 174.10, subdivisions 1, 3, and 4; 174A.02, subdivisions 1, 2, and 4; 174A.04; 174A.06; 218.031, subdivision 2; 218.041, subdivisions 4, 5, and 6; 219.074, subdivision 2; 219.384, subdivision 2; and 219.402; repealing Minnesota Statutes 2000, sections 174A.01; 174A.02, subdivision 5; 174A.03; 174A.05; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.97; 222.631; 222.632; and 222.633.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce the following change in the membership of the Conference Committee on S. F. No. 2377:

The name of Wiener has been stricken, and the name of Belanger has been added.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 2249, 1644 and 1312.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2249, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2000, section 383A.288, subdivision 4, as amended.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Johnson, J., moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2249 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Johnson, J., moved that the rules of the House be so far suspended that S. F. No. 2249 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2249 was read for the second time.

S. F. No. 2249, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2000, section 383A.288, subdivision 4, as amended.

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	Anderson, I.	Biernat	Bradley	Cassell	Daggett
Abrams	Bakk	Bishop	Buesgens	Clark, J.	Davnie
Anderson, B.	Bernardy	Boudreau	Carlson	Clark, K.	Dawkins

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

The bill was passed and its title agreed to.

FIRST READING OF SENATE BILLS, Continued

S. F. No. 1644, A resolution memorializing the President and Congress to promptly provide aid to the victims of the January 26 earthquake in India.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

S. F. No. 1312, A bill for an act relating to state government; terminating the rulemaking and contested case authority of the Indian affairs council; directing the office of strategic and long-range planning and the department of administration to recommend ways to decentralize state agencies and departments; amending Minnesota Statutes 2000, section 3.922, by adding a subdivision.

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

CALENDAR FOR THE DAY

S. F. No. 1507 was reported to the House.

Krinkie moved to amend S. F. No. 1507 as follows:

Page 7, after line 4, insert:

"Sec. 10. [RATIFICATIONS.]

The arbitration award and labor agreement between the state of Minnesota and the Minnesota government engineers council, approved by the legislative coordinating commission subcommittee on employee relations on September 8, 2000, are ratified."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1507, A bill for an act relating to state government; modifying state procurement provisions; amending Minnesota Statutes 2000, sections 16C.02, by adding a subdivision; 16C.03, subdivision 2; 16C.04, by adding a subdivision; 16C.05, subdivision 2; 16C.06, subdivisions 2, 3; 16C.081; 43A.047; 574.26, subdivision 2.

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

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

There being no objection, the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Olson; Tuma; Clark, J.; Wenzel; Anderson, B., and Skoglund introduced:

H. F. No. 2564, A bill for an act relating to crime prevention; requiring certain repeat property offenders to pay full restitution to the victims of their offenses and successfully complete a character-development program; requiring a report on individuals sentenced under these procedures; establishing a task force to propose an industry-based corrections institution where offenders will work to earn money to pay restitution; amending Minnesota Statutes 2000, sections 260B.198, by adding a subdivision; 609A.02, by adding a subdivision; 609A.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Olson, Dehler and Anderson, B., introduced:

H. F. No. 2565, A bill for an act relating to natural resources; modifying state park fees; requiring state campsites to remain open as scheduled; requiring a report; amending Minnesota Statutes 2000, section 85.055, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 85.

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

MOTIONS AND RESOLUTIONS

Clark, K., moved that her name be stricken as an author on H. F. No. 404. The motion prevailed.

Nornes moved that the name of Evans be added as an author on H. F. No. 1304. The motion prevailed.

Ozment moved that the name of Kalis be added as an author on H. F. No. 2551. The motion prevailed.

Swapinski moved that his name be stricken as an author on H. F. No. 2557. The motion prevailed.

Huntley moved that the name of Jennings be added as an author on H. F. No. 2557. The motion prevailed.

Goodno moved that the name of Marquart be added as an author on H. F. No. 2558. The motion prevailed.

Lenczewski moved that the name of Westerberg be added as an author on H. F. No. 2560. The motion prevailed.

Olson moved that the names of Westerberg and Erickson be added as authors on H. F. No. 2564. The motion prevailed.

Olson moved that the name of Erickson be added as an author on H. F. No. 2565. The motion prevailed.

Olson moved that H. F. No. 891 be recalled from the Committee on Taxes and be re-referred to the Committee on Environment and Natural Resources Policy. The motion prevailed.

Ozment moved that H. F. No. 1591 be returned to its author. The motion prevailed.

McGuire; Tingelstad; Otremba; Folliard; Dehler; Kahn; Hausman; Clark, K.; Johnson, R.; Entenza; Kelliher; Pugh; Wilkin; Mariani; Gray; Greiling; Evans; Bernardy; Dibble; Lenczewski and Larson introduced:

House Resolution No. 18, A house resolution expressing the sense of the House of Representatives of the state of Minnesota, in support of a Women's Health Platform that recognizes serious inequities in the health prevention and treatment of women and calls for the elimination of these inequities to improve the health status of women in the state of Minnesota.

The resolution was referred to the Committee on Health and Human Services Policy.

Pawlenty moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from 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. 2208.

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. 2208

A bill for an act relating to public finance; updating and making technical changes to public finance provisions related to debt obligations, financing of certain equipment and hardware and software; removing election requirements for issuance of certain obligations; authorizing flexibility in stating certain ballot questions; updating and changing the Minnesota Bond Allocation Act; providing for the powers of housing and redevelopment authorities in Scott county and Carver county; authorizing issuance of certain obligations by the city of St. Paul; clarifying an appropriation; amending Minnesota Statutes 2000, sections 103B.555, by adding a subdivision; 165.10, subdivision 2; 275.60; 373.01, subdivision 3; 373.45, subdivision 3; 376.08, subdivisions 1, 3, by adding a subdivision; 410.32; 412.301; 429.091, subdivision 7a; 474A.02, subdivisions 8, 13a, 22a, 22b, 23a; 474A.03, subdivisions 1, 2a, 4; 474A.04, subdivisions 1a, 5; 474A.045; 474A.047, subdivisions 1, 2; 474A.061, subdivisions 1, 2a, 2b, 2c, 4; 474A.091, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 474A.131, subdivisions 1, 2, by adding a subdivision; 474A.14; 475.54, subdivision 1; 475.58, subdivision 1; 475.59; Laws 1974, chapter 473; Laws 1980, chapter 482; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 2000, section 474A.061, subdivision 6.

May 21, 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. 2208, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2208 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 103B.555, is amended by adding a subdivision to read:

Subd. 4. [DISTRICT OBLIGATIONS.] The district, with approval of the county board or joint county authority, expressed in a resolution identifying each specific improvement to which the approval applies, may exercise the powers of a city under chapter 429 and section 444.075, including, but not limited to:

(1) the levy of special assessments;

(2) the imposition of rates and charges; and

(3) the issuance of bonds

to finance improvements that the district may undertake.

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

Sec. 2. Minnesota Statutes 2000, section 165.10, subdivision 2, is amended to read:

Subd. 2. [BONDS ISSUED, SOLD, AND RETIRED.] Such bonds shall be general obligations of the county and issued, sold, and retired in the manner provided in chapter 475.

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

Sec. 3. Minnesota Statutes 2000, section 275.60, is amended to read:

275.60 [LEVY OR BOND REFERENDUM; BALLOT NOTICE.]

(a) Notwithstanding any general or special law or any charter provisions, but subject to section 126C.17, subdivision 9, any question submitted to the voters by any local governmental subdivision at a general or special election after June 8, 1995, authorizing a property tax levy or tax rate increase, including the issuance of debt obligations payable in whole or in part from property taxes, must include on the ballot the following notice in boldface type:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE."

(b) For purposes of this section and section 275.61, "local governmental subdivision" includes counties, home rule and statutory cities, towns, school districts, and all special taxing districts. This statement is in addition to any general or special laws or any charter provisions that govern the contents of a ballot question and, in the case of a question on the issuance of debt obligations, may be supplemented by a description of revenues pledged to payment of the obligations that are intended as the primary source of payment.

(c) This section does not apply to a school district bond election if the debt service payments are to be made entirely from transfers of revenue from the capital fund to the debt service fund.

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

Sec. 4. Minnesota Statutes 2000, section 373.45, subdivision 3, is amended to read:

Subd. 3. [AGREEMENT.] (a) ~~In order~~ For specified debt obligations of a county to be covered by ~~the provisions of this section, the county must enter an agreement with the authority obligating the county to be bound by the provisions of this section.~~

(b) This agreement must be in a form prescribed by the authority and contain any provisions required by the authority, including, at least, an obligation to:

(1) deposit with the paying agent three days before the date on which the payment is due an amount sufficient to make that payment;

(2) notify the authority, if the county will be unable to make all or a portion of the payment; and

(3) include a provision in the bond resolution and county's agreement with the paying agent for the debt obligation that requires the paying agent to inform the commissioner if it becomes aware of a default or potential default in the payment of principal or interest on that issue or if, on the day two business days before the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent.

(c) Funds invested in a refunding escrow account established under section 475.67 that are to become available to the paying agent on a principal or interest payment date are deemed to be on deposit with the paying agent three business days before the payment date.

~~(b)~~ (d) The provisions of an agreement under this subdivision are binding as to an issue as long as any debt obligation of the issue remains outstanding.

~~(e)~~ (e) ~~This section is a contract with bondholders and may not be amended or repealed for the covered bonds so long as the covered bonds are outstanding and the obligations of the state under this section are not a public debt of the state under article XI, section 4, of the Minnesota Constitution, and the legislature may, at any time, choose not to appropriate amounts under subdivision 4, paragraph (b).~~

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

Sec. 5. Minnesota Statutes 2000, section 376.06, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE, POWERS, PAY, ELECTION.] A county board which has purchased and constructed buildings for hospital purposes may operate these buildings as a hospital and may appoint a superintendent. The board shall set the superintendent's salary, term of employment, and powers and duties; provide for the management and operation of the hospital; and operate, control, and manage the hospital. The superintendent shall serve at the pleasure of the board. If the board determines that it is in the public interest, it may appoint a hospital board of at least three, but not more than nine members, who ~~must be county residents and landowners, to serve~~ may include some or all of the county commissioners except as otherwise provided in subdivision 2. Persons appointed to the hospital board must reside in the hospital's service area and 80 percent of

the board members, including any commissioners appointed to serve on the hospital board, must be residents of the county. The hospital board serves without compensation unless the county board authorizes the payment of compensation and reimbursement of expenses for service on the hospital board. Notwithstanding section 375.44, if compensation and reimbursement are authorized, they shall be the same as authorized for service on the local social services agency. Subject to its supervision, the county board may commit the care, management, and operation of the hospital to the hospital board. The county board may provide for the organization and regulation of the hospital board, its duties and the duties of the members, and regulations for the management, operation, and control of the hospital. The county board may lease the hospital grounds and buildings to a hospital association nonprofit or governmental hospital organization for terms it considers advisable. ~~Sections 376.01 to 376.06 do not permit any county board to purchase and construct any hospital buildings or to pay for them without first submitting the question to the vote of the people. No purchase or construction of buildings or payment may be made unless a majority of the electors voting upon the proposition vote in favor.~~

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

Sec. 6. Minnesota Statutes 2000, section 376.07, is amended to read:

376.07 [ADDITION TO COUNTY HOSPITAL.]

~~When the county board of a county has been authorized by the voters to construct an addition to the county hospital of the county under sections 376.01 to 376.06, whether or not also authorized to equip the addition, and the board has determined that the addition, whether with or without equipment, cannot be completed within the cost authorized, or has determined that, to complete the improvement, certain alterations should be made, or fixtures or equipment added, either in the original building, or in the addition, or both, the board may be authorized to spend a specified additional amount for any of the purposes mentioned in this chapter, either by vote of the people of the county at a general or special election or by petition. If an election is held, the proposition shall be submitted and disposed of in the same manner as provided by sections 376.01 to 376.06. If by petition, the petition must be signed by a majority of those voting at the last preceding general election. The petition may be in the form of one document or of several documents in the same form, and shall be filed with the county auditor. A special election may be called in the manner provided for calling special county elections. When authority is granted by the voters, in either manner provided, the board may proceed accordingly. If the board made or attempted to make a contract or contracts for more than the authority first granted, it may ratify and carry out the contracts. The county board, hospital board, or board of directors of a nonprofit or governmental hospital organization that has leased a county hospital may authorize the remodeling, improvement, alteration, or construction of an addition to the county hospital or of another building on the county hospital's existing premises by a majority vote of the board. Financing for any project under this section is governed by other law, including sections 373.40 and 447.45 and chapter 475.~~

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

Sec. 7. Minnesota Statutes 2000, section 376.08, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATIONS.] Except as provided in subdivision 2, the board of county commissioners in any county with a population of 50,000 or less may appropriate up to \$65,000 annually from the general revenue fund of the county for the acquisition of lands for hospital purposes, and the construction, improvement, alterations, equipment and maintenance of hospitals within the county, including public or nonprofit hospitals that are not county hospitals. The board may also appropriate up to \$25,000 from the general revenue fund of the county for the acquisition of land and construction of municipally owned nursing homes within the county.

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

Sec. 8. Minnesota Statutes 2000, section 376.08, subdivision 2, is amended to read:

Subd. 2. [REMODELING OR ADDITIONS.] A county hospital may by majority vote of its board of commissioners, or if the hospital has been leased to another entity under section 376.06, subdivision 1, or 447.47, by majority vote of the board of directors of that entity, enter into projects for the construction of an addition or

remodeling to its presently existing facility or the acquisition of equipment as described in this subdivision without complying with the dollar limitation of subdivision 1 or the election requirements of section 376.03. This subdivision applies ~~only~~ to projects in which the funds for the project are derived from dedicated, restricted, or other designated accounts ~~or, from the hospital's depreciation fund and do not require incurring debt by the county through, or from the issuance of bonds or otherwise authorized under other law.~~ An addition to a current hospital under this subdivision may include construction of buildings physically separate from the present hospital building, as well as additions to the present building, if the new buildings are constructed on the hospital's existing premises.

This subdivision does not affect the ability of the hospital board to approve funds for improvements or remodeling of a hospital facility under other law.

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

Sec. 9. Minnesota Statutes 2000, section 376.09, is amended to read:

376.09 [AID TO HOSPITALS IN COUNTIES HAVING NO COUNTY HOSPITAL.]

In any county in which there is no county hospital, or a county hospital is leased to a nonprofit or governmental hospital organization pursuant to section 376.06, subdivision 1, or 447.47, the county board may appropriate and pay money from the general fund of the county, for the construction, maintenance, and operation of a private, nonprofit, or public hospital in the county for the treatment of sick, diseased, and injured persons. Admission preference shall always be given to patients who are, in whole or in part, public charges, and are sent to the hospital by the county board.

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

Sec. 10. Minnesota Statutes 2000, section 383B.79, is amended by adding a subdivision to read:

Subd. 5. [FINANCING.] Hennepin county may appropriate funds for any of the activities described in subdivision 1, whether or not state funds are appropriated for the activity. Hennepin county may include any part of the costs of a project described in section 469.002, subdivision 12, in a capital improvement plan adopted under section 373.40, and may issue bonds for such purposes pursuant to and subject to the procedures and limitations set forth in section 373.40, whether or not the capital improvement to be financed is to be owned by the county or any other governmental entity. Such purposes are in addition to the capital improvements described in section 373.40, but shall not include light rail transit, commuter rail, or any activity related to either of those, or a sports facility building designed or used primarily for professional sports. No funds appropriated under this subdivision may be used to pay operating expenses.

Sec. 11. Minnesota Statutes 2000, section 429.091, subdivision 7a, is amended to read:

Subd. 7a. [REVOLVING FUND BONDS.] The council may by resolution establish a revolving fund for the payment of the costs of any improvement or any waterworks systems, sewer systems, or storm sewer systems described in section 444.075, the costs of facilities to maintain streets and water, sewer, and storm sewer systems and for the payment of any obligations issued to pay the costs thereof of the facilities and systems referred to in this subdivision or to refund obligations issued for those purposes. The council may create within the revolving fund a separate construction account into which the municipality may deposit the proceeds of any obligations payable from the fund, the proceeds of any special assessments collected with respect to any improvement, any net revenues of a waterworks, sewer system, or storm sewer system described in section 444.075 or any other available funds of the municipality appropriated to it. Amounts on deposit in the construction account may be used to pay the costs of any improvement or any waterworks, sewer system, or storm sewer system described in section 444.075 or any street or water, sewer, or storm sewer maintenance facilities. No funds may be expended for an improvement unless at least 20 percent of the costs of each such improvement is to be assessed against benefited property. No funds may be expended for a waterworks, sewer system, or storm sewer system, other than a sewer system described in section 115.46, or maintenance facilities unless the council estimates that the costs will be recovered from the net revenues

of the system or any combined waterworks, sewer systems, or storm sewer systems operated by the municipality. The council may also create a separate debt service account within the revolving fund for the payment of principal of and interest on any obligations payable therefrom. Notwithstanding subdivision 4, the council is not required to pledge any particular assessments or other revenues to the payment of the obligations. Collections of special assessments or net revenues may be deposited in either the construction account or the debt service account as the council or an officer designated by the council may determine, having due regard for anticipated collections of special assessments and net revenues from improvements or waterworks, sewer systems, or storm sewer systems financed in whole or in part from the construction account, and taxes levied for the payment of the obligations. The council may issue obligations that are payable primarily from the debt service account for the purpose of providing funds to defray in whole or in part any expenses incurred or estimated to be incurred in making the improvement or improvements or in constructing the waterworks, sewer system, or storm sewer system, including every item of cost of the kinds authorized by section 475.65, and street and water, sewer, and storm sewer maintenance facilities or to refund obligations previously issued under this section or section 115.46 or 444.075. The obligations may be general obligations to which the full faith and credit of the municipality are pledged. If the special assessments to be levied and net revenues estimated to be available for their payment are estimated to be at least 20 percent of the principal amount of the obligations, the obligations may be issued without an election and shall not be included in determining the net indebtedness of the municipality under the provisions of any law limiting net indebtedness. The cost of a maintenance facility that may be financed under this subdivision is limited only to the portion of the facility that is fairly allocable to the maintenance of streets and water, sewer, and storm sewer systems.

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

Sec. 12. Minnesota Statutes 2000, section 473.39, is amended by adding a subdivision to read:

Subd. 1h. [OBLIGATIONS.] After July 1, 2001, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, and 1g, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$45,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations, but not for computer software, or for construction, maintenance, or operation of light rail transit or commuter rail.

[EFFECTIVE DATE; APPLICATION.] This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 13. Minnesota Statutes 2000, section 474A.02, subdivision 8, is amended to read:

Subd. 8. [FEDERAL TAX LAW.] "Federal tax law" means those provisions of the Internal Revenue Code of 1986, as amended ~~through December 31, 1990~~, that limit the aggregate amount of obligations of a specified type or types which may be issued by an issuer during a calendar year whose interest is excluded from gross income for purposes of federal income taxation.

Sec. 14. Minnesota Statutes 2000, section 474A.02, subdivision 13a, is amended to read:

Subd. 13a. [SMALL ISSUE POOL.] "Small issue pool" means the amount of the annual volume cap allocated under section 474A.061, that is available for the issuance of enterprise zone facility bonds authorized under Public Law Number 103-66, section 13301, small issue bonds to finance manufacturing projects, ~~and~~ the agricultural development bond beginning farmer and agricultural business enterprise loan program authorized in sections 41C.01 to 41C.13, and student loan bonds issued by the Minnesota higher education services office.

Sec. 15. Minnesota Statutes 2000, section 474A.02, subdivision 22a, is amended to read:

Subd. 22a. [PUBLIC FACILITIES POOL.] "Public facilities pool" means the amount of the annual volume cap allocated under section 474A.061, which is available for the issuance of public facility bonds ~~or student loan bonds.~~

Sec. 16. Minnesota Statutes 2000, section 474A.02, subdivision 22b, is amended to read:

Subd. 22b. [PUBLIC FACILITIES PROJECT.] "Public facilities project" means any publicly owned facility, or facility owned by a nonprofit organization that is used for district heating or cooling, that is eligible to be financed with the proceeds of public facilities bonds as defined under section 474A.02, subdivision 23a.

Sec. 17. Minnesota Statutes 2000, section 474A.02, subdivision 23a, is amended to read:

Subd. 23a. [QUALIFIED BONDS.] "Qualified bonds" means the specific type or types of obligations that are subject to the annual volume cap. Qualified bonds include the following types of obligations as defined in federal tax law:

(a) "public facility bonds" means "exempt facility bonds" as defined in federal tax law, except for residential rental project bonds, which are those obligations issued to finance airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water, sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electric energy or gas, local district heating or cooling facilities, and qualified hazardous waste facilities. New bonds and other obligations are ineligible to receive state allocations or entitlement authority for public facility projects under this section if they have been issued:

(1) for the purpose of refinancing, refunding, or otherwise defeasing existing debt; and

(2) more than one calendar year prior to the date of application;

(b) "residential rental project bonds" which are those obligations issued to finance qualified residential rental projects;

(c) "mortgage bonds";

(d) "small issue bonds" issued to finance manufacturing projects and the acquisition or improvement of agricultural real or personal property under sections 41C.01 to 41C.13;

(e) "student loan bonds" issued by or on behalf of the Minnesota higher education services office;

(f) "redevelopment bonds";

(g) "governmental bonds" with a nonqualified amount in excess of \$15,000,000 as set forth in section 141(b)5 of federal tax law; and

(h) "enterprise zone facility bonds" issued to finance facilities located within empowerment zones or enterprise communities, as authorized under Public Law Number 103-66, section 13301.

Sec. 18. Minnesota Statutes 2000, section 474A.03, subdivision 1, is amended to read:

Subdivision 1. [UNDER FEDERAL TAX LAW; ALLOCATIONS.] At the beginning of each calendar year after December 31, ~~1997~~ 2001, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

(1) ~~\$63,000,000~~ \$74,530,000 to the small issue pool;

(2) ~~\$59,000,000~~ \$122,060,000 to the housing pool, ~~\$37,000,000~~ of which 31 percent of the adjusted allocation is reserved until the ~~day after the first~~ last Monday in ~~February~~ July for single-family housing programs;

(3) ~~\$10,500,000~~ \$12,750,000 to the public facilities pool; and

(4) amounts to be allocated as provided in subdivision 2a.

If the annual volume cap is greater or less than the amount of bonding authority allocated under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation must be adjusted so that each adjusted allocation is the same percentage of the annual volume cap as each original allocation is of the total bonding authority originally allocated.

Sec. 19. Minnesota Statutes 2000, section 474A.03, subdivision 2a, is amended to read:

Subd. 2a. [ENTITLEMENT ISSUER ALLOCATION.] (a) The commissioner shall make the following allocation to the Minnesota housing finance agency and the following cities and county:

(1) ~~\$53,750,000~~ \$84,940,000 per year to the Minnesota housing finance agency, ~~less any amount received in the previous year under section 474A.091, subdivision 6;~~

(2) ~~\$21,000,000~~ \$33,190,000 per year to the city of Minneapolis;

(3) ~~\$15,750,000~~ \$24,890,000 per year to the city of Saint Paul; and

(4) ~~\$10,500,000~~ \$16,600,000 per year to the Dakota county community development agency for the county of Dakota and all political subdivisions located within the county.

(b) Entitlement allocations provided under this subdivision must be used for mortgage bonds, mortgage credit certificates, public facility bonds, or residential rental project bonds, except that entitlement issuers ~~may also use their allocations for public facility bonds, and~~ may carry forward their allocations for any qualified bond as defined under section 474A.02, subdivision 23a.

(c) Data on the home purchase price amount, mortgage amount, income, household size, and race of the households served with the proceeds of mortgage revenue bonds and mortgage credit certificates in the previous year must be submitted by each entitlement issuer to the Minnesota housing finance agency by December 31 of each year. Compliance by the Minnesota housing finance agency with the provisions of section 462A.073, subdivision 5, shall be deemed compliance with the reporting requirements of this subdivision.

Sec. 20. Minnesota Statutes 2000, section 474A.03, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] Every entitlement issuer and other issuer shall pay to the commissioner a nonrefundable application fee to offset the state cost of program administration. The application fee is \$20 for each \$100,000 of entitlement or allocation requested, with the request rounded to the nearest \$100,000. The minimum fee is \$20. Fees received by the commissioner must be credited to the general fund. ~~Application fees for projects of entitlement issuers must be submitted to the commissioner with the notice of issuance of bonds, notice of use of mortgage credit certificates, and notice of carry forward. Each entitlement issuer must pay its application fee in full for that calendar year to the commissioner no later than when the first notice of issuance of bonds, notice of use of mortgage credit certificates, or notice of carry forward is submitted to the commissioner by that issuer.~~

Sec. 21. Minnesota Statutes 2000, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. [ENTITLEMENT RESERVATIONS; CARRYFORWARD; DEDUCTION.] Any amount returned by an entitlement issuer before July 15 shall be reallocated through the housing pool. Any amount returned on or after July 15 shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota housing finance agency. Any amount of bonding authority that an entitlement issuer carries forward under federal tax law that is not permanently issued or for which the governing body of the entitlement issuer has not enacted a resolution electing to use the authority for mortgage credit certificates ~~by July 15 and has not provided a notice of issue to the commissioner before 4:30 p.m. on the last business day in December~~ of the succeeding calendar year shall be deducted from the entitlement allocation for that entitlement issuer ~~for the current calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be reallocated through the unified pool. An entitlement issuer must permanently issue all carryforward authority or~~

~~enact a resolution electing to use all carryforward authority for mortgage credit certificates prior to issuing any current year authority of that entitlement issuer in the next succeeding calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be reallocated to other entitlement issuers, the housing pool, the small issue pool, and the public facilities pool on a proportional basis consistent with section 474A.03.~~

Sec. 22. Minnesota Statutes 2000, section 474A.04, subdivision 5, is amended to read:

Subd. 5. [NOTICE OF ENTITLEMENT ALLOCATION.] As soon as possible in each calendar year, the commissioner shall ~~provide to each entitlement issuer a written notice of the amount of its post on the department's Web site the amount of each~~ entitlement allocation.

Sec. 23. Minnesota Statutes 2000, section 474A.045, is amended to read:

474A.045 [SCORING SYSTEM FOR ENTERPRISE ZONE FACILITY PROJECTS AND MANUFACTURING PROJECTS.]

The following criteria must be used in determining the allocation of enterprise zone facility bonds and small issue bonds for manufacturing projects. The issuer must prepare and submit to the commissioner a public purpose scoring worksheet that presents the data and methods used in determining the total score under this section. The total score is the sum of the following:

(1) the number of direct new jobs in the state generated by the proposed project for the next two years per \$100,000 of proposed allocation multiplied by 15;

(2) the number of direct existing jobs in the state multiplied by .625 due to the proposed project for the next two years per \$100,000 of proposed allocation multiplied by 15;

(3) the average hourly wage paid to employees by the proposed project for the next two years, exclusive of benefits mandated by law, based on the following scale:

Wages paid per hour	\$8	\$10	\$12	\$15
Non-Metro area points awarded	10	15	20	20
Seven-County Metro Area points awarded	0	10	15	20

For purposes of this section, the seven-county metropolitan area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties;

(4) the quotient of the estimated total net increase in property taxes generated in the state by the project in the first full year of operation divided by the proposed bond allocation, multiplied by 500; ~~and~~

(5) the seasonally unadjusted unemployment rate in the community where the proposed project is located measured as a percent of the state's unemployment rate, multiplied by ten.

The community seasonally unadjusted unemployment rate used in determining the points under clause (5) must be the most recent rate for the city or county in which the proposed project is located, as provided by the commissioner of economic security.

(6) 20 points for projects that locate in an incorporated area or a planned urban growth area as defined by section 462.352, subdivision 18;

(7) 20 points for brownfield projects located in a state or federal Superfund site, a voluntary investigation and cleanup site, or a brownfield site, all as defined by the Minnesota pollution control agency; and

(8) 20 points for projects with favorable environmental citizenship as evidenced by no nonforgivable or combination administrative penalty orders, stipulation agreements, consent decrees, or other enforcement orders containing a monetary penalty by the Minnesota pollution control agency over the past three years or pending at the time of application.

Sec. 24. Minnesota Statutes 2000, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) An issuer may only use the proceeds from residential rental bonds if the proposed project meets ~~one of~~ the following requirements:

~~(1) the proposed project is a single room occupancy project and all the units of the project will be occupied by individuals whose incomes at the time of their initial residency in the project are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development;~~

~~(2) the proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and at least one-third of the 75 percent have three or more bedrooms; or~~

~~(3) the proposed project is a multifamily project that meets the following requirements:~~

~~(i) the proposed project is the rehabilitation of an existing building which meets the requirements for minimum rehabilitation expenditures in sections 42(e)(2) and 42(e)(3)(A) of the Internal Revenue Code;~~

~~(ii) the proposed project involves participation by the Minnesota housing finance agency or a local unit of government in the financing of the acquisition or rehabilitation of the project. For purposes of this subdivision, "participation" means an activity other than the issuance of the bonds; and~~

~~(iii) the proposed project must be occupied by individuals or families whose incomes at the time of their initial residency in the project meet the requirements of section 42(g) of the Internal Revenue Code.~~

(1) the proposed residential rental project meets the requirements of section 142(d) of the Internal Revenue Code regarding the incomes of the occupants of the housing; and

(2) the maximum rent for at least 20 percent of the units in the proposed residential rental project do not exceed the area fair market rent or exception fair market rents for existing housing, if applicable, as established by the federal Department of Housing and Urban Development.

~~(b) The maximum rent for a proposed single room occupancy unit under paragraph (a), clause (1), is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for at least 75 percent of the units of a multifamily project under paragraph (a), clause (2), is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with 1.5 persons per bedroom.~~

~~(c) The proceeds from residential rental bonds may be used for a project for which project-based federal rental assistance payments are made only if:~~

~~(1) the owner of the project enters into a binding agreement with the Minnesota housing finance agency under which the owner is obligated to extend any existing low-income affordability restrictions and any contract or agreement for rental assistance payments for the maximum term permitted, including any renewals thereof; and~~

~~(2) the Minnesota housing finance agency certifies that project reserves will be maintained at closing of the bond issue and budgeted in future years at the lesser of:~~

(i) the level described in Minnesota Rules, part 4900.0010, subpart 7, item A, subitem (2), effective May 1, 1997; or

(ii) the level of project reserves available prior to the bond issue, provided that additional money is available to accomplish repairs and replacements needed at the time of bond issue.

Sec. 25. Minnesota Statutes 2000, section 474A.047, subdivision 2, is amended to read:

Subd. 2. [15-YEAR AGREEMENT.] Prior to the issuance of residential rental bonds, the developer of the project for which the bond proceeds will be used must enter into a 15-year agreement with the issuer that specifies the maximum rental rates of the rent-restricted units in the project and the income levels of the residents of the project occupying income-restricted units. ~~The Such~~ rental rates and income levels must be within the limitations established under subdivision 1. The developer must annually certify to the issuer over the term of the agreement that the rental rates for the rent-restricted units are within the limitations under subdivision 1. The issuer may request individual certification of the income of ~~all~~ residents of the project income-restricted units. The commissioner may request from the issuer a copy of the annual certification prepared by the developer. The commissioner may require the issuer to request individual certification of all residents of the project income-restricted units.

Sec. 26. Minnesota Statutes 2000, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in July, or in the amount of two percent of the requested allocation on or after the last Monday in July, (5) a public purpose scoring worksheet for manufacturing project and enterprise zone facility project applications, and (6) for residential rental projects, a statement from the applicant or bond counsel as to whether the project preserves existing federally subsidized housing for residential rental project applications and whether the project is restricted to persons who are 55 years of age or older. The issuer must pay the application deposit by a check made payable to the department of finance. The Minnesota housing finance agency, the Minnesota rural finance authority, and the Minnesota higher education services office may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph does not apply to an application from the Minnesota housing finance agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Sec. 27. Minnesota Statutes 2000, section 474A.061, subdivision 2a, is amended to read:

Subd. 2a. [HOUSING POOL ALLOCATION.] (a) ~~On the first business day that falls on a Monday of the calendar year and the first Monday in February~~ Commencing on the second Tuesday in January and continuing on each Monday through July 15, the commissioner shall allocate available bonding authority ~~in from~~ the housing pool to applications received by on or before the Monday of the previous preceding week for residential rental projects that ~~are not restricted to persons who are 55 years of age or older and~~ that meet the eligibility criteria under

section 474A.047, ~~except that allocations may be made to projects that are restricted to persons who are 55 years of age or older, if the project preserves existing federally subsidized housing. Projects that preserve existing federally subsidized housing shall be allocated available bonding authority in the housing pool for residential rental projects prior to the allocation of available bonding authority to other eligible residential rental projects. Allocations of available bonding authority from the housing pool for eligible residential rental projects shall be awarded in the following order of priority: (1) projects that preserve existing federally subsidized housing; (2) projects that are not restricted to persons who are 55 years of age or older; and (3) other residential rental projects. Prior to May 15, no allocation shall be made to a project restricted to persons who are 55 years of age or older.~~ If an issuer that receives an allocation under this paragraph does not issue obligations equal to all or a portion of the allocation received within 120 days of the allocation or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the housing pool or to the unified pool after July 15.

(b) After ~~February~~ January 1, and through ~~February~~ January 15, the Minnesota housing finance agency may accept applications from cities for single-family housing programs which meet program requirements as follows:

- (1) the housing program must meet a locally identified housing need and be economically viable;
- (2) the adjusted income of home buyers may not exceed 80 percent of the greater of statewide or area median income as published by the Department of Housing and Urban Development, adjusted for household size;
- (3) house price limits may not exceed the federal price limits established for mortgage revenue bond programs. Data on the home purchase price amount, mortgage amount, income, household size, and race of the households served in the previous year's single-family housing program, if any, must be included in each application; and
- (4) for applicants who choose to have the agency issue bonds on their behalf, an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to one percent of the requested allocation must be submitted to the Minnesota housing finance agency before the agency forwards the list specifying the amounts allocated to the commissioner under paragraph ~~(e)~~ (d). The agency shall submit the city's application fee and application deposit to the commissioner when requesting an allocation from the housing pool.

Applications by a consortium shall include the name of each member of the consortium and the amount of allocation requested by each member.

The Minnesota housing finance agency may accept applications from June 15 through June 30 from cities for single-family housing programs which meet program requirements specified under clauses (1) to (4) if bonding authority is available in the housing pool. Applications will be accepted from June 15 to June 30 only from cities that received an allotment in the same calendar year and used at least 75 percent of their allotment by June 1.

(c) Any amounts remaining in the housing pool after July 15 are available for single-family housing programs for cities that applied in January and received an allocation under this section in the same calendar year. For a city that chooses to issue bonds on its own behalf or pursuant to a joint powers agreement, the agency must allot available bonding authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by loan, on a first come, first served basis among ~~applicant~~ cities on whose behalf the Minnesota housing finance agency issues bonds. ~~The agency must allot available bonding authority.~~

Any city that received an allocation pursuant to paragraph (f) in the same calendar year that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an amount becoming available for single-family housing programs after July 15 shall notify the Minnesota housing finance agency by July 15. The Minnesota housing finance agency shall notify each city making a request of the amount of its allocation within three business days after July 15. The city must comply with paragraph (f).

For purposes of paragraphs (a) to ~~(g)~~ (h), "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota housing finance agency.

~~(c)~~ (d) The total amount of allocation for mortgage bonds for one city is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the housing pool, multiplied by the ratio of each applicant's population as determined by the most recent estimate of the city's population released by the state demographer's office to the total of all the applicants' population, except that each applicant shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount determined under the formula in clause (ii). If a city applying for an allocation is located within a county that has also applied for an allocation, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

Upon determining the amount of each applicant's allocation, the agency shall forward to the commissioner a list specifying the amounts allotted to each application ~~and application deposit checks to the commissioner~~ with all application fees and deposits from applicants who choose to have the agency issue bonds on their behalf.

Total allocations from the housing pool for single-family housing programs may not exceed 31 percent of the adjusted allocation to the housing pool until after July 15.

~~(d)~~ (e) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time after the ~~first Monday second Tuesday in February January~~ and through the last Monday in July, ~~but may request an allocation no later than the last Monday in July.~~ After awarding an allocation and receiving a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposits to the Minnesota housing finance agency to be returned to the participating cities. ~~The commissioner Minnesota housing finance agency shall return any application deposit to a city that paid an application deposit under paragraph (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph (c) (d).~~

~~(e)~~ (f) A city may choose to issue bonds on its own behalf or through a joint powers agreement ~~or may use bonding authority for mortgage credit certificates~~ and may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and a one percent application deposit to the commissioner no later than the Monday of the week preceding an allocation. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the amount it would have received under the list forwarded by the Minnesota housing finance agency to the commissioner. No city may request or receive an allocation from the commissioner until the list under paragraph ~~(c)~~ (d) has been forwarded to the commissioner. A city must request an allocation from the commissioner no later than ~~14 days before the unified pool is created pursuant to section 474A.091, subdivision 1~~ the last Monday in July. ~~On and after the first Monday in February and through the last Monday in July,~~ No city may receive an allocation from the housing pool for mortgage bonds which has not first applied to the Minnesota housing finance agency. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota housing finance agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

~~(f)~~ (g) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the housing pool. No city in an entitlement county may apply for or be allocated authority to issue residential rental bonds from the housing pool or the unified pool.

~~(g)~~ (h) A city that does not use at least 50 percent of its allotment by the date applications are due for the first allocation that is made from the housing pool for single-family housing programs in the immediately succeeding calendar year may not apply to the housing pool for a single-family mortgage bond or mortgage credit certificate program allocation that exceeds the amount of its allotment for the preceding year that was used by the city in the

immediately preceding year or receive an allotment from the housing pool in the succeeding calendar year that exceeds the amount of its allotment for the preceding year that was used in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to July 15, regardless of the amount used in the preceding calendar year, except that a city whose allocation in the preceding year was the minimum amount of \$100,000 and who did not use at least 50 percent of its allocation from the preceding year is ineligible for an allocation in the immediate succeeding calendar year. Each local government unit in a consortium must meet the requirements of this paragraph.

Sec. 28. Minnesota Statutes 2000, section 474A.061, subdivision 2b, is amended to read:

Subd. 2b. [SMALL ISSUE POOL ALLOCATION.] ~~On the first Monday in January that is a business day through the last Monday in July~~ Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in July, the commissioner shall allocate available bonding authority from the small issue pool ~~on Monday of each week~~ to applications received on or before the Monday of the preceding week for manufacturing projects and enterprise zone facility projects. From the ~~first Monday in January that is a business day~~ second Tuesday in January through the last Monday in July, the commissioner shall reserve \$5,000,000 of the available bonding authority from the small issue pool for applications for agricultural development bond loan projects of the Minnesota rural finance authority.

Beginning in calendar year 2002, on the second Tuesday in January through the last Monday in July, the commissioner shall reserve \$10,000,000 of available bonding authority in the small issue pool for applications for student loan bonds of or on behalf of the Minnesota higher education services office. The total amount of allocations for student loan bonds from the small issue pool may not exceed \$10,000,000 per year.

The commissioner shall reserve \$10,000,000 until the day after the last Monday in February, \$10,000,000 until the day after the last Monday in April, and \$10,000,000 until the day after the last Monday in June in the small issue pool for enterprise zone facility projects and manufacturing projects. The amount of allocation provided to an issuer for a specific enterprise zone facility project or manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. ~~Proposed projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed projects that receive less than 50 points are eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received.~~

If there are two or more applications for manufacturing and enterprise zone facility projects from the small issue pool and there is insufficient bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045, with those projects receiving the greatest number of points receiving allocation first. If two or more applications receive an equal number of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 29. Minnesota Statutes 2000, section 474A.061, subdivision 2c, is amended to read:

Subd. 2c. [PUBLIC FACILITIES POOL ALLOCATION.] From the beginning of the calendar year and continuing for a period of 120 days, the commissioner shall reserve ~~\$5,000,000~~ \$3,000,000 of the available bonding authority from the public facilities pool for applications for public facilities projects to be financed by the Western Lake Superior Sanitary District. ~~On the first Monday in January that is a business day through the last Monday in July~~ Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in July, the commissioner shall allocate available bonding authority from the public facilities pool ~~on Monday of each week~~ to applications for eligible public facilities projects received on or before the Monday of the preceding week. If there are two or more applications for public facilities projects from the pool and there is insufficient available bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 30. Minnesota Statutes 2000, section 474A.061, subdivision 4, is amended to read:

Subd. 4. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 120 days of allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 120-day period since allocation has expired prior to the last Monday in July, the amount of allocation is canceled and returned for reallocation through the pool from which it was originally allocated. If the issuer notifies the department or the 120-day period since allocation has expired on or after the last Monday in July, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota housing finance agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 120 days of allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 120 days of receiving allocation.

(c) No refund shall be available for allocations returned 120 or more days after receiving the allocation or beyond the last Monday in November. ~~This subdivision does not apply to the Minnesota housing finance agency or the Minnesota rural finance authority.~~

Sec. 31. [474A.062] [HESO 120-DAY ISSUANCE EXEMPTION.]

The Minnesota higher education services office is exempt from the 120-day issuance requirements in this chapter and may carry forward allocations for student loan bonds into three successive calendar years, subject to carryforward notice requirements of section 474A.131, subdivision 2. The maximum cumulative carryforward is limited to \$25,000,000.

Sec. 32. Minnesota Statutes 2000, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Issuers may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, ~~and~~ (5) a public purpose scoring worksheet for manufacturing and enterprise zone applications, and (6) for residential rental projects, a statement from the applicant or bond counsel as to whether the project preserves existing federally subsidized housing and whether the project is restricted to persons who are 55 years of age or older. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

~~Notwithstanding the restrictions imposed on entitlement issuers under this subdivision, the Minnesota housing finance agency may not apply for receive an allocation for mortgage bonds under this section until after prior to the last first Monday in August. Notwithstanding the restrictions imposed on unified pool allocations after September 1 under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency October, but~~ may be awarded allocations for mortgage bonds from the unified pool ~~on or after September 1~~ on or after the first Monday in October. The Minnesota housing finance agency, the Minnesota higher education services office, and the Minnesota rural finance authority may apply for and receive an allocation under this section without submitting an application deposit.

Sec. 33. Minnesota Statutes 2000, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in August through and on the last Monday in November. Applications for allocations must be received by the department by 4:30 p.m. on the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

~~(b) On or before September 1, allocations shall be awarded from the unified pool in the following order of priority:~~

- ~~(1) applications for enterprise zone facility bonds;~~
- ~~(2) applications for small issue bonds for manufacturing projects;~~
- ~~(3) applications for small issue bonds for agricultural development bond loan projects;~~
- ~~(4) applications for residential rental project bonds;~~
- ~~(5) applications for public facility projects funded by public facility bonds;~~
- ~~(6) applications for redevelopment bonds;~~
- ~~(7) applications for mortgage bonds; and~~
- ~~(8) applications for governmental bonds.~~

~~Allocations for residential rental projects may only be made during the first allocation in August. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received.~~

(b) Prior to October 1, only the following applications shall be awarded allocations from the unified pool. Allocations shall be awarded in the following order of priority:

- (1) applications for residential rental project bonds;
- (2) applications for small issue bonds for manufacturing projects; and
- (3) applications for small issue bonds for agricultural development bond loan projects.

(c) On the first Monday in October through the last Monday in November, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for student loan bonds issued by or on behalf of the Minnesota higher education services office;

- (2) applications for mortgage bonds;
- (3) applications for public facility projects funded by public facility bonds;
- (4) applications for small issue bonds for manufacturing projects;
- (5) applications for small issue bonds for agricultural development bond loan projects;
- (6) applications for residential rental project bonds;
- (7) applications for enterprise zone facility bonds;
- (8) applications for governmental bonds; and
- (9) applications for redevelopment bonds.

(d) If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for manufacturing projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(e) If there are two or more applications for enterprise zone facility projects from the unified pool and there is insufficient bonding authority to provide allocations for all enterprise zone facility projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for enterprise zone facility projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(f) If there are two or more applications for residential rental projects from the unified pool and there is insufficient bonding authority to provide allocations for all residential rental projects in any one allocation period, the available bonding authority shall be awarded in the following order of priority: (1) projects that preserve existing federally subsidized housing; (2) projects that are not restricted to persons who are 55 years of age or older; and (3) other residential rental projects.

~~(e)(+)~~ (g) From the first Monday in August through the last Monday in November, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds to the extent such amounts are available within the unified pool. ~~On the first Monday in September through the last Monday in November, \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds to the extent such amounts are available within the unified pool.~~

~~(2)~~ (h) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

- (i) (1) \$10,000,000 for any one city; or
- (ii) (2) \$20,000,000 for any number of cities in any one county.

~~An allocation for mortgage bonds may be used for mortgage credit certificates.~~

(d) After September 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds to finance publicly owned facility projects, residential rental project bonds, and enterprise zone facility bonds.

(i) The total amount of allocations for student loan bonds from the unified pool may not exceed \$10,000,000 per year.

(j) If there is insufficient bonding authority to fund all projects within any qualified bond category other than enterprise zone facility projects, manufacturing projects, and residential rental projects, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers.

(k) If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted.

(l) The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 34. Minnesota Statutes 2000, section 474A.091, is amended by adding a subdivision to read:

Subd. 3a. [MORTGAGE BONDS.] (a) Bonding authority remaining in the unified pool on October 1 is available for single-family housing programs for cities that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year. The Minnesota housing finance agency shall receive an allocation for mortgage bonds pursuant to this section, minus any amounts for a city or consortium that intends to issue bonds on its own behalf under paragraph (c).

(b) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. Allocations shall be awarded by the commissioner each Monday commencing on the first Monday in October through the last Monday in November for applications received by 4:30 p.m. on the Monday of the week preceding an allocation.

For cities who choose to have the agency issue bonds on their behalf, allocations will be made loan by loan, on a first come, first served basis among the cities. The agency shall submit an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to two percent of the requested allocation to the commissioner when requesting an allocation from the unified pool. After awarding an allocation and receiving a notice of issuance for mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposit to the Minnesota housing finance agency.

For purposes of paragraphs (a) to (d), "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota housing finance agency.

(c) Any city that received an allocation pursuant to section 474A.061, subdivision 2a, paragraph (f), in the current year that wishes to receive an additional allocation from the unified pool and issue bonds on its own behalf or pursuant to a joint powers agreement shall notify the Minnesota housing finance agency by the third Monday in September. The total amount of allocation for mortgage bonds for a city choosing to issue bonds on its own behalf or through a joint powers agreement is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the unified pool, multiplied by the ratio of the population of each city that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year, as determined by the most recent estimate of the city's population released by the state demographer's office to the total of the population of all the cities that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year. If a city choosing to issue bonds on its own behalf or through a joint powers agreement is located within a county that has also chosen to issue bonds on its own behalf or through a joint powers agreement, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

The Minnesota housing finance agency shall notify each city choosing to issue bonds on its own behalf or pursuant to a joint powers agreement of the amount of its allocation by October 15. Upon determining the amount of the allocation of each choosing to issue bonds on its own behalf or through a joint powers agreement, the agency shall forward a list specifying the amounts allotted to each city.

A city that chooses to issue bonds on its own behalf or through a joint powers agreement may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to two percent of the requested amount to the commissioner no later than 4:30 p.m. on the Monday of the week preceding an allocation. Allocations to cities that choose to issue bonds on their own behalf shall be awarded by the commissioner on the first Monday after October 15 through the last Monday in November. No city may receive an allocation from the commissioner after the last Monday in November. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this subdivision.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota housing finance agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

(d) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the unified pool.

(e) An allocation awarded to the agency for mortgage bonds under this section may be carried forward by the agency into the next succeeding calendar year subject to notice requirements under section 474A.131 and is available until the last business day in December of that succeeding calendar year.

Sec. 35. Minnesota Statutes 2000, section 474A.091, subdivision 4, is amended to read:

Subd. 4. ~~[MORTGAGE BONDS REMAINING BONDING AUTHORITY.]~~ All remaining bonding authority available for allocation under this section on December 1, is allocated to the Minnesota housing finance agency.

Sec. 36. Minnesota Statutes 2000, section 474A.091, subdivision 5, is amended to read:

Subd. 5. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 120 days of the allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 120-day period since allocation has expired prior to the last Monday in November, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department on or after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota housing finance agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 120 days of the allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving the allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving the allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 120 days of receiving the allocation.

(c) No refund of the application deposit shall be available for allocations returned on or after the last Monday in November. ~~This subdivision does not apply to the Minnesota housing finance agency, or the Minnesota rural finance authority.~~

Sec. 37. Minnesota Statutes 2000, section 474A.091, subdivision 6, is amended to read:

Subd. 6. [FINAL ALLOCATION; CARRYFORWARD.] Notwithstanding the notice requirements of section 474A.131, subdivision 2, any bonding authority remaining unissued by the Minnesota housing finance agency on the last business day in December shall be carried forward into the next calendar year by the commissioner for the Minnesota housing finance agency in accordance with section 474A.131, subdivision 2.

Sec. 38. Minnesota Statutes 2000, section 474A.131, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ISSUE.] Each issuer that issues bonds with an allocation received under this chapter shall provide a notice of issue to the department on forms provided by the department stating:

- (1) the date of issuance of the bonds;
- (2) the title of the issue;
- (3) the principal amount of the bonds;
- (4) the type of qualified bonds under federal tax law; ~~and~~
- (5) the dollar amount of the bonds issued that were subject to the annual volume cap; and
- (6) for entitlement issuers, whether the allocation is from current year entitlement authority or is from carry forward authority.

For obligations that are issued as a part of a series of obligations, a notice must be provided for each series. A penalty of one-half of the amount of the application deposit not to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not provided to the department within five business days after issuance or before the last Monday in December, whichever occurs first. Within 30 days after receipt of a notice of issue the department shall refund a portion of the application deposit equal to one percent of the amount of the bonding authority actually issued if a one percent application deposit was made, or equal to two percent of the amount of the bonding authority actually issued if a two percent application deposit was made, less any penalty amount.

Sec. 39. Minnesota Statutes 2000, section 474A.131, is amended by adding a subdivision to read:

Subd. 1b. [DEADLINE FOR ISSUANCE OF QUALIFIED BONDS.] If an issuer fails to notify the department before 4:30 p.m. on the last business day in December of issuance of obligations pursuant to an allocation received for any qualified bond project or issuance of an entitlement allocation, the allocation is canceled and the bonding authority is allocated to the Minnesota housing finance agency for carryforward by the commissioner under section 474A.091, subdivision 6.

Sec. 40. Minnesota Statutes 2000, section 474A.131, subdivision 2, is amended to read:

Subd. 2. [CARRYFORWARD NOTICE.] If an issuer intends to carry forward an allocation received under this chapter, it must notify the department in writing before 4:30 p.m. on the last Monday of business day in December. This notice requirement does not apply to the Minnesota housing finance agency for the carryforward of unallocated unified pool balances.

Sec. 41. Minnesota Statutes 2000, section 474A.14, is amended to read:

474A.14 [NOTICE OF AVAILABLE AUTHORITY.]

The department shall ~~publish in the State Register a~~ provide at its official Web site a written notice of the amount of bonding authority in the housing, small issue, and public facilities pools as soon after January 1 as possible. The department shall ~~publish in the State Register a~~ provide at its official Web site a written notice of the amount of bonding authority available for allocation in the unified pool as soon after August 1 as possible.

Sec. 42. Minnesota Statutes 2000, section 475.54, subdivision 1, is amended to read:

Subdivision 1. [IN INSTALLMENTS; EXCEPTION; ANNUAL LIMIT.] Except as provided in subdivision 3, 5a, 15, or 17, or as expressly authorized in another law, all obligations of each issue shall mature or be subject to mandatory sinking fund redemption in installments, the first not later than three years and the last not later than 30 years from the date of the issue; or 40 years or the useful life of the asset, whichever is less, for municipal water and wastewater treatment systems and essential community facilities financed or guaranteed by the United States Department of Agriculture. No amount of principal of the issue payable in any calendar year shall exceed ~~five times the an~~ an amount of equal to the smallest amount payable in any preceding calendar year ending three years or more after the issue date multiplied:

(1) by five, in the case of obligations maturing not later than 25 years from the date of issue; and

(2) by six, in the case of obligations maturing 25 years or later from the date of issue.

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

Sec. 43. Minnesota Statutes 2000, section 475.58, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL BY ELECTORS; EXCEPTIONS.] Obligations authorized by law or charter may be issued by any municipality upon obtaining the approval of a majority of the electors voting on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

(1) to pay any unpaid judgment against the municipality;

(2) for refunding obligations;

(3) for an improvement or improvement program, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement or by an improvement within the improvement program, or of taxes levied upon the increased value of property within a district for the development of which the improvement is undertaken, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or taxes and not less than 20 percent of the cost of the improvement or the improvement program is to be assessed against benefited property or is to be paid from the proceeds of federal grant funds or a combination thereof, or is estimated to be received from such taxes within the district;

(4) payable wholly from the income of revenue producing conveniences;

(5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election;

(6) under the provisions of a law which permits the issuance of obligations of a municipality without an election;

(7) to fund pension or retirement fund liabilities pursuant to section 475.52, subdivision 6;

- (8) under a capital improvement plan under section 373.40; and
- (9) ~~to fund facilities as provided in subdivision 3; and~~
- ~~(10)~~ under sections 469.1813 to 469.1815 (property tax abatement authority bonds).

Sec. 44. Minnesota Statutes 2000, section 475.59, is amended to read:

475.59 [MANNER OF SUBMISSION; NOTICE.]

When the governing body of a municipality resolves to issue bonds for any purpose requiring the approval of the electors, it shall provide for submission of the proposition of their issuance at a general or special election or town or school district meeting. Notice of such election or meeting shall be given in the manner required by law and shall state the maximum amount and the purpose of the proposed issue. In any school district, the school board or board of education may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance for any one or more of the following, stated conjunctively or in the alternative: acquisition or enlargement of sites, acquisition, betterment, erection, furnishing, equipping of one or more new schoolhouses, remodeling, repairing, improving, adding to, betterment, furnishing, equipping of one or more existing schoolhouses. In any city, town, or county, the governing body may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance, stated conjunctively or in the alternative, for the acquisition, construction, or improvement of any facilities at one or more locations.

Sec. 45. Laws 1974, chapter 473, is amended to read:

Section 1. [SCOTT COUNTY; HOUSING AND REDEVELOPMENT AUTHORITY.] There is hereby created in Scott county a public body corporate and politic, to be known as the Scott county housing and redevelopment authority, having all of the powers and duties of a housing and redevelopment authority under the provisions of ~~the municipal housing and redevelopment act, Minnesota Statutes, Sections 462.411 to 462.711, and acts amendatory thereof, which act applies to the county of Scott 469.001 to 469.047, and having those powers of an economic development authority under the provisions of Minnesota Statutes, sections 469.090 to 469.180 as are granted to it by Scott county as provided below.~~ For the purposes of applying the provisions of ~~the municipal housing and redevelopment act Minnesota Statutes, sections 469.001 to 469.047 and 469.090 to 469.180,~~ to Scott county, the county has all the powers and duties of a municipality, the county board has all of the powers and duties of a governing body, the chairman of the county board has all of the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.

Sec. 2. [APPLICATION.] Subdivision 1. This act shall not limit or restrict any existing housing and redevelopment authority or prevent a municipality from creating an authority. ~~The county shall not exercise jurisdiction in any municipality where a municipal housing and redevelopment authority is established.~~

Subd. 2. A municipal housing and redevelopment authority may request the Scott county housing and redevelopment authority to handle the housing duties of the authority and, in such an event, the Scott county housing and redevelopment authority shall act and have exclusive jurisdiction for housing in the municipality pursuant to the provisions of ~~the municipal housing and redevelopment act, Minnesota Statutes, Sections 462.411 to 462.711, and acts amendatory thereof 469.001 to 469.047.~~ A transfer of duties relating to housing shall not transfer any duties relating to redevelopment.

Sec. 3. [MUNICIPAL APPROVAL.] If any housing or redevelopment project is undertaken in Scott county pursuant to this authorization, and such project is within the boundaries of any incorporated village, city or township, the location of such project shall be approved by the governing body of such village, city or township.

Sec. 4. [ECONOMIC DEVELOPMENT AUTHORITY POWERS.] The Scott county housing and redevelopment authority may exercise any of the powers of an economic development authority (EDA) granted to it by resolution by the Scott county board of commissioners, except for the authority to levy the tax described in Minnesota Statutes,

section 469.107. With the prior approval of the Scott county board the authority may increase its levy of the special tax described in Minnesota Statutes, section 469.033, subdivision 6, to an amount not exceeding 0.01813 percent of taxable market value, or any higher limit from time to time authorized under Minnesota Statutes, section 469.107 or 469.033, subdivision 6.

Sec. 5. [OFFERS OF TAX-FORFEITED LANDS.] Scott county may offer to the Scott county housing and redevelopment authority, under the conditions and policies established by the county, and subject to the approval of the city in which the property is located, nonconservation tax-forfeited land prior to making the properties available to cities in Scott county.

~~Sec. 4.~~ Sec. 6. [EFFECTIVE DATE; LOCAL APPROVAL.] This act takes effect when approved by a majority of the board of county commissioners of Scott county and upon compliance with Minnesota Statutes, Section 645.021. This act is effective the day after the governing body of Scott county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 46. Laws 1980, chapter 482, is amended to read:

Section 1. [CARVER COUNTY; HOUSING AND REDEVELOPMENT.] Subdivision 1. There is created in the county of Carver a public body corporate and politic, to be known as the Carver county housing and redevelopment authority, having all of the powers and duties of a housing and redevelopment authority under the provisions of ~~the municipal housing and redevelopment act, Minnesota Statutes, Section 462.411 to 462.711~~ sections 469.001 to 469.047, and having those powers of an economic development authority under the provisions of Minnesota Statutes, sections 469.090 to 469.1082, as are granted to it by Carver county as provided in sections 2 to 4. For the purposes of applying the provisions of ~~the municipal housing and redevelopment act~~ Minnesota Statutes, sections 469.001 to 469.047 and 469.090 to 469.1082, to Carver county, the county has all of the powers and duties of a municipality, the county board has all of the powers and duties of a governing body, the chairman of the county board has all of the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.

Subd. 2. This section shall not limit or restrict any existing housing and redevelopment authority or prevent a municipality from creating an authority. ~~The county shall not exercise jurisdiction in any municipality where a municipal housing and redevelopment authority is established.~~ If a municipal housing and redevelopment authority requests the Carver county housing and redevelopment authority to handle the housing duties of the municipal authority, the Carver county housing and redevelopment authority shall act and have exclusive jurisdiction for housing in the municipality. A transfer of duties relating to housing shall not transfer any duties relating to redevelopment.

Sec. 2. [ECONOMIC DEVELOPMENT AUTHORITY POWERS.] The Carver county housing and redevelopment authority may exercise any of the powers of an economic development authority granted to it by resolution by the Carver county board of commissioners, except for the authority to levy the tax described in Minnesota Statutes, section 469.107. With the prior approval of the Carver county board, the authority may increase its levy of the special tax described in Minnesota Statutes, section 469.033, subdivision 6, to an amount not exceeding 0.01813 percent of taxable market value, or any higher limit from time to time, authorized under Minnesota Statutes, section 469.107 or 469.033, subdivision 6.

Sec. 3. [OFFERS OF TAX-FORFEITED LANDS.] Carver county may offer to the Carver county housing and redevelopment authority, under the conditions and policies established by the county, and subject to the approval of the city in which the property is located, nonconservation tax-forfeited land prior to making the properties available to cities in Carver county.

~~Sec. 2.~~ Sec. 4. [LOCAL APPROVAL.] Before a housing or redevelopment project of the Carver county housing and redevelopment authority is undertaken, the project shall be approved by the local governing body with jurisdiction over all or any part of the area in which the proposed project is located.

~~Sec. 3. Sec. 5. [EFFECTIVE DATE; LOCAL APPROVAL.] This act is effective upon takes effect the day of compliance after the governing body of Carver county complies with Minnesota Statutes, Section 645.021, Subdivision 3 subdivisions 2 and 3.~~

Sec. 47. [CHISAGO LAKES JOINT SEWAGE TREATMENT COMMISSION BONDING AUTHORITY.]

Subdivision 1. [AUTHORITY.] Notwithstanding Minnesota Statutes, section 471.59, subdivision 11, the Chisago lakes joint sewage treatment commission, a joint powers board established by the county of Chisago, and the cities of Lindstrom, Chisago City, and Center City, to own and operate wastewater treatment facilities for the member local governments, may issue and sell general obligation bonds pursuant to Minnesota Statutes, sections 115.46 and 444.075, and chapter 475, to acquire land for, construct, expand, furnish, equip, and modify its wastewater treatment facilities, and pledge the full faith and credit and taxing power of the governmental units that are members of the joint powers board. Bonds issued under this section are not subject to Minnesota Statutes, section 475.58. The joint powers board is a municipality within the meaning of Minnesota Statutes, chapter 475. Each government unit that is a member of the joint powers board must adopt a resolution authorizing the joint powers board to issue and sell the bonds.

Subd. 2. [EFFECTIVE DATE; NO LOCAL APPROVAL.] This section is effective the day following final enactment and does not require local approval, as provided in Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 48. [HASSAN TOWNSHIP; ECONOMIC DEVELOPMENT AUTHORITY; ESTABLISHMENT AND POWERS.]

Subdivision 1. [FINDINGS.] The legislature finds that it is appropriate to give Hassan township the powers of an economic development authority because the town is located in an increasingly urbanized area and is the only remaining town in Hennepin county.

Subd. 2. [ESTABLISHMENT.] The board of township supervisors of Hassan township may establish an economic development authority in the manner provided in Minnesota Statutes, sections 469.090 to 469.1081, and may impose limits on the authority enumerated in Minnesota Statutes, section 469.092. The economic development authority has all of the powers and duties granted to or imposed upon economic development authorities under Minnesota Statutes, sections 469.090 to 469.1081. The township economic development authority may create and define the boundaries of economic development districts at any place or places within the township, provided that a project as recommended by the township authority that is to be located within the corporate limits of a city may not be commenced without the approval of the governing body of the city. Minnesota Statutes, section 469.174, subdivision 10, and the contiguity requirement specified under Minnesota Statutes, section 469.101, subdivision 1, do not apply to limit the areas that may be designated as township economic development districts.

Subd. 3. [POWERS.] If an economic development authority is established as provided in subdivision 1, the township may exercise all of the powers relating to an economic development authority granted to a city under Minnesota Statutes, sections 469.090 to 469.1081, or other law, including the power to levy a tax to support the activities of the authority.

Subd. 4. [LOCAL APPROVAL.] This section is effective the day after the town board of supervisors of Hassan township and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 49. [REPEALER.]

(a) Minnesota Statutes 2000, sections 373.40, subdivision 7; and 474A.061, subdivision 6, are repealed.

(b) Minnesota Statutes 2000, section 376.03, is repealed.

Sec. 50. [EFFECTIVE DATE.]

Sections 13 to 42 are effective the day after final enactment except that section 19, paragraph (c), is effective to require submissions by December 31, 2002, and annually thereafter."

Delete the title and insert:

"A bill for an act relating to public finance; updating and making technical changes to public finance and related provisions related to county and county-supported hospitals, municipally owned nursing homes, lake improvement districts, and the metropolitan council; extending a sunset date for certain county capital improvement bonds and limiting the inclusiveness of capital improvements; removing election requirements as preconditions for issuance of certain obligations; requiring reverse referenda in certain cases; clarifying the effect of a state guaranty as not creating constitutional public debt of the state; authorizing some flexibility in stating certain ballot questions; authorizing Scott and Carver counties to grant certain economic development powers to their housing and redevelopment authorities; authorizing the Chisago Lakes joint sewage treatment commission to issue bonds; authorizing expanded funding by the county for certain multijurisdictional program activities in Hennepin county; authorizing Hassan township to create and empower an economic development authority; updating and changing the Minnesota Bond Allocation Act; amending Minnesota Statutes 2000, sections 103B.555, by adding a subdivision; 165.10, subdivision 2; 275.60; 373.45, subdivision 3; 376.06, subdivision 1; 376.07; 376.08, subdivisions 1, 2; 376.09; 383B.79, by adding a subdivision; 429.091, subdivision 7a; 473.39, by adding a subdivision; 474A.02, subdivisions 8, 13a, 22a, 22b, 23a; 474A.03, subdivisions 1, 2a, 4; 474A.04, subdivisions 1a, 5; 474A.045; 474A.047, subdivisions 1, 2; 474A.061, subdivisions 1, 2a, 2b, 2c, 4; 474A.091, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 474A.131, subdivisions 1, 2, by adding a subdivision; 474A.14; 475.54, subdivision 1; 475.58, subdivision 1; 475.59; amending Laws 1974, chapter 473; Laws 1980, chapter 482; proposing coding for new law in Minnesota Statutes, chapters 474A; repealing Minnesota Statutes 2000, sections 373.40, subdivision 7; 376.03; 474A.061, subdivision 6."

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

Senate Conferees: LAWRENCE J. POGEMILLER, CHUCK FOWLER AND WILLIAM V. BELANGER, JR.

House Conferees: RON ABRAMS, DAN MCELROY AND BOB MILBERT.

Abrams moved that the report of the Conference Committee on S. F. No. 2208 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2208, A bill for an act relating to public finance; updating and making technical changes to public finance provisions related to debt obligations, financing of certain equipment and hardware and software; removing election requirements for issuance of certain obligations; authorizing flexibility in stating certain ballot questions; updating and changing the Minnesota Bond Allocation Act; providing for the powers of housing and redevelopment authorities in Scott county and Carver county; authorizing issuance of certain obligations by the city of St. Paul; clarifying an appropriation; amending Minnesota Statutes 2000, sections 103B.555, by adding a subdivision; 165.10, subdivision 2; 275.60; 373.01, subdivision 3; 373.45, subdivision 3; 376.08, subdivisions 1, 3, by adding a subdivision; 410.32; 412.301; 429.091, subdivision 7a; 474A.02, subdivisions 8, 13a, 22a, 22b, 23a; 474A.03, subdivisions 1, 2a, 4; 474A.04, subdivisions 1a, 5; 474A.045; 474A.047, subdivisions 1, 2; 474A.061, subdivisions 1, 2a, 2b, 2c, 4; 474A.091, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 474A.131, subdivisions 1, 2, by adding a subdivision; 474A.14; 475.54, subdivision 1; 475.58, subdivision 1; 475.59; Laws 1974, chapter 473; Laws 1980, chapter 482; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 2000, section 474A.061, subdivision 6.

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 130 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Krinkie	Olson	Seagren
--------------	---------	-------	---------

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

Mr. Speaker:

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

S. F. Nos. 1054, 2328 and 793.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1054, A bill for an act relating to insurance; regulating insurers, agents, coverages and benefits, costs, claims, investments, and notifications and disclosures; prescribing powers and duties of the commissioner; eliminating the regulation of nonprofit legal services plans; amending Minnesota Statutes 2000, sections 60A.06, subdivision 3; 60A.08, subdivision 13; 60A.11, subdivision 10; 60A.129, subdivision 2; 60A.14, subdivision 1; 60A.16, subdivision 1; 60A.23, subdivision 8; 61A.072, by adding a subdivision; 62A.17, subdivision 1; 62A.20, subdivision 1; 62A.21, subdivision 2a; 62A.302; 62A.31, subdivisions 1a, 1i, 3; 62A.65, subdivision 8; 62E.04,

subdivision 4; 62E.06, subdivision 1; 62I.07, subdivision 1; 62L.05, subdivisions 1, 2; 62M.03, subdivision 2; 62M.05, subdivision 5; 62Q.01, subdivision 6; 62Q.73, subdivision 3; 65A.29, subdivision 7; 65B.04, subdivision 3; 65B.06, subdivisions 1, 4; 65B.16; 65B.19, subdivision 2; 67A.20, by adding a subdivision; 70A.07; 79A.02, subdivision 1; 79A.03, subdivision 7; 79A.04, subdivision 16; 79A.15; 471.617, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62A; 62L; repealing Minnesota Statutes 2000, sections 13.7191, subdivision 11; 60A.111; 62G.01; 62G.02; 62G.03; 62G.04; 62G.05; 62G.06; 62G.07; 62G.08; 62G.09; 62G.10; 62G.11; 62G.12; 62G.13; 62G.14; 62G.15; 62G.16; 62G.17; 62G.18; 62G.19; 62G.20; 62G.21; 62G.22; 62G.23; 62G.24; 62G.25.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Haas moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1054 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Haas moved that the rules of the House be so far suspended that S. F. No. 1054 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1054 was read for the second time.

S. F. No. 1054, A bill for an act relating to insurance; regulating insurers, agents, coverages and benefits, costs, claims, investments, and notifications and disclosures; prescribing powers and duties of the commissioner; eliminating the regulation of nonprofit legal services plans; amending Minnesota Statutes 2000, sections 60A.06, subdivision 3; 60A.08, subdivision 13; 60A.11, subdivision 10; 60A.129, subdivision 2; 60A.14, subdivision 1; 60A.16, subdivision 1; 60A.23, subdivision 8; 60K.14, subdivision 2; 61A.072, by adding a subdivision; 61A.09, subdivision 1; 62A.04, subdivision 2; 62A.17, subdivision 1; 62A.20, subdivision 1; 62A.21, subdivision 2a; 62A.302; 62A.31, subdivisions 1a, 1i, 3; 62A.65, subdivision 8; 62E.04, subdivision 4; 62E.06, subdivision 1; 62I.07, subdivision 1; 62J.60, subdivision 3; 62L.05, subdivisions 1, 2; 62M.02, by adding a subdivision; 62M.03, subdivision 2; 62M.05, subdivision 5; 62Q.01, subdivision 6; 62Q.73, subdivision 3; 65A.29, subdivision 7; 65A.30; 65B.04, subdivision 3; 65B.06, subdivisions 1, 4; 65B.16; 65B.19, subdivision 2; 65B.44, subdivision 3; 67A.20, by adding a subdivision; 70A.07; 79A.02, subdivision 1; 79A.03, subdivision 7; 79A.04, subdivision 16; 79A.15; 471.617, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 2000, sections 13.7191, subdivision 11; 60A.111; 62G.01; 62G.02; 62G.03; 62G.04; 62G.05; 62G.06; 62G.07; 62G.08; 62G.09; 62G.10; 62G.11; 62G.12; 62G.13; 62G.14; 62G.15; 62G.16; 62G.17; 62G.18; 62G.19; 62G.20; 62G.21; 62G.22; 62G.23; 62G.24; 62G.25.

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 131 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abeler	Bernardy	Buesgens	Daggett	Dempsey	Entenza
Abrams	Biernat	Carlson	Davids	Dibble	Erhardt
Anderson, B.	Bishop	Cassell	Davnie	Dorman	Erickson
Anderson, I.	Boudreau	Clark, J.	Dawkins	Dorn	Evans
Bakk	Bradley	Clark, K.	Dehler	Eastlund	Folliard

Fuller	Huntley	Larson	Mulder	Rifenberg	Thompson
Gerlach	Jacobson	Leighton	Mullery	Rukavina	Tingelstad
Gleason	Jaros	Lenczewski	Murphy	Ruth	Tuma
Goodno	Jennings	Leppik	Ness	Schumacher	Vandever
Goodwin	Johnson, J.	Lieder	Nornes	Seagren	Wagenius
Gray	Johnson, R.	Lindner	Olson	Seifert	Walker
Greiling	Johnson, S.	Lipman	Opatz	Sertich	Walz
Gunther	Juhnke	Luther	Osskopp	Skoe	Wasiluk
Haas	Kahn	Mahoney	Osthoff	Skoglund	Wenzel
Hackbarth	Kalis	Mares	Ozment	Slawik	Westerberg
Harder	Kelliher	Mariani	Paulsen	Smith	Westrom
Hausman	Kielkucki	Marko	Pawlenty	Solberg	Wilkin
Hilstrom	Knoblach	Marquart	Paymar	Stanek	Winter
Hilty	Koskinen	McElroy	Pelowski	Stang	Wolf
Holberg	Krinkie	McGuire	Penas	Swapinski	Workman
Holsten	Kubly	Milbert	Pugh	Swenson	Spk. Sviggum
Howes	Kuisle	Molnau	Rhodes	Sykora	

Those who voted in the negative were:

Finseth Otremba Peterson

The bill was passed and its title agreed to.

FIRST READING OF SENATE BILLS, Continued

S. F. No. 2328, A resolution urging the United States Congress to amend the Railroad Unemployment Insurance Act.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Jaros moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2328 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Jaros moved that the rules of the House be so far suspended that S. F. No. 2328 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2328 was read for the second time.

S. F. No. 2328, A resolution urging the United States Congress to amend the Railroad Unemployment Insurance Act.

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 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Wolf

The bill was passed and its title agreed to.

FIRST READING OF SENATE BILLS, Continued

S. F. No. 793, A bill for an act relating to the environment; extending the deadline for repayment obligations for certain solid waste transfer station projects; amending Minnesota Statutes 2000, section 115A.54, subdivision 2a.

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

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1541

A bill for an act relating to landlords and tenants; requiring a study of rental application fees.

May 21, 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. 1541, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: JOE MULLERY, GREGORY M. DAVIDS AND BOB GUNTHER.

Senate Conferees: JULIE A. SABO, LINDA BERGLIN AND DAVID L. KNUTSON.

Mullery moved that the report of the Conference Committee on H. F. No. 1541 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1541, A bill for an act relating to landlords and tenants; requiring a study of rental application fees.

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 124 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Clark, J.	Johnson, J.	Krinkie	Westerberg
Buesgens	Holberg	Kielkucki	Olson	Wilkin

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

MOTION TO FIX TIME OF ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, January 29, 2002. The motion prevailed.

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1515

A bill for an act relating to education; providing for family and early childhood education; modifying Head Start program; consolidating child care assistance programs; modifying early childhood screening, early childhood family education, and school readiness programs; directing allocation of federal child care development funds; consolidating certain advisory councils; establishing youth after-school enrichment program; modifying adult basic education program; requiring a report; providing for early childhood program evaluation; making various clarifying and technical changes; appropriating money; amending Minnesota Statutes 2000, sections 119A.12, by adding subdivisions; 119A.13, subdivision 4; 119A.21; 119A.22; 119A.51, by adding a subdivision; 119A.52; 119A.53; 119B.011, subdivisions 5, 7, 11, 12, 18, 19, by adding subdivisions; 119B.02, subdivisions 1, 2, 3, by adding subdivisions; 119B.061, subdivisions 1, 2, 4, 5; 121A.17, subdivision 1; 121A.30; 124D.135, by adding subdivisions; 124D.16, subdivision 2, by adding subdivisions; 124D.19, by adding subdivisions; 124D.20, subdivisions 1, 5, by adding a subdivision; 124D.221, subdivisions 1, 2, by adding a subdivision; 124D.518, subdivision 5; 124D.52, subdivision 2; 124D.522; 124D.531, subdivisions 1, 3, 7; 125A.28; 125B.20, subdivision 1; 134.31, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 119A; 119B; 124D; 134; repealing Minnesota Statutes 2000, sections 119A.13, subdivisions 1, 2, 3; 119A.14, subdivision 2; 119A.23; 119B.011, subdivision 20; 119B.03; 119B.04; 119B.05; 119B.06; 119B.07; 119B.074; 119B.08; 119B.09; 119B.10; 119B.11; 119B.12; 119B.13; 119B.14; 119B.15; 119B.16; 124D.16, subdivision 4; 124D.33; 124D.331; 125B.20, subdivision 3; Minnesota Rules, parts 3530.2610; 3530.2612; 3530.2614; 3530.2616; 3530.2618; 3530.2620; 3530.2622; 3530.2624; 3530.2626; 3530.2628; 3530.2630; 3530.2632; 3530.2634; 3530.2636; 3530.2638; 3530.2640; 3530.2642; 3530.2644.

May 21, 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. 1515, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1515 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

CHILDREN AND FAMILY SUPPORT PROGRAMS

Section 1. Minnesota Statutes 2000, section 119B.011, subdivision 19, is amended to read:

Subd. 19. [PROVIDER.] "Provider" means ~~a child care license holder who operates a family child care home, a group family child care home, a child care center, a nursery school, a day nursery, a school age care program, a license-exempt school age care program operating under the auspices of a local school board or a park or recreation board of a city of the first class that has adopted school age care guidelines which meet or exceed guidelines recommended by the department, or a nonlicensed~~ an individual or child care center or facility, either licensed or unlicensed, providing legal child care services as defined under section 245A.03. A legally unlicensed registered family child care provider who is ~~must be~~ must be at least 18 years of age, and ~~who is~~ is not a member of the MFIP assistance unit or a member of the family receiving child care assistance under this chapter.

Sec. 2. Minnesota Statutes 2000, section 119B.06, is amended by adding a subdivision to read:

Subd. 3. [CHILD CARE DEVELOPMENT FUND PLAN DEVELOPMENT; REVIEW.] In an effort to improve state legislative involvement in the development of the Minnesota child care and development fund plan, the commissioner must present a draft copy of the plan to the legislative finance committees that oversee child care assistance funding no less than 30 days prior to the required deadline for submission of the plan to the federal government. The legislature must submit any adjustments to the plan to the commissioner for consideration within ten business days of receiving the draft plan. The commissioner must present a copy of the final plan to the chairs of the legislative finance committees that oversee child care assistance funding no less than four days prior to the deadline for submission of the plan to the federal government.

Sec. 3. Minnesota Statutes 2000, section 119B.061, subdivision 4, is amended to read:

Subd. 4. [ASSISTANCE.] (a) A family is limited to a lifetime total of 12 months of assistance under ~~this section subdivision 2.~~ subdivision 2. The maximum rate of assistance is equal to ~~75~~ 90 percent of the rate established under section 119B.13 for care of infants in licensed family child care in the applicant's county of residence. Assistance must be calculated to reflect the parent fee requirement under section 119B.12 for the family's actual income level and family size while the family is participating in the at-home infant child care program under this section.

(b) A participating family must report income and other family changes as specified in the county's plan under section 119B.08, subdivision 3. ~~The family must treat any assistance received under this section as unearned income.~~

(c) Persons who are admitted to the at-home infant care program retain their position in any basic sliding fee program or on any waiting list attained at the time of admittance. If they are on the waiting list, they must advance as if they had not been admitted to the program. Persons leaving the at-home infant care program re-enter the basic sliding fee program at the position they would have occupied or the waiting list at the position to which they would have advanced. Persons who would have attained eligibility for the basic sliding fee program must be given assistance or advance to the top of the waiting list when they leave the at-home infant care program. Persons admitted to the at-home infant care program who are not on a basic sliding fee waiting list may apply to the basic sliding fee program, and if eligible, be placed on the waiting list.

(d) The time that a family receives assistance under this section must be deducted from the one-year exemption from work requirements under the MFIP program.

(e) Assistance under this section does not establish an employer-employee relationship between any member of the assisted family and the county or state.

Sec. 4. Minnesota Statutes 2000, section 119B.24, is amended to read:

119B.24 [DUTIES OF COMMISSIONER.]

In addition to the powers and duties already conferred by law, the commissioner of children, families, and learning shall:

(1) administer the child care fund, including the basic sliding fee program authorized under sections 119B.011 to 119B.16;

(2) monitor the child care resource and referral programs established under section 119B.19; and

(3) encourage child care providers to participate in a nationally recognized accreditation system for early childhood and school-age care programs. ~~The commissioner shall reimburse licensed~~ Subject to approval by the commissioner, family child care providers and early childhood and school-age care programs shall be reimbursed for one-half of the direct cost of accreditation fees, upon successful completion of accreditation.

Sec. 5. Minnesota Statutes 2000, section 124D.135, is amended by adding a subdivision to read:

Subd. 8. [RESERVE ACCOUNT LIMIT.] Under this section, the average annual revenue, during the most recent three-year period, in a district's early childhood family education reserve account on June 30 of each year must not be greater than 25 percent of the district's early childhood family education annual revenue for the prior year. If a district's average early childhood family education reserve, over the most recent three-year period, is in excess of 25 percent of the prior year annual revenue, the district's early childhood family education state aid and levy authority must be reduced by the excess reserve amount no more than 30 months after the excess occurs. The commissioner must reallocate aid reduced under this subdivision to other eligible early childhood family education programs.

Sec. 6. Minnesota Statutes 2000, section 124D.135, is amended by adding a subdivision to read:

Subd. 9. [WAIVER.] If a district anticipates that the reserve account may exceed the 25 percent limit established under subdivision 8 because of extenuating circumstances, prior approval to exceed the limit must be obtained in writing from the commissioner.

Sec. 7. Minnesota Statutes 2000, section 124D.16, is amended by adding a subdivision to read:

Subd. 5. [RESERVE ACCOUNT.] School readiness revenue, which includes aids, fees, grants, and all other revenues received by the district school readiness programs, must be maintained in a reserve account within the community service fund.

Sec. 8. Minnesota Statutes 2000, section 124D.16, is amended by adding a subdivision to read:

Subd. 6. [RESERVE ACCOUNT LIMIT.] Under this section, the average annual revenue, during the most recent three-year period, in a district's school readiness reserve account on June 30 of each year must not be greater than 25 percent of the district's school readiness annual revenue for the prior year. If a district's average school readiness reserve, over the most recent three-year period, is in excess of 25 percent of the prior year annual revenue, the district's current year school readiness state aid must be reduced by the excess reserve amount. The commissioner must reallocate aid reduced under this subdivision to other eligible school readiness programs.

Sec. 9. Minnesota Statutes 2000, section 124D.16, is amended by adding a subdivision to read:

Subd. 7. [WAIVER.] If a district anticipates that the reserve account may exceed the 25 percent limit established under subdivision 6 because of extenuating circumstances, prior approval to exceed the limit must be obtained in writing from the commissioner.

Sec. 10. Minnesota Statutes 2000, section 125A.28, is amended to read:

125A.28 [STATE INTERAGENCY COORDINATING COUNCIL.]

An interagency coordinating council of at least 17, but not more than 25 members is established, in compliance with Public Law Number 102-119, section 682. The members must be appointed by the governor. Council members must elect the council chair. The representative of the commissioner may not serve as the chair. The council must be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, local Head Start director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, children, families, and learning, health, human services, a representative from the state agency responsible for child care, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council must meet at least quarterly.

The council must address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

By ~~June~~ September 1, the council must recommend to the governor and the commissioners of children, families, and learning, health, human services, commerce, and economic security policies for a comprehensive and coordinated system.

Notwithstanding any other law to the contrary, the state interagency coordinating council expires on June 30, ~~2001~~ 2003.

Sec. 11. [INTERAGENCY AUTISM COORDINATING COMMITTEE.]

(a) The commissioner of children, families, and learning shall establish an interagency committee to coordinate state efforts related to serving children with autism. The committee shall include representatives of the departments of children, families, and learning and human services; parents or guardians of children with autism; pediatricians; local public health officials; and representatives of private or nonprofit organizations that advocate on behalf of children with autism.

(b) The interagency autism coordinating committee shall study and recommend by December 1, 2001, to the committees in the legislature charged with early childhood through grade 12 education policy and finance matters a plan for improving efforts at early assessment and identification of autism in young children. The plan must consider:

(1) all existing assessment program options;

(2) public and private funding sources including programmatic funding for early and periodic screening, diagnosis, and treatment; and

(3) current, research-based best practice models.

The plan must be designed to make optimal use of existing public resources.

(c) The committee expires June 30, 2003.

Sec. 12. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated, unless otherwise indicated.

Subd. 2. [SCHOOL READINESS PROGRAM REVENUE.] For revenue for school readiness programs according to Minnesota Statutes, sections 124D.15 and 124D.16:

<u>\$10,395,000</u>	.....	<u>2002</u>
<u>\$10,395,000</u>	.....	<u>2003</u>

The 2002 appropriation includes \$1,039,000 for 2001 and \$9,356,000 for 2002.

The 2003 appropriation includes \$1,039,000 for 2002 and \$9,356,000 for 2003.

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

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

<u>\$20,758,000</u>	.....	<u>2002</u>
<u>\$20,663,000</u>	.....	<u>2003</u>

The 2002 appropriation includes \$2,036,000 for 2001 and \$18,722,000 for 2002.

The 2003 appropriation includes \$2,081,000 for 2002 and \$18,582,000 for 2003.

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

Subd. 4. [HEALTH AND DEVELOPMENTAL SCREENING AID.] For health and developmental screening aid according to Minnesota Statutes, sections 121A.17 and 121A.19:

<u>\$2,661,000</u>	.....	<u>2002</u>
<u>\$2,661,000</u>	.....	<u>2003</u>

The 2002 appropriation includes \$266,000 for 2001 and \$2,395,000 for 2002.

The 2003 appropriation includes \$266,000 for 2002 and \$2,395,000 for 2003.

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

Subd. 5. [WAY TO GROW.] For grants for existing way to grow programs according to Minnesota Statutes, section 124D.17:

<u>\$475,000</u>	.....	<u>2002</u>
<u>\$475,000</u>	.....	<u>2003</u>

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

Subd. 6. [HEAD START PROGRAM.] For Head Start programs according to Minnesota Statutes, section 119A.52:

<u>\$18,375,000</u>	.....	<u>2002</u>
<u>\$18,375,000</u>	.....	<u>2003</u>

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

Subd. 7. [SCHOOL AGE CARE AID.] For school age care aid according to Minnesota Statutes, section 124D.22:

<u>\$221,000</u>	.....	<u>2002</u>
<u>\$133,000</u>	.....	<u>2003</u>

The 2002 appropriation includes \$30,000 for 2001 and \$191,000 for 2002.

The 2003 appropriation includes \$21,000 for 2002 and \$112,000 for 2003.

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

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

<u>\$51,999,000</u>	.....	<u>2002</u>
<u>\$51,999,000</u>	.....	<u>2003</u>

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

<u>\$82,253,000</u>	.....	<u>2002</u>
<u>\$78,606,000</u>	.....	<u>2003</u>

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

Subd. 10. [CHILD CARE INTEGRITY.] For the administrative costs of program integrity and fraud prevention for child care assistance under chapter 119B:

<u>\$175,000</u>	.....	<u>2002</u>
<u>\$175,000</u>	.....	<u>2003</u>

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

Subd. 11. [CHILD CARE DEVELOPMENT.] For child care development grants according to Minnesota Statutes, section 119B.21:

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

These funds must be used in accordance with section 49, subdivision 2, paragraph (b), clause (2).

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

Sec. 13. [SPECIAL REVENUE; CHILD SUPPORT COLLECTIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] Appropriations in this section are from child support collection payments in the special revenue fund pursuant to Minnesota Statutes, section 119B.014. The sums indicated are appropriated to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [CHILD CARE ASSISTANCE.] For child care assistance according to Minnesota Statutes, section 119B.014:

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

Sec. 14. [FEDERAL TANF TRANSFERS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, and LEARNING.] The sums indicated in this section are transferred from the federal TANF fund to the child care and development fund and appropriated to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [BASIC SLIDING FEE.] For child care assistance according to Minnesota Statutes, section 119B.03:

<u>\$20,458,000</u>	.....	<u>2002</u>
<u>\$20,379,000</u>	.....	<u>2003</u>

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

Subd. 3. [MFIP CHILD CARE.] For childcare assistance according to Minnesota Statutes, section 119B.05:

<u>\$5,015,000</u>	.....	<u>2002</u>
<u>\$4,659,000</u>	.....	<u>2003</u>

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

Sec. 15. [EFFECTIVE DATE.]

Sections 2 and 11 are effective the day following final enactment.

ARTICLE 2

PREVENTION

Section 1. Minnesota Statutes 2000, section 119A.12, is amended by adding a subdivision to read:

Subd. 4. [AUTHORITY TO DISBURSE FUNDS.] The commissioner may disburse trust fund money to any public or private nonprofit agency to fund a child abuse prevention program. State funds appropriated for child maltreatment prevention grants may be transferred to the children's trust fund special revenue account and are available to carry out this section.

Sec. 2. Minnesota Statutes 2000, section 119A.12, is amended by adding a subdivision to read:

Subd. 5. [PLAN FOR DISBURSEMENT OF FUNDS.] The commissioner shall develop a plan to disburse money from the trust fund. The plan must ensure that all geographic areas of the state have an equal opportunity to establish prevention programs and receive trust fund money.

Sec. 3. Minnesota Statutes 2000, section 119A.12, is amended by adding a subdivision to read:

Subd. 6. [OPERATIONAL COSTS.] \$120,000 each year is appropriated from the children's trust fund to the special revenue fund for administration and indirect costs of the children's trust fund program.

Sec. 4. Minnesota Statutes 2000, section 119A.13, subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITIES OF COMMISSIONER.] (a) The commissioner shall:

(1) provide for the coordination and exchange of information on the establishment and maintenance of prevention programs;

(2) develop and publish criteria for receiving trust fund money by prevention programs;

(3) review, approve, and monitor the spending of trust fund money by prevention programs;

(4) provide statewide educational and public informational seminars to develop public awareness on preventing child abuse; to encourage professional persons and groups to recognize instances of child abuse and work to prevent them; to make information on child abuse prevention available to the public and to organizations and agencies; and to encourage the development of prevention programs, including programs that provide support for adolescent parents, fathering education programs, and other prevention activities designed to prevent teen pregnancy;

(5) establish a procedure for an annual, internal evaluation of the functions, responsibilities, and performance of the commissioner in carrying out Laws 1986, chapter 423;

(6) provide technical assistance to local councils and agencies working in the area of child abuse prevention; and

(7) accept and review grant applications beginning June 1, 1987.

(b) The commissioner shall recommend to the governor changes in state programs, statutes, policies, budgets, and standards that will reduce the problems of child abuse, improve coordination among state agencies that provide prevention services, and improve the condition of children, parents, or guardians in need of prevention program services.

Sec. 5. Minnesota Statutes 2000, section 119A.21, is amended to read:

119A.21 [GRANTS TO SERVICE PROVIDER PROGRAMS.]

Subdivision 1. [GRANTS AWARDED.] The commissioner shall award grants to programs ~~which~~ that provide ~~abused children~~ services to abused or neglected children. Grants shall be awarded in a manner that ensures that they are equitably distributed to programs serving metropolitan and nonmetropolitan populations.

Subd. 2. [APPLICATIONS.] Any public or private nonprofit agency may apply to the commissioner for a grant ~~to provide abused children services~~. The application shall be submitted in on a form ~~approved~~ prescribed by the commissioner ~~after consultation with the abused children advisory council and shall include:~~

~~(1) a proposal for the provision of abused children services to, or on behalf of, abused children, children at risk, and their families;~~

~~(2) a proposed budget;~~

~~(3) evidence of ability to represent the interests of abused children and their families to local law enforcement agencies and courts, social services, and health agencies;~~

~~(4) evidence of ability to do outreach to unserved and underserved populations and to provide culturally and linguistically appropriate services; and~~

~~(5) any other information the commissioner may require by policy or by rule adopted under chapter 14, after considering the recommendations of the abused children advisory council.~~

~~Programs which have been approved for grants in prior years may submit materials which indicate changes in items listed in clauses (1) to (5), in order to qualify for renewal funding. Nothing in this subdivision may be construed to require programs to submit complete applications for each year of funding.~~

Subd. 3. [DUTIES.] Every public or private nonprofit agency which receives a grant under this section ~~to provide abused children services~~ shall comply with all requirements of the commissioner related to the administration of the grants.

Subd. 4. [CLASSIFICATION OF DATA COLLECTED BY GRANTEES.] Personal history information and other information collected, used, or maintained by a grantee from which the identity of any abused child or family members may be determined is private data on individuals as defined in section 13.02, subdivision 12, and the grantee shall maintain the data in accordance with provisions of chapter 13.

Sec. 6. Minnesota Statutes 2000, section 119A.22, is amended to read:

119A.22 [DUTIES OF THE COMMISSIONER.]

The commissioner shall:

(1) review applications and award grants to programs pursuant to section 119A.21 ~~after considering the recommendation of the abused children advisory council;~~

(2) ~~appoint members of the abused children advisory council created under section 119A.23 and provide consultative staff and other administrative services to the council;~~

(3) after considering the recommendation of the abused children advisory council, appoint a program director to perform the duties set forth in this clause. In appointing the program director the commissioner shall give due consideration to the list of applicants submitted to the commissioner pursuant to this section. The program director shall administer the funds appropriated for sections 119A.20 to 119A.23, consult with and provide staff to the advisory council and perform other duties related to abused children's programs as the commissioner may assign;

(4) design a uniform method of collecting data on abused children's programs to be used to monitor and assure compliance of the programs funded under section 119A.21;

(5) (3) provide technical ~~aid~~ assistance to applicants in the development of grant requests and to programs grantees in meeting the data collection requirements established by the commissioner; and

(6) (4) adopt, under chapter 14, all rules necessary to implement the provisions of sections 119A.20 to 119A.23.

Sec. 7. [119A.35] [ADVISORY COUNCIL.]

Subdivision 1. [GENERALLY.] The advisory council is established under section 15.059 to advise the commissioner on the implementation and continued operations of sections 119A.10 to 119A.16 and 119A.20 to 119A.22. The council shall expire June 30, 2005.

Subd. 2. [COUNCIL MEMBERSHIP.] The council shall consist of a total of 22 members. The governor shall appoint 18 of these members. The commissioners of human services and health shall each appoint one member. The senate shall appoint one member from the senate committee with jurisdiction over family and early childhood education and the house of representatives shall appoint one member from the house committee with jurisdiction over family and early childhood education.

Council members shall have knowledge in the areas of child abuse and neglect prevention and intervention and knowledge of the risk factors that can lead to child abuse and neglect. Council members shall be representative of: local government, criminal justice, parents, consumers of services, health and human services professionals, faith community, professional and volunteer providers of child abuse and neglect prevention and intervention services, racial and ethnic minority communities, and the demographic and geographic composition of the state. Ten council members shall reside in the seven-county metropolitan area and eight shall reside in nonmetropolitan areas.

Subd. 3. [RESPONSIBILITIES.] The council shall:

(1) advise the commissioner on planning, policy development, data collection, rulemaking, funding, and evaluation of the programs under the sections listed in subdivision 1;

(2) coordinate and exchange information on the establishment and ongoing operation of the programs listed in subdivision 1;

(3) develop and publish criteria and guidelines for receiving grants relating to child abuse and neglect prevention and safety and support of child victims, including, but not limited to, funds dedicated to the children's trust fund and abused children program;

(4) provide guidance in the development of statewide education and public information activities that increase public awareness in the prevention and intervention of child abuse and neglect and encourage the development of prevention and intervention programs, which includes the safety of child victims;

(5) guide, analyze, and disseminate results in the development of appropriate evaluation procedures for all programs receiving funds under subdivision 1; and

(6) assist the commissioner in identifying service gaps or duplication in services including geographic dispersion of resources, programs reflecting the cycle of child abuse, and the availability of culturally appropriate intervention and prevention services.

Sec. 8. Minnesota Statutes 2000, section 124D.19, is amended by adding a subdivision to read:

Subd. 12. [YOUTH AFTER-SCHOOL ENRICHMENT PROGRAMS.] Each district operating a community education program under this section may establish a youth after-school enrichment program to maintain and expand participation by school-age youth in supervised activities during nonschool hours. The youth after-school enrichment programs must include activities that support development of social, mental, physical, and creative abilities of school-age youth; provide structured youth programs during high-risk times; and design programming to promote youth leadership development and improved academic performance. Youth after-school enrichment programs must collaborate with former after-school enrichment grantees.

Sec. 9. Minnesota Statutes 2000, section 124D.19, is amended by adding a subdivision to read:

Subd. 13. [YOUTH AFTER-SCHOOL ENRICHMENT PROGRAM GOALS.] The goals of youth after-school enrichment programs are to:

- (1) collaborate with and leverage existing community resources that have demonstrated effectiveness;
- (2) reach out to children and youth, including at-risk youth, in the community;
- (3) increase the number of children participating in adult-supervised programs during nonschool hours;
- (4) support academic achievement; and
- (5) increase skills in technology, the arts, sports, and other activities.

Sec. 10. Minnesota Statutes 2000, section 124D.19, is amended by adding a subdivision to read:

Subd. 14. [COMMUNITY EDUCATION; ANNUAL REPORT.] Each district offering a community education program under this section must annually report to the department of children, families, and learning information regarding the cost per participant and cost per contact hour for each community education program, including youth after-school enrichment programs, that receive aid or levy. The department of children, families, and learning must include cost per participant and cost per contact hour information by program in the community education annual report.

Sec. 11. Minnesota Statutes 2000, section 124D.20, subdivision 1, is amended to read:

Subdivision 1. [TOTAL COMMUNITY EDUCATION REVENUE.] Total community education revenue equals the sum of a district's general community education revenue and youth service program revenue, and youth after-school enrichment revenue.

Sec. 12. Minnesota Statutes 2000, section 124D.20, is amended by adding a subdivision to read:

Subd. 4a. [YOUTH AFTER-SCHOOL ENRICHMENT REVENUE.] In fiscal year 2003 and thereafter, youth after-school enrichment revenue equals:

- (1) 1.85 times the greater of 1,335 or the population of the district, as defined in section 275.14, not to exceed 10,000; and
- (2) 0.43 times the population of the district, as defined in section 275.14, in excess of 10,000. Youth after-school enrichment revenue must be reserved for youth after-school enrichment programs.

Sec. 13. Minnesota Statutes 2000, section 124D.20, subdivision 5, is amended to read:

Subd. 5. [TOTAL COMMUNITY EDUCATION LEVY.] To obtain total community education revenue, a district may levy the amount raised by a maximum tax rate of .4795 .7431 percent times the adjusted net tax capacity of the district. This amount reflects a community education levy of .4795 percent times the adjusted net tax capacity of

the district plus a youth after-school enrichment levy of .2636 percent times the adjusted net tax capacity of the district. If the amount of the total community education levy would exceed the total community education revenue, the total community education levy shall be determined according to subdivision 6.

Sec. 14. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [FAMILY COLLABORATIVES.] For family collaboratives according to Laws 1995, First Special Session chapter 3, article 4, section 29, subdivision 10, as amended by Laws 1996, chapter 412, article 4, section 27:

<u>\$1,477,000</u>	.....	<u>2002</u>
<u>\$863,000</u>	.....	<u>2003</u>

No new family services collaboratives shall be funded with this appropriation.

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

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

<u>\$14,209,000</u>	.....	<u>2002</u>
<u>\$13,111,000</u>	.....	<u>2003</u>

The 2002 appropriation includes \$1,528,000 for 2001 and \$12,681,000 for 2002.

The 2003 appropriation includes \$1,409,000 for 2002 and \$11,702,000 for 2003.

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

Subd. 4. [ADULTS WITH DISABILITIES PROGRAM AID.] For adults with disabilities programs according to Minnesota Statutes, section 124D.56:

<u>\$710,000</u>	.....	<u>2002</u>
<u>\$710,000</u>	.....	<u>2003</u>

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

Subd. 5. [HEARING-IMPAIRED ADULTS.] For programs for hearing-impaired adults according to Minnesota Statutes, section 124D.57:

<u>\$70,000</u>	.....	<u>2002</u>
<u>\$70,000</u>	.....	<u>2003</u>

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

Subd. 6. [VIOLENCE PREVENTION EDUCATION GRANTS.] For violence prevention education grants according to Minnesota Statutes, section 120B.23:

<u>\$1,450,000</u>	.....	<u>2002</u>
<u>\$1,450,000</u>	.....	<u>2003</u>

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

Subd. 7. [ABUSED CHILDREN.] For abused children programs according to Minnesota Statutes, section 119A.21:

<u>\$945,000</u>	.....	<u>2002</u>
<u>\$945,000</u>	.....	<u>2003</u>

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

Subd. 8. [CHILDREN'S TRUST FUND.] For children's trust fund according to Minnesota Statutes, sections 119A.12 and 119A.13:

<u>\$875,000</u>	.....	<u>2002</u>
<u>\$875,000</u>	.....	<u>2003</u>

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

Subd. 9. [FAMILY VISITATION CENTERS.] (a) For family visitation centers according to Minnesota Statutes, section 119A.37:

<u>\$200,000</u>	.....	<u>2002</u>
<u>\$200,000</u>	.....	<u>2003</u>

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

(b) An additional \$96,000 in fiscal year 2002 and \$96,000 in fiscal year 2003 are appropriated from the special revenue fund under Minnesota Statutes, section 517.08, subdivision 1c, for family visitation centers. Any balance in the first year does not cancel but is available for the second year.

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

<u>\$5,510,000</u>	.....	<u>2002</u>
<u>\$5,510,000</u>	.....	<u>2003</u>

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

Subd. 11. [CHEMICAL ABUSE PREVENTION GRANTS.] (a) For grants with funds received under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (4):

<u>\$200,000</u>	.....	<u>2002</u>
<u>\$200,000</u>	.....	<u>2003</u>

(b) These appropriations are from the alcohol-impaired driver account of the special revenue fund for chemical abuse prevention grants.

(c) \$25,000 in each year is for a grant to the city of St. Louis Park for the Meadowbrook Collaborative Housing Project to continue cooperative activities that support at-risk children and youth programming and to provide advice to the after-school substance abuse prevention program and other grantees that seek to replicate the Meadowbrook Collaborative Housing Project program model.

(d) \$175,000 in each year is to establish an after-school substance abuse prevention grant program to provide eligible community and nonprofit organizations with grants of up to \$20,000 per year for after-school substance abuse prevention programs.

Sec. 15. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor shall renumber Minnesota Statutes, section 119A.13, subdivision 4, as Minnesota Statutes, section 119A.12, subdivision 4, and make necessary cross-reference changes consistent with the renumbering.

Sec. 16. [REPEALER.]

Minnesota Statutes 2000, sections 119A.13, subdivisions 1, 2, and 3; 119A.14, subdivision 2; 119A.23; 124D.33; and 124D.331, are repealed.

Sec. 17. [EFFECTIVE DATE.]

Section 12 is effective for revenue for fiscal year 2003.

ARTICLE 3

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2000, section 124D.52, subdivision 2, is amended to read:

Subd. 2. [PROGRAM APPROVAL.] (a) To receive aid under this section, a district, a consortium of districts, the department of corrections, or a private nonprofit organization must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;

(9) program sites and schedules;

(10) program expenditures that qualify for aid;

(11) program ability to provide data related to learner outcomes as required by law; and

(12) a copy of the memorandum of understanding described in subdivision 1 submitted to the commissioner.

(b) Adult basic education programs may be approved under this subdivision for up to five years. Five-year program approval must be granted to an applicant who has demonstrated the capacity to:

(1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill need levels;

(2) provide a participatory and experiential learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:

(i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations;

(7) submit accurate and timely performance and fiscal reports;

(8) submit accurate and timely reports related to program outcomes and learner follow-up information; and

(9) spend adult basic education aid on adult basic education purposes only, which are specified in sections 124D.518 to 124D.531.

(c) The commissioner shall require each district to provide notification by February 1, 2001, of its intent to apply for funds under this section as a single district or as part of an identified consortium of districts. A district receiving funds under this section must notify the commissioner by February 1 of its intent to change its application status for applications due the following June 1.

Sec. 2. Minnesota Statutes 2000, section 124D.522, is amended to read:

124D.522 [ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE GRANTS.]

(a) The commissioner, in consultation with the policy review task force under section 124D.521, may make grants to nonprofit organizations to provide services that are not offered by a district adult basic education program or that are supplemental to either the statewide adult basic education program, or a district's adult basic education program. The commissioner may make grants for: staff development for adult basic education teachers and administrators; training for volunteer tutors; training, services, and materials for serving disabled students through adult basic education programs; statewide promotion of adult basic education services and programs; development and dissemination of instructional and administrative technology for adult basic education programs; programs which primarily serve communities of color; adult basic education distance learning projects, including television instruction programs; and other supplemental services to support the mission of adult basic education and innovative delivery of adult basic education services.

(b) The commissioner must establish eligibility criteria and grant application procedures. Grants under this section must support services throughout the state, focus on educational results for adult learners, and promote outcome-based achievement through adult basic education programs. Beginning in fiscal year 2002, the commissioner may make grants under this section from funds specifically appropriated the state total adult basic education aid set aside for supplemental service grants under section 124D.531. Up to ~~one-third~~ one-fourth of the appropriation for supplemental service grants must be used for grants for adult basic education programs to encourage and support innovations in adult basic education instruction and service delivery. A grant to a single organization cannot exceed \$100,000. Nothing in this section prevents an approved adult basic education program from using state or federal aid to purchase supplemental services.

Sec. 3. Minnesota Statutes 2000, section 124D.531, subdivision 1, is amended to read:

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

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

(2) the lesser of:

(i) 1.08, or

(ii) the greater of 1.00 or the ratio of the state total contact hours in the first prior program year to the state total contact hours in the second prior program year. Beginning in fiscal year 2002, two percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

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

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

Subd. 3. [PROGRAM REVENUE.] Adult basic education programs established under section 124D.52 and approved by the commissioner are eligible for revenue under this subdivision. For fiscal year 2001 and later, adult basic education revenue for each approved program equals the sum of:

(1) the basic population aid under subdivision 2 for districts participating in the program during the current program year; plus

(2) 84 percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the contact hours for students participating in the program during the first prior program year to the state total contact hours during the first prior program year; plus

(3) eight percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the enrollment of students with limited English proficiency during the second prior school year in districts participating in the program during the current program year to the state total enrollment of students with limited English proficiency during the second prior school year in districts participating in adult basic education programs during the current program year; plus

(4) eight percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the latest federal census count of the number of adults aged 20 or older with no diploma residing in the districts participating in the program during the current program year to the latest federal census count of the state total number of adults aged 20 or older with no diploma residing in the districts participating in adult basic education programs during the current program year.

Sec. 5. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor must replace all references to the "Minnesota Foodshelf Association" with "Hunger Solutions."

Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [MINNESOTA ECONOMIC OPPORTUNITY GRANTS.] For Minnesota economic opportunity grants, sections 119A.374 to 119A.376:

<u>\$8,514,000</u>	: : : : :	<u>2002</u>
<u>\$8,514,000</u>	: : : : :	<u>2003</u>

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

Subd. 3. [TRANSITIONAL HOUSING PROGRAMS.] For transitional housing programs according to Minnesota Statutes, section 119A.43:

<u>\$1,988,000</u>	: : : : :	<u>2002</u>
<u>\$1,988,000</u>	: : : : :	<u>2003</u>

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

Subd. 4. [EMERGENCY SERVICES.] For emergency services according to Minnesota Statutes, section 119A.43:

<u>\$350,000</u>	: : : : :	<u>2002</u>
<u>\$350,000</u>	: : : : :	<u>2003</u>

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

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

<u>\$32,150,000</u>	: : : : :	<u>2002</u>
<u>\$34,732,000</u>	: : : : :	<u>2003</u>

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

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

Subd. 6. [ADULT BASIC EDUCATION AUDITS; STATE COORDINATOR.]

For adult basic education audits under Minnesota Statutes, section 124D.531 and for a state adult basic education coordinator:

<u>\$175,000</u>	.....	<u>2002</u>
<u>\$175,000</u>	.....	<u>2003</u>

Of this appropriation, \$70,000 in each fiscal year must be used for adult basic education audits and \$75,000 must be used to hire an additional permanent, full-time state adult basic education coordinator. Any balance in the first year does not cancel but is available in the second year.

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

<u>\$3,195,000</u>	.....	<u>2002</u>
<u>\$3,356,000</u>	.....	<u>2003</u>

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

The 2003 appropriation includes \$321,000 for 2002 and \$3,035,000 for 2003.

Subd. 8. [GED TESTS.] For payment of 60 percent of the costs of GED tests according to Laws 1993, chapter 224, article 4, section 44, subdivision 10:

<u>\$125,000</u>	.....	<u>2002</u>
<u>\$125,000</u>	.....	<u>2003</u>

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

Subd. 9. [FOODSHELF PROGRAM.] For foodshelf programs according to Minnesota Statutes, section 119A.44:

<u>\$1,278,000</u>	.....	<u>2002</u>
<u>\$1,278,000</u>	.....	<u>2003</u>

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

Subd. 10. [FAMILY ASSETS FOR INDEPENDENCE.]

<u>\$500,000</u>	<u>2002</u>
------------------	-------	-------------

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

Subd. 11. [LEAD ABATEMENT.] For lead abatement according to Minnesota Statutes, section 119A.46:

<u>\$100,000</u>	.....	<u>2002</u>
<u>\$100,000</u>	.....	<u>2003</u>

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

Sec. 7. [TANF APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated to the commissioner of children, families, and learning from the federal Temporary Assistance for Needy Families block grant for the fiscal years designated. These amounts are available for expenditure until June 30, 2003. Appropriations under this section are one-time appropriations and are not added to the base for fiscal years 2004 and 2005.

Subd. 2. [INTENSIVE ENGLISH AS A SECOND LANGUAGE.] For intensive English as a second language for eligible MFIP participants under Laws 2000, chapter 489, article 1, section 39:

<u>\$1,100,000</u>	.....	<u>2002</u>
<u>\$1,100,000</u>	.....	<u>2003</u>

Subd. 3. [TRANSITIONAL HOUSING.] For reimbursement grants to transitional housing programs under Minnesota Statutes, section 119A.43:

<u>\$1,900,000</u>	.....	<u>2002</u>
<u>\$1,950,000</u>	.....	<u>2003</u>

These appropriations must be used for up to four months of transitional housing for families with incomes below 200 percent of the federal poverty guidelines. Payment must be made to programs on a reimbursement basis.

ARTICLE 4

LIBRARIES

Section 1. Minnesota Statutes 2000, section 125B.20, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSE.] The purpose of developing a statewide school district telecommunications network is to expand the availability of a broad range of courses and degrees to students throughout the state, to share information resources to improve access, quality, and efficiency, to improve learning, and distance cooperative learning opportunities, and to promote the exchange of ideas among students, parents, teachers, media generalists, librarians, and the public. In addition, through the development of this statewide telecommunications network emphasizing cost-effective, competitive connections, all Minnesotans will benefit by enhancing access to telecommunications technology throughout the state. Network connections for school districts and public libraries are coordinated and fully integrated into the existing state telecommunications and interactive television networks to achieve comprehensive and efficient interconnectivity of school districts and libraries to higher education institutions, state agencies, other governmental units, agencies, and institutions throughout Minnesota. A school district may apply to the commissioner for a grant under subdivision 2, and a regional public library may apply under subdivision 3. The Minnesota education telecommunications council established in Laws 1995, First Special Session chapter 3, article 12, section 7, shall establish priorities for awarding grants, making grant awards, and being responsible for the coordination of networks.

Sec. 2. Minnesota Statutes 2000, section 134.31, subdivision 5, is amended to read:

Subd. 5. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee of five members to advise the staff of the Minnesota library for the blind and physically handicapped on long-range plans and library services. Members shall be people who use the library. Section 15.059 governs this committee except that the committee shall expire on June 30, 2001 2003.

Sec. 3. [134.47] [REGIONAL LIBRARY TELECOMMUNICATIONS AID.]

Subdivision 1. [ELIGIBILITY.] (a) A regional public library system may apply for regional library telecommunications aid. The aid must be used for data and video access costs and other related costs to improve or maintain electronic access and connect the library system with the state information infrastructure administered by the department of administration under section 16B.465. Priority shall be given to public libraries that have not received access. To be eligible, a regional public library system must be officially designated by the commissioner of children, families, and learning as a regional public library system as defined in section 134.34, subdivision 3, and each of its participating cities and counties must meet local support levels defined in section 134.34, subdivision 1. A public library building that receives aid under this section must be open a minimum of 20 hours per week.

(b) Aid received under this section may not be used to substitute for any existing local funds allocated to provide electronic access, equipment for library staff or the public, or local funds dedicated to other library operations.

(c) An application for regional library telecommunications aid must, at a minimum, contain information to document the following:

(1) the connections are adequate and employ an open network architecture that will ensure interconnectivity and interoperability with school districts, post-secondary education, or other governmental agencies;

(2) that the connection is established through the most cost-effective means and that the regional library has explored and coordinated connections through school districts, post-secondary education, or other governmental agencies;

(3) that the regional library system has filed an e-rate application; and

(4) other information, as determined by the commissioner of children, families, and learning, to ensure that connections are coordinated, efficient, and cost-effective, take advantage of discounts, and meet applicable state standards.

The library system may include costs associated with cooperative arrangements with post-secondary institutions, school districts, and other governmental agencies.

Subd. 2. [AWARD OF FUNDS.] The commissioner of children, families, and learning shall develop an application and a reporting form and procedures for regional library telecommunications aid. Aid shall be based on actual costs of connections and funds available for this purpose. The commissioner shall make payments directly to the regional public library system.

Subd. 3. [EXPIRATION.] This section expires on July 1, 2003.

Sec. 4. Laws 2000, chapter 489, article 5, section 23, is amended to read:

Sec. 23. [COMMISSIONER RECOMMENDATION.]

By February 1, 2002, the commissioner of children, families, and learning, in cooperation with the commissioner of administration and the Minnesota education telecommunication council, shall recommend to the legislature a permanent method for funding telecommunications access as part of the general education revenue formula under Minnesota Statutes, section 126C.10, for school districts and charter schools and a permanent method for funding telecommunications access as part of the basic support grants for public libraries. The commissioner shall consider the following in making the recommendation:

(1) the range of costs for providing a minimum level of telecommunications access for all students and library users;

(2) the flexibility that is necessary to accommodate emerging technological advances in the telecommunications field; and

(3) other related efforts within the state, including the state's higher education and public library systems.

Sec. 5. [REPEALER.]

(a) Minnesota Statutes 2000, section 125B.20, subdivision 3, is repealed.

(b) Minnesota Rules, parts 3530.2610; 3530.2612; 3530.2614; 3530.2616; 3530.2618; 3530.2620; 3530.2622; 3530.2624; 3530.2626; 3530.2628; 3530.2630; 3530.2632; 3530.2634; 3530.2636; 3530.2638; 3530.2640; 3530.2642; and 3530.2644, are repealed.

Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

<u>\$8,570,000</u>	.....	<u>2002</u>
<u>\$8,570,000</u>	.....	<u>2003</u>

The 2002 appropriation includes \$857,000 for 2001 and \$7,713,000 for 2002.

The 2003 appropriation includes \$857,000 for 2002 and \$7,713,000 for 2003.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

<u>\$903,000</u>	.....	<u>2002</u>
<u>\$903,000</u>	.....	<u>2003</u>

The 2002 appropriation includes \$90,000 for 2001 and \$813,000 for 2002.

The 2003 appropriation includes \$90,000 for 2002 and \$813,000 for 2003.

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

Subd. 4. [REGIONAL LIBRARY TELECOMMUNICATIONS AID.] For aid to regional public library systems under Minnesota Statutes, section 134.47:

<u>\$1,200,000</u>	.....	<u>2002</u>
<u>\$1,200,000</u>	.....	<u>2003</u>

This is a one-time appropriation.

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

Amend the title accordingly

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

House Conferees: BARBARA SYKORA, BILL HAAS, RICHARD MULDER, ROB EASTLUND AND BUD NORNES.

Senate Conferees: BECKY LOUREY, JULIE A. SABO, ANTHONY G. KINKEL, JOHN C. HOTTINGER AND CLAIRE A. ROBLING.

Sykora moved that the report of the Conference Committee on H. F. No. 1515 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1515, A bill for an act relating to education; providing for family and early childhood education; modifying Head Start program; consolidating child care assistance programs; modifying early childhood screening, early childhood family education, and school readiness programs; directing allocation of federal child care development funds; consolidating certain advisory councils; establishing youth after-school enrichment program; modifying adult basic education program; requiring a report; providing for early childhood program evaluation; making various clarifying and technical changes; appropriating money; amending Minnesota Statutes 2000, sections 119A.12, by adding subdivisions; 119A.13, subdivision 4; 119A.21; 119A.22; 119A.51, by adding a subdivision; 119A.52; 119A.53; 119B.011, subdivisions 5, 7, 11, 12, 18, 19, by adding subdivisions; 119B.02, subdivisions 1, 2, 3, by adding subdivisions; 119B.061, subdivisions 1, 2, 4, 5; 121A.17, subdivision 1; 121A.30; 124D.135, by adding subdivisions; 124D.16, subdivision 2, by adding subdivisions; 124D.19, by adding subdivisions; 124D.20, subdivisions 1, 5, by adding a subdivision; 124D.221, subdivisions 1, 2, by adding a subdivision; 124D.518, subdivision 5; 124D.52, subdivision 2; 124D.522; 124D.531, subdivisions 1, 3, 7; 125A.28; 125B.20, subdivision 1; 134.31, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 119A; 119B; 124D; 134; repealing Minnesota Statutes 2000, sections 119A.13, subdivisions 1, 2, 3; 119A.14, subdivision 2; 119A.23; 119B.011, subdivision 20; 119B.03; 119B.04; 119B.05; 119B.06; 119B.07; 119B.074; 119B.08; 119B.09; 119B.10; 119B.11; 119B.12; 119B.13; 119B.14; 119B.15; 119B.16; 124D.16, subdivision 4; 124D.33; 124D.331; 125B.20, subdivision 3; Minnesota Rules, parts 3530.2610; 3530.2612; 3530.2614; 3530.2616; 3530.2618; 3530.2620; 3530.2622; 3530.2624; 3530.2626; 3530.2628; 3530.2630; 3530.2632; 3530.2634; 3530.2636; 3530.2638; 3530.2640; 3530.2642; 3530.2644.

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 69 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Harder	Lipman	Penas	Tuma
Abrams	Dorman	Holberg	Mares	Rhodes	Vandever
Anderson, B.	Eastlund	Holsten	McElroy	Rifenberg	Walz
Bishop	Erhardt	Howes	Molnau	Ruth	Westerberg
Boudreau	Erickson	Jacobson	Mulder	Seagren	Westrom
Bradley	Finseth	Johnson, J.	Ness	Seifert	Wilkin
Buesgens	Fuller	Kielkucki	Nornes	Smith	Wolf
Cassell	Gerlach	Knoblach	Olson	Stanek	Workman
Clark, J.	Goodno	Krinkie	Osskopp	Stang	Spk. Sviggum
Daggett	Gunther	Kuisle	Ozment	Swenson	
Davids	Haas	Leppik	Paulsen	Sykora	
Dehler	Hackbarth	Lindner	Pawlenty	Tingelstad	

Those who voted in the negative were:

Anderson, I.	Biernat	Davnie	Dorn	Folliard	Gray
Bakk	Carlson	Dawkins	Entenza	Gleason	Greiling
Bernardy	Clark, K.	Dibble	Evans	Goodwin	Hausman

Hilstrom	Kahn	Lieder	Mullery	Pugh	Swapinski
Hilty	Kalis	Luther	Murphy	Rukavina	Thompson
Huntley	Kelliher	Mahoney	Opatz	Schumacher	Wagenius
Jaros	Koskinen	Mariani	Osthoff	Sertich	Walker
Jennings	Kubly	Marko	Otremba	Skoe	Wasiluk
Johnson, R.	Larson	Marquart	Paymar	Skoglund	Wenzel
Johnson, S.	Leighton	McGuire	Pelowski	Slawik	Winter
Juhnke	Lenczewski	Milbert	Peterson	Solberg	

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

S. F. No. 1507, A bill for an act relating to state government; modifying state procurement provisions; amending Minnesota Statutes 2000, sections 16C.02, by adding a subdivision; 16C.03, subdivision 2; 16C.04, by adding a subdivision; 16C.05, subdivision 2; 16C.06, subdivisions 2, 3; 16C.081; 43A.047; 574.26, subdivision 2.

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

Senators Knutson; Johnson, Dave and Scheid.

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

Krinkie 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. 1507. 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. 1507:

Krinkie, Erickson and Kielkucki.

Mr. Speaker:

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

H. F. No. 1541, A bill for an act relating to landlords and tenants; requiring a study of rental application fees.

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. 1515, A bill for an act relating to education; providing for family and early childhood education; modifying Head Start program; consolidating child care assistance programs; modifying early childhood screening, early childhood family education, and school readiness programs; directing allocation of federal child care development funds; consolidating certain advisory councils; establishing youth after-school enrichment program; modifying adult basic education program; requiring a report; providing for early childhood program evaluation; making various clarifying and technical changes; appropriating money; amending Minnesota Statutes 2000, sections 119A.12, by adding subdivisions; 119A.13, subdivision 4; 119A.21; 119A.22; 119A.51, by adding a subdivision; 119A.52; 119A.53; 119B.011, subdivisions 5, 7, 11, 12, 18, 19, by adding subdivisions; 119B.02, subdivisions 1, 2, 3, by adding subdivisions; 119B.061, subdivisions 1, 2, 4, 5; 121A.17, subdivision 1; 121A.30; 124D.135, by adding subdivisions; 124D.16, subdivision 2, by adding subdivisions; 124D.19, by adding subdivisions; 124D.20, subdivisions 1, 5, by adding a subdivision; 124D.221, subdivisions 1, 2, by adding a subdivision; 124D.518, subdivision 5; 124D.52, subdivision 2; 124D.522; 124D.531, subdivisions 1, 3, 7; 125A.28; 125B.20, subdivision 1; 134.31, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 119A; 119B; 124D; 134; repealing Minnesota Statutes 2000, sections 119A.13, subdivisions 1, 2, 3; 119A.14, subdivision 2; 119A.23; 119B.011, subdivision 20; 119B.03; 119B.04; 119B.05; 119B.06; 119B.07; 119B.074; 119B.08; 119B.09; 119B.10; 119B.11; 119B.12; 119B.13; 119B.14; 119B.15; 119B.16; 124D.16, subdivision 4; 124D.33; 124D.331; 125B.20, subdivision 3; Minnesota Rules, parts 3530.2610; 3530.2612; 3530.2614; 3530.2616; 3530.2618; 3530.2620; 3530.2622; 3530.2624; 3530.2626; 3530.2628; 3530.2630; 3530.2632; 3530.2634; 3530.2636; 3530.2638; 3530.2640; 3530.2642; 3530.2644.

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

ADJOURNMENT

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Tuesday, January 29, 2002.

EDWARD A. BURDICK, Chief Clerk, House of Representatives