

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-FIRST LEGISLATURE

THIRTY-FIFTH DAY

St. Paul, Minnesota, Tuesday, March 30, 1999

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Senator Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Paul E. Nelson.

The roll was called, and the following Senators answered to their names:

Anderson	Higgins	Krentz	Novak	Sams
Belanger	Hottinger	Laidig	Oliver	Samuelson
Berg	Janezich	Langseth	Olson	Scheevel
Berglin	Johnson, D.E.	Larson	Ourada	Scheid
Betzold	Johnson, D.H.	Lesewski	Pappas	Solon
Cohen	Johnson, D.J.	Lessard	Pariseau	Spear
Day	Johnson, J.B.	Limmer	Piper	Stevens
Dille	Junge	Lourey	Pogemiller	Stumpf
Fischbach	Kelley, S.P.	Marty	Price	Ten Eyck
Flynn	Kelly, R.C.	Metzen	Ranum	Terwilliger
Foley	Kiscaden	Moe, R.D.	Robertson	Vickerman
Frederickson	Kleis	Murphy	Robling	Wiener
Hanson	Knutson	Neuville	Runbeck	Wiger

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 29, 1999

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1999 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:

S.F.	H.F.	Session Laws	Time and Date Approved	Date Filed
------	------	--------------	---------------------------	------------

No.	No.	Chapter No.	1999	1999
	544	Res. No. 1	1:43 p.m. March 26	March 26
	137	22	1:37 p.m. March 26	March 26
	56	23	1:41 p.m. March 26	March 26

Sincerely,
 Mary Kiffmeyer
 Secretary of State

March 29, 1999

The Honorable Allan H. Spear
 President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Secretary of State, S.F. Nos. 255, 460, 407 and 757.

Sincerely,
 Jesse Ventura, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 8: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 29, 1999

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 7.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 29, 1999

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 7: A bill for an act relating to motor vehicles; modifying the motor vehicle emissions inspection program and providing for termination of inspection by January 1, 2000, or earlier if redesignated to attainment for carbon monoxide before January 1, 2000; amending Minnesota Statutes 1998, sections 116.60, subdivision 1, and by adding a subdivision; 116.61, subdivision 1, and by adding a subdivision; 116.62, subdivisions 2, 3, 5, and by adding a subdivision; and 116.63, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 116; repealing Minnesota Statutes 1998, sections 116.60; 116.61; 116.62; 116.63; and 116.64.

Referred to the Committee on Environment and Natural Resources.

REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1784. The motion prevailed.

Senator Ranum from the Committee on Judiciary, to which was referred

S.F. No. 436: A bill for an act relating to public safety; relieving 911 dispatchers from tort liability in certain cases; proposing coding for new law in Minnesota Statutes, chapter 403.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 466.03, is amended by adding a subdivision to read:

Subd. 19. [EMERGENCY MEDICAL DISPATCH.] Any claim based upon the acts or omissions of a 911 dispatcher, who is certified in emergency medical dispatch by a program incorporating nationally recognized standards, acting in good faith in providing prearrival medical instruction based upon the emergency medical dispatch protocols adopted by the dispatching agency.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to causes of action arising on or after that date."

Delete the title and insert:

"A bill for an act relating to municipal tort liability; limiting liability for 911 dispatchers providing prearrival medical instruction; amending Minnesota Statutes 1998, section 466.03, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1734: A bill for an act relating to the environment; modifying provisions relating to judicial review of agency decisions; modifying requirements for incinerator monitors; amending Minnesota Statutes 1998, sections 115.05, subdivision 11; and 116.85, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Vickerman from the Committee on Local and Metropolitan Government, to which was referred

H.F. No. 132: A bill for an act relating to lawful gambling; exempting certain bingo games from regulation; amending Minnesota Statutes 1998, section 349.166, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Vickerman from the Committee on Local and Metropolitan Government, to which was referred

S.F. No. 1609: A bill for an act relating to local government; providing exemption for governmental units to jointly or cooperatively contract in amounts estimated not to exceed \$25,000; amending Minnesota Statutes 1998, section 471.59, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Vickerman from the Committee on Local and Metropolitan Government, to which was referred

S.F. No. 1329: A bill for an act relating to cities; limiting license fees on coin and currency activated amusement machines; proposing coding for new law in Minnesota Statutes, chapter 449.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 408 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
408	170				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 420 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
420	321				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 420 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 420 and insert the language after the enacting clause of S.F. No. 321, the second engrossment; further, delete the title of H.F. No. 420 and insert the title of S.F. No. 321, the second engrossment.

And when so amended H.F. No. 420 will be identical to S.F. No. 321, and further recommends that H.F. No. 420 be given its second reading and substituted for S.F. No. 321, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 621 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
621	584				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 621 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 621 and insert the language after the enacting clause of S.F. No. 584, the first engrossment; further, delete the title of H.F. No. 621 and insert the title of S.F. No. 584, the first engrossment.

And when so amended H.F. No. 621 will be identical to S.F. No. 584, and further recommends that H.F. No. 621 be given its second reading and substituted for S.F. No. 584, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Ranum from the Committee on Judiciary, to which was referred

S.F. No. 1497: A bill for an act relating to liens; creating a lien and right of detainer; amending Minnesota Statutes 1998, section 514.19.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Cohen from the Committee on State Government Finance, to which was re-referred

S.F. No. 1464: A bill for an act relating to public administration; making deficiency appropriations for state government operations; transferring money; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 and 3, delete section 8 and insert:

"Sec. 8. SECRETARY OF STATE

The commissioner of administration shall transfer \$975,000 of the unexpended balance of the appropriations in Laws 1997, chapter 202, article 1, section 12, subdivision 7, and Laws 1998, chapter 366, article 1, section 6, to the secretary of state to modify business systems to address the year 2000 problem. The secretary of state shall appoint a project manager to oversee the modifications of business systems. The secretary of state shall provide each month to the year 2000 project office in the department of administration a project work plan and schedule. The secretary of state shall develop contingency plans, including plans for funding and staff, to be implemented if the year 2000 modification project does not meet the project schedule agreed to with the commissioner of administration."

And when so amended the bill do pass and be re-referred to the Committee on Human Resources Finance. Amendments adopted. Report adopted.

Senator Spear from the Committee on Crime Prevention, to which was referred

H.F. No. 92: A bill for an act relating to drivers' licenses; modifying required content of petition for seeking judicial review of driver's license revocation for violating implied consent law; limiting scope of discovery in that proceeding under implied consent law; amending Minnesota Statutes 1998, section 169.123, subdivision 5c.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 13 to 22, reinstate the stricken language

Page 2, delete line 23 and insert:

"Other types of discovery are not available only upon order of the court."

Amend the title as follows:

Page 1, line 5, delete "limiting scope of" and insert "allowing judges to order additional"

Page 1, line 6, delete "under implied consent law"

And when so amended the bill do pass and be re-referred to the Committee on Transportation. Amendments adopted. Report adopted.

Senator Novak from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1784: A bill for an act relating to state telecommunications infrastructure development; providing for open competition for state telecommunications services; prohibiting state competition with the private sector; making other conforming changes; amending Minnesota Statutes 1998, sections 16B.415; 16B.46; and 16B.465; Laws 1995, First Special Session chapter 3, article 12, section 10.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 16B.415, is amended to read:

16B.415 [OPERATION OF INFORMATION SYSTEMS.]

The commissioner, through a division of technology management, is responsible for ongoing operations of state agency information technology activities. ~~These include, including the state information infrastructure, records management, activities matters relating to the Government Data Practices Act, operation of the state information infrastructure, and activities necessary to make state information systems year 2000 compliant.~~

Sec. 2. Minnesota Statutes 1998, section 16B.46, is amended to read:

16B.46 [TELECOMMUNICATION; POWERS.]

The commissioner shall supervise ~~and control~~ all state telecommunication facilities services including any transmission, emission, or reception of signs, signals, writing, images, and sounds or intelligence of any nature by wire, radio, optical, or other electromagnetic systems. Nothing in this section or section 16B.465 modifies, amends, or abridges any powers and duties presently vested in or imposed upon the commissioner of transportation or the commissioner of public safety relating to telecommunications facilities ~~or the commissioner of transportation relating only to radio air navigation facilities or other air navigation facilities.~~

Sec. 3. Minnesota Statutes 1998, section 16B.465, is amended to read:

16B.465 [STATE INFORMATION INFRASTRUCTURE.]

Subdivision 1. [POLICY.] (a) The legislature finds that the government provision of telecommunications services in competition with the private sector is contrary to state policy. The state of Minnesota and its departments and agencies shall seek ways to invest in and encourage the growth of the private sector in the area of telecommunications and not pursue policies that restrict market opportunities for the private sector.

(b) The commissioner shall ensure that telecommunications services are acquired in a manner which:

(1) promotes the capacity of private sector telecommunications providers to make available statewide high-speed or advanced telecommunications services to public and private customers;

(2) enables the cost-effective provision of telecommunications services to the entities identified in this section; and

(3) uses standard-based open, interoperable networks.

(c) This section does not preclude the state from purchasing, owning, or leasing customer premises equipment. Customer premises equipment consists of terminal and associated equipment and inside wire located at an end user's premises and connected with communication channels at the point established in a building or a complex to separate customer equipment from the network.

Subdivision 1 Subd. 1a. [CREATION.] The state information infrastructure provides shall arrange for the provision of leased voice, data, video, and other telecommunications transmission services to state agencies; educational institutions, including public schools as defined in section 120A.05, subdivisions 9, 11, 13, and 17, nonpublic, church or religious organization schools that provide instruction in compliance with sections 120A.22, 120A.24, and 124A.41, and private colleges; public corporations; and state political subdivisions. It is not a telephone company for purposes of chapter 237. The state shall not purchase, own, or lease any telecommunications network facilities or equipment unless the commissioner has first sought bids or proposals for the lease of the services to be provided by the equipment and has determined that the private sector cannot provide these services in a cost-effective manner. It shall not resell or sublease any services or facilities to nonpublic entities except it may serve private schools and colleges. The commissioner has the responsibility for planning, development, and operations of the state information infrastructure in order to provide cost-effective leased telecommunications transmission services to state information infrastructure users. For purposes of this section, "state information infrastructure" means the network facilities and telecommunications services provided through contracts administered by the commissioner.

Subd. 3. [DUTIES.] (a) The commissioner, after consultation with the office of technology, shall:

(1) provide negotiate, enter into, and administer contracts for voice, data, video, and other leased telecommunications transmission services to the state and to political subdivisions through an account in the intertechnologies revolving fund;

(2) manage vendor relationships, network function, and capacity planning in order to be responsive to the needs of the state information infrastructure users;

(3) set rates and fees for services;

(4) approve contracts for leased services relating to the system;

(5) in consultation with the office of technology, develop the system a plan, including plans for the phasing of its implementation and maintenance of the initial system out the provision of telecommunications services and network operations, except as provided in paragraph (b), and for the annual program and fiscal plans for the leased system; and

(6) in consultation with the office of technology, and the department of children, families, and learning in regard to schools, assist state agencies, political subdivisions of the state, and higher education institutions, including private colleges and public and private schools, to identify their telecommunication needs, and develop a plan plans for interconnection of the provision of leased telecommunications services and equipment to ensure the integration of these needs into an interoperable statewide network with private colleges and public and private schools in the state.

(b) The commissioner, in consultation with the office of technology and the department of children, families, and learning in regard to schools, when requested, may assist state agencies, political subdivisions of the state, and higher education institutions, including private colleges and public and private schools, in identifying, purchasing, or leasing their customer premises equipment.

(c) The state shall not purchase, own, or lease any telecommunications network facilities or equipment unless the commissioner has first sought bids or proposals for the lease of the services to be provided by the equipment and has determined that the private sector cannot provide these services in a cost-effective manner.

(d) The commissioner shall, by June 30, 2000, develop and implement a plan for phasing out ownership of telecommunications network equipment currently owned by the state of Minnesota.

Subd. 4. [PROGRAM PARTICIPATION.] ~~(a) The commissioner may require the participation secure bids or proposals for services from private sector vendors to serve the needs of state agencies, the state board of education, and the board of trustees of the Minnesota state colleges and universities, and may request the participation of the board of regents of the University of Minnesota, in the planning and implementation of the network to provide interconnective technologies. Alternatively, those entities may seek bids or proposals for services directly from private sector vendors. The commissioner shall maintain contract management responsibilities for telecommunications services and assist entities seeking services from the private sector.~~

Subd. 4a. [RATES.] The commissioner shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system telecommunications services.

~~(b) A direct appropriation made to an educational institution for usage costs associated with the state information infrastructure must only be used by the educational institution for payment of usage costs of the network as billed by the commissioner of administration.~~

Subd. 6. [APPROPRIATION.] Money appropriated for the state information infrastructure and fees for telecommunications services must be deposited in an account in the intertechnologies fund. Money in the account is appropriated annually to the commissioner to operate telecommunications services carry out the purposes of this section.

Subd. 7. [EXEMPTION.] The system is exempt from the five-year limitation on contracts set by sections 16C.05, subdivision 2, paragraph (a), clause (5), 16C.08, subdivision 3, clause (7), and 16C.09, clause (6). Section 16E.03, subdivision 3, does not apply to this section.

Sec. 4. Laws 1995, First Special Session chapter 3, article 12, section 10, is amended to read:

Sec. 10. [ELECTRONIC COST REDUCTION.]

The commissioner of education shall identify methods to reduce the costs of Internet access for school districts. The commissioner shall work in conjunction with MNet the state information infrastructure, the department of administration, and the telecommunication industry to provide Internet access and long distance phone service at a favorable group rate.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment. This act does not affect any valid contracts executed before the effective date of this act."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

SECOND READING OF SENATE BILLS

S.F. Nos. 436, 1734, 1609, 1329 and 1497 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 132, 408, 420 and 621 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Novak moved that his name be stricken as a co-author to S.F. No. 1342. The motion prevailed.

Senator Wiger moved that his name be stricken as a co-author to S.F. No. 1415. The motion prevailed.

Senator Kelley, S.P. moved that his name be stricken as a co-author to S.F. No. 1784. The motion prevailed.

Senator Frederickson moved that the names of Senators Neuville and Hottinger be added as co-authors to S.F. No. 1868. The motion prevailed.

Senator Johnson, J.B. moved that the name of Senator Hanson be added as a co-author to S.F. No. 2013. The motion prevailed.

Senator Lourey moved that S.F. No. 1852 be withdrawn from the Committee on Commerce and re-referred to the Committee on Health and Family Security. The motion prevailed.

Senator Pogemiller introduced--

Senate Resolution No. 59: A Senate resolution congratulating the DeLaSalle High School boys basketball team on winning the 1999 State High School Class AA Boys Basketball Tournament.

Referred to the Committee on Rules and Administration.

Senator Larson introduced--

Senate Resolution No. 60: A Senate resolution congratulating the Hillcrest Lutheran Academy boys basketball team on participating in the 1999 State High School Class 1A Boys Basketball Championship Tournament.

Referred to the Committee on Rules and Administration.

Senator Cohen introduced--

Senate Resolution No. 61: A Senate resolution congratulating Highland Park Senior High School on winning the first Class AAA state boys basketball championship by a St. Paul public school in half a century.

Referred to the Committee on Rules and Administration.

Senator Betzold moved that H.F. No. 92 be withdrawn from the Committee on Transportation and re-referred to the Committee on Crime Prevention. The motion prevailed.

Senator Flynn moved that H.F. No. 745, No. 10 on the Consent Calendar, be stricken and placed on General Orders. The motion prevailed.

Senator Wiger moved that H.F. No. 1556 be withdrawn from the Committee on Governmental Operations and Veterans and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 2043 now on the Consent Calendar. The motion prevailed.

Senator Vickerman moved that S.F. No. 1279 be withdrawn from the Committee on Taxes, given a second reading, and placed on General Orders. The motion prevailed.

S.F. No. 1279 was read the second time.

Senator Murphy moved that H.F. No. 50, No. 13 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

RECESS

Senator Moe, R.D. moved that the Senate do now recess until 12:40 p.m. The motion prevailed.

The hour of 12:40 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Senator Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 50 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 50: A bill for an act relating to the county of Goodhue; allowing a 1998 levy limit adjustment for certain payments in lieu of tax.

Senator Johnson, D.J. moved to amend H.F. No. 50, as amended pursuant to Rule 49, adopted by the Senate March 24, 1999, as follows:

(The text of the amended House File is identical to S.F. No. 77.)

Page 1, after line 5, insert:

"ARTICLE 1 SALES TAX REBATE

Section 1. [STATEMENT OF PURPOSE.]

(a) The state of Minnesota derives revenues from a variety of taxes, fees, and other sources, including the state sales tax.

(b) It is fair and reasonable to refund the existing state budget surplus in the form of a rebate of nonbusiness consumer sales taxes paid by individuals in calendar year 1997.

(c) Information concerning the amount of sales tax paid at various income levels is contained in the Minnesota tax incidence report, which is written by the commissioner of revenue and presented to the legislature according to Minnesota Statutes, section 270.0682.

(d) It is fair and reasonable to use information contained in the Minnesota tax incidence report to determine the proportionate share of the sales tax rebate due each eligible taxpayer since no effective or practical mechanism exists for determining the amount of actual sales tax paid by each eligible individual.

Sec. 2. [SALES TAX REBATE.]

(a) An individual who was eligible for a credit under Laws 1997, chapter 231, article 1, section 16, as amended by Laws 1997, First Special Session chapter 5, section 35, and Laws 1997, Third Special Session chapter 3, section 11, and Laws 1998, chapter 304, and Laws 1998, chapter 389, article 1, section 3, and who filed for that credit on or before April 15, 1999, or who filed a 1997 Minnesota income tax return and had a tax liability before refundable credits on that return of at least \$1 but did not file the claim for credit authorized under Laws 1997, chapter 231, article 1, section 16, as amended, and who was not claimed as a dependent on a 1997 federal income tax return filed by another person, shall receive a sales tax rebate.

(b) The sales tax rebate for taxpayers who filed the claim for credit authorized under Laws 1997, chapter 231, article 1, section 16, as amended, or the 1997 Minnesota income tax return as married filing joint or head of household must be computed according to the following schedule:

<u>Income</u>	<u>Sales Tax Rebate</u>
less than \$2,500	\$ 380
at least \$2,500 but less than \$5,000	\$ 497
at least \$5,000 but less than \$10,000	\$ 532
at least \$10,000 but less than \$15,000	\$ 582
at least \$15,000 but less than \$20,000	\$ 641
at least \$20,000 but less than \$25,000	\$ 680
at least \$25,000 but less than \$30,000	\$ 732
at least \$30,000 but less than \$35,000	\$ 808
at least \$35,000 but less than \$40,000	\$ 869
at least \$40,000 but less than \$45,000	\$ 927
at least \$45,000 but less than \$50,000	\$ 977
at least \$50,000 but less than \$60,000	\$1,028
at least \$60,000 but less than \$70,000	\$1,136
at least \$70,000 but less than \$80,000	\$1,232
at least \$80,000 but less than \$90,000	\$1,353
at least \$90,000 but less than \$100,000	\$1,503
at least \$100,000 but less than \$120,000	\$1,628
at least \$120,000 but less than \$140,000	\$1,783
at least \$140,000 but less than \$160,000	\$1,928
at least \$160,000 but less than \$180,000	\$2,064
at least \$180,000 but less than \$200,000	\$2,193
at least \$200,000 but less than \$400,000	\$2,804
at least \$400,000 but less than \$600,000	\$3,690
at least \$600,000 but less than \$800,000	\$4,427
\$800,000 and over	\$5,000

(c) The sales tax rebate for individuals who filed the claim for credit authorized under Laws 1997, chapter 231, article 1, section 16, as amended, or the 1997 Minnesota income tax return, as single or married filing separately must be computed according to the following schedule:

<u>Income</u>	<u>Sales Tax Rebate</u>
less than \$2,500	\$ 217
at least \$2,500 but less than \$5,000	\$ 264

at least \$5,000 but less than \$10,000	\$ 318
at least \$10,000 but less than \$15,000	\$ 432
at least \$15,000 but less than \$20,000	\$ 492
at least \$20,000 but less than \$25,000	\$ 526
at least \$25,000 but less than \$30,000	\$ 546
at least \$30,000 but less than \$40,000	\$ 604
at least \$40,000 but less than \$50,000	\$ 688
at least \$50,000 but less than \$70,000	\$ 823
at least \$70,000 but less than \$100,000	\$1,016
at least \$100,000 but less than \$140,000	\$1,224
at least \$140,000 but less than \$200,000	\$1,478
at least \$200,000 but less than \$400,000	\$2,004
\$400,000 and over	\$2,500

(d) Individuals who were not residents of Minnesota for any part of 1997 and who paid more than \$10 in Minnesota sales tax on nonbusiness consumer purchases in that year qualify for a rebate under this paragraph only. Qualifying nonresidents must file a claim for rebate on a form prescribed by the commissioner before the later of May 15, 1999, or 30 days after the date of enactment of this act. The claim must include receipts showing the Minnesota sales tax paid and the date of the sale. Taxes paid on purchases allowed in the computation of federal taxable income or reimbursed by an employer are not eligible for the rebate. The commissioner shall determine the qualifying taxes paid and rebate the lesser of:

(1) 68.08 percent of that amount; or

(2) the maximum amount for which the claimant would have been eligible as determined under paragraph (b) if the taxpayer filed the 1997 federal income tax return as a married taxpayer filing jointly or head of household, or as determined under paragraph (c) for other taxpayers.

(e) "Income," for purposes of this section other than paragraph (d), is taxable income as defined in section 63 of the Internal Revenue Code of 1986, as amended through December 31, 1996, plus the sum of any additions to federal taxable income for the taxpayer under Minnesota Statutes, section 290.01, subdivision 19a, and reported on the original return submitted to claim the credit under Laws 1997, chapter 231, article 1, section 16, as amended, or by subsequent adjustments to that return made within the time limits specified in paragraph (h). For an individual who was a resident of Minnesota for less than the entire year, the sales tax rebate equals the sales tax rebate calculated under paragraph (b) or (c) multiplied by the percentage determined pursuant to Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e), as calculated on the original return submitted to claim the credit under Laws 1997, chapter 231, article 1, section 16, as amended, or by subsequent adjustments to that return made within the time limits specified in paragraph (h). For purposes of paragraph (d), "income" is taxable income as defined in section 63 of the Internal Revenue Code of 1986, as amended through December 31, 1996, and reported on the taxpayer's original federal tax return for the first taxable year beginning after December 31, 1996.

(f) Prior to payment, the commissioner of revenue shall reduce the sales tax rebates calculated in paragraphs (b), (c), and (d) proportionately to account for the amount of credits described in Laws 1997, chapter 231, article 1, section 16, as amended, that are paid on or after January 1, 1999, but before July 1, 1999, so that the amount of sales tax rebates payable under paragraphs (b), (c), and (d) do not exceed \$1,321,000,000. These adjustments are not rules subject to Minnesota Statutes, chapter 14.

(g) The commissioner of revenue may begin making sales tax rebates by August 1, 1999. Sales tax rebates not paid by October 1, 1999, shall bear interest at the rate specified in Minnesota Statutes, section 270.75.

(h) A sales tax rebate shall not be adjusted based on changes to the return on which the claim for credit authorized under Laws 1997, chapter 231, article 1, section 16, as amended, is based that are made by order of assessment after April 15, 1999, or made by the taxpayer that are filed with the commissioner of revenue after April 15, 1999.

(i) Individuals who filed a joint claim for credit under Laws 1997, chapter 231, article 1, section 16, as amended, shall receive a joint sales tax rebate. After the sales tax rebate has been issued, but before the check has been cashed, either joint claimant may request a separate check for one-half of the joint sales tax rebate.

(j) The sales tax rebate is a "Minnesota tax law" for purposes of Minnesota Statutes, section 270B.01, subdivision 8.

(k) The sales tax rebate is "an overpayment of any tax collected by the commissioner" for purposes of Minnesota Statutes, section 270.07, subdivision 5. For purposes of this paragraph, a joint sales tax rebate is payable to each spouse equally.

(l) If the commissioner of revenue cannot locate an individual entitled to a sales tax rebate by July 1, 2001, or if an individual to whom a sales tax rebate was issued has not cashed the check by July 1, 2001, the right to the sales tax rebate shall lapse and the check shall be deposited in the general fund.

(m) Individuals entitled to a sales tax rebate pursuant to paragraph (a), but who did not receive one, and individuals who receive a sales tax rebate that was not correctly computed, must file a claim with the commissioner before July 1, 2000, in a form prescribed by the commissioner. These claims shall be treated as if they are a claim for refund under Minnesota Statutes, section 289A.50, subdivisions 4 and 7.

(n) The sales tax rebate is a refund subject to revenue recapture under Minnesota Statutes, chapter 270A. The commissioner of revenue shall remit the entire refund to the claimant agency, which shall, upon the request of the spouse who does not owe the debt, refund one-half of the joint sales tax rebate to the spouse who does not owe the debt.

(o) The amount necessary to make the sales tax rebates and interest provided in this section is appropriated from the general fund to the commissioner of revenue in fiscal years 2000 and 2001.

(p) If a sales tax rebate check is cashed by someone other than the payee or payees of the check, and the commissioner of revenue determines that the check has been forged or improperly endorsed, the commissioner may issue an order of assessment for the amount of the check against the person or persons cashing it. The assessment must be made within two years after the check is cashed, but if cashing the check constitutes theft under Minnesota Statutes, section 609.52, or forgery under Minnesota Statutes, section 609.631, the assessment can be made at any time. The assessment may be appealed administratively and judicially. The commissioner may take action to collect the assessment in the same manner as provided by Minnesota Statutes, chapter 289A, for any other order of the commissioner assessing tax.

(q) Notwithstanding Minnesota Statutes, sections 9.031, 16A.40, 16B.49, 16B.50, and any other law to the contrary, the commissioner of revenue may take whatever actions the commissioner deems necessary to pay the rebates required by this section, and may, in consultation with the commissioner of finance and the state treasurer, contract with a private vendor or vendors to process, print, and mail the rebate checks or warrants required under this section and receive and disburse state funds to pay those checks or warrants.

Sec. 3. [APPROPRIATIONS.]

\$1,000,000 is appropriated from the general fund to the commissioner of revenue to administer the sales tax rebate for fiscal year 1999. Any unencumbered balance remaining on June 30, 1999, does not cancel but is available for expenditure by the commissioner of revenue until June 30, 2001.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 2

AUTOMATIC REBATE IN ENACTED BUDGET

Section 1. [16A.1522] [REBATE REQUIREMENTS.]

Subdivision 1. [FORECAST.] If, on the basis of a forecast of general fund revenues and expenditures in November of an even-numbered year or February of an odd-numbered year, the commissioner projects a positive unrestricted budgetary general fund balance at the close of the biennium that exceeds one-half of one percent of total general fund biennial revenues, the commissioner shall designate the entire balance as available for rebate to the taxpayers of this state. In forecasting, projecting, or designating the unrestricted budgetary general fund balance or general fund biennial revenue under this section, the commissioner shall not include any balance or revenue attributable to settlement payments received after July 1, 1998, as defined in Section IIB of the settlement document, filed May 18, 1998, in State v. Philip Morris, Inc., No. C1-94-8565 (Minnesota District Court, Second Judicial District).

Subd. 2. [PLAN.] If the commissioner designates an amount for rebate in either forecast, the governor shall present a plan to the legislature for rebating that amount. The plan must provide for payments to begin no later than August 15 of the odd-numbered year. By April 15 of each odd-numbered year, the legislature shall enact, modify, or reject the plan presented by the governor.

Subd. 3. [CERTIFICATION.] By July 15 of each odd-numbered year, based on a preliminary analysis of the general fund balance at the end of the fiscal year June 30, the commissioner of finance shall certify to the commissioner of revenue the amount available for rebate.

Subd. 4. [TRANSFER TO TAX RELIEF ACCOUNT.] Any positive unrestricted budgetary general fund balance on June 30 of an odd-numbered year is appropriated to the commissioner for transfer to the tax relief account.

Subd. 5. [APPROPRIATION.] A sum sufficient to pay any rebate due under the plan enacted under subdivision 2 is appropriated from the general fund to the commissioner of revenue.

Sec. 2. [EFFECTIVE DATE.]

This article is effective September 1, 1999.

ARTICLE 3

AGRICULTURAL TAX RELIEF

Section 1. [AGRICULTURAL ASSISTANCE IN 1999.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Acre" means an acre of effective agricultural use land within the state of Minnesota as reported to the farm service agency on form 156EZ.

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

(d) "Effective agricultural use land" means the land suitable for growing an agricultural crop and excludes land enrolled in the conservation reserve program established by Minnesota Statutes, section 103F.515, or the water bank program established by Minnesota Statutes, section 103F.601.

(e) "Farm" or "farm operation" means an agricultural production operation with a unique farm number as reported on form 156EZ to the farm service agency.

(f) "Farm operator" means a person who is identified as the operator of a farm on form 156EZ filed with the farm service agency.

(g) "Farm service agency" means the United States Farm Service Agency.

(h) "Farmer" or "farmer at risk" means a person who produces an agricultural crop or livestock and is reported to the farm service agency as bearing a percentage of the risk for the farm operation.

(i) "Livestock" means cattle, hogs, poultry, and sheep.

(j) "Livestock production facility" means a farm that has produced at least \$10,000 in sales of unprocessed livestock or unprocessed dairy products as reported on schedule F or form 1065 or form 1120 or 1120S of the farmer's federal income tax return for either taxable years beginning in calendar year 1997 or 1998.

(k) "Person" includes individuals, fiduciaries, estates, trusts, partnerships, joint ventures, and corporations.

Subd. 2. [PAYMENT TO FARMERS.] Every farm operator may apply on a separate form for each farm that they operate to the commissioner by the later of three months following the day of enactment of this act or June 30, 1999, for payments as provided under this subdivision. The payment shall be made to each farmer at risk for a farm operation and shall equal \$4, multiplied by the number of acres of the farm operation, multiplied by the percentage of the risk borne by that farmer for that farm operation. If total payments for a farm to all farmers at risk for that farm exceed \$5,600, the payment to each farmer at risk shall be prorated so that the total payments to all farmers at risk for that farm do not exceed \$5,600.

Applications shall be based on information reported to the farm service agency for crop year 1998 by December 31, 1998. The applications shall include the social security number or federal employer identification number or a producer number assigned by the farm service agency for each farmer and the farm service agency farm number from form 156EZ. The commissioner shall prepare application forms for the payment and ensure that they are available throughout the state. The commissioner shall make the payment to each eligible farmer who applied by the later of three months following the day of enactment of this act or June 30, 1999, by the later of 135 days following the day of enactment or August 15, 1999. In no case will applications be accepted after the later of six months following the day of enactment or September 30, 1999.

Subd. 3. [LIVESTOCK PRODUCERS.] A farmer who owns and operates a livestock production facility on 160 acres or less may elect the agricultural property tax refund under subdivisions 4 to 8 in lieu of the per acre payment under subdivision 2. To qualify, the farmer must apply for the refund as provided in subdivisions 4 to 8.

Subd. 4. [REFUND.] The refund equals the full amount of the property tax payment due and payable on May 15, 1999, on a livestock production facility that is class 1b agricultural homestead property or class 2a agricultural homestead property as defined in Minnesota Statutes, section 273.13, excluding that portion of the tax attributable to the house, garage, and surrounding acre of land. If a portion of the property was leased for the agricultural production year, the refund amount shall be prorated so that only the portion of the property which was not leased for the agricultural production year qualifies for the refund.

Subd. 5. [CERTIFICATION.] The commissioner shall develop a form by the later of 45 days following the day of enactment of this act or May 15, 1999, for use by the county auditors to ascertain qualification for the refund under subdivisions 4 to 8. The form shall require the property owner to certify (1) that the owner operates a livestock production facility on 160 acres or less, and (2) the percentage of that property, if any, that was leased to anyone for the agricultural production year. Any person qualifying under subdivision 3 shall contact the county auditor in the county where the livestock production facility is located and shall file the required form with the county auditor by the later of 75 days following the day of enactment or June 15, 1999.

Subd. 6. [VERIFICATION.] The county auditor shall determine the amount of the refund for all qualifying properties in the county for which the owner has applied under subdivision 5. By the later of 100 days following the day of enactment of this act or July 10, 1999, the county auditor shall notify all applicants of the amount of the refund.

Subd. 7. [CERTIFICATION AND PAYMENT.] By the later of five months following the day of enactment of this act or August 31, 1999, any person eligible for the refund under subdivisions 4 to 8 shall send the commissioner a copy of the certification that the taxpayer received from the county auditor. In no case will applications be accepted after the later of eight months following

the day of enactment or November 30, 1999. The commissioner shall issue a refund to each qualifying taxpayer who applied by the later of five months following the day of enactment or August 31, 1999, by the later of 200 days following the day of enactment or October 15, 1999.

Subd. 8. [PROPERTY TAX REFUND.] Taxpayers benefiting from the refund under subdivisions 4 to 8 must deduct the amount of the refund from the net property taxes payable when applying for a property tax refund under Minnesota Statutes 1998, section 290A.04, subdivision 2.

Subd. 9. [ALTERNATE QUALIFICATION.] (a) If an agricultural production operation does not meet the definition of a farm under subdivision 1 solely because the farm operator had not filed a form 156EZ with the farm service agency, or because there was an error in the farm service agency's records, the commissioner may allow the farm operator to apply for payment under subdivision 2 after providing such information as the commissioner may require to determine the number of acres that would be comparable to the effective agricultural use land listed on form 156EZ.

(b) If the number of acres of effective agricultural use land for crop year 1998 for a farm is greater than indicated in the farm service agency's records, the commissioner may allow a farm operator to apply for payment on the greater acreage after providing such information as the commissioner may require.

(c) If a person who produced an agricultural crop or livestock in 1998 and bore a portion of the risk for the farm operation does not meet the definition of a farmer under subdivision 1 solely because that information was not reported to the farm service agency, or because there was an error in the farm service agency's records, the commissioner may allow the farmer to be included on an application for payment under subdivision 2 after the farmer provides such information as the commissioner may require to determine the farmer was at risk for that farm.

Subd. 10. [LIMIT.] No person may receive a payment under subdivision 2 or a property tax refund under subdivisions 4 to 8 that exceeds \$5,600.

Subd. 11. [APPLICATION OF OTHER LAWS.] (a) The payments under subdivisions 2 and 7 are a "Minnesota tax law" for purposes of Minnesota Statutes, section 270B.01, subdivision 8.

Subd. 12. [REMEDIES.] A farmer denied a refund may appeal that denial under Minnesota Statutes, section 289A.55, subdivision 7.

Subd. 13. [INTEREST.] Payments under subdivision 2 or subdivisions 4 to 8 shall bear interest at the rate specified in Minnesota Statutes, section 289A.55, subdivision 1, from the later of the payment dates specified under subdivision 2 or 7 or 60 days after a complete payment application was filed.

Subd. 14. [PENALTIES.] If the commissioner determines that claims for payments under subdivisions 2 and 7 are or were excessive and were filed with fraudulent intent, the claim must be disallowed in full. If the claim has been paid, the amount disallowed must be recovered by assessment and collection under Minnesota Statutes, chapter 289A. The assessment must be made within two years after a check is cashed, but if cashing a check constitutes theft under Minnesota Statutes, section 609.52, or forgery under Minnesota Statutes, section 609.631, the assessment may be made at any time. The assessment may be appealed administratively and judicially.

Sec. 2. [APPROPRIATION.]

(a) The amount of the payments required under section 1, subdivisions 2 and 7, is appropriated from the general fund to the commissioner of revenue for fiscal year 2000.

(b) \$68,000 is appropriated to the commissioner of revenue for distribution to counties for the costs of administering section 1, subdivisions 4 to 8.

Sec. 3. [EFFECTIVE DATE.]

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

ARTICLE 4

GOODHUE COUNTY LEVY LIMIT"

Amend the title accordingly

Senator Neuville questioned whether the amendment was germane.

The President ruled that the amendment was germane.

Senator Frederickson moved to amend the Johnson, D.J. amendment to H.F. No. 50 as follows:

Page 12, line 6, delete "289A.55" and insert "289A.50"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Johnson, D.J. amendment, as amended.

The roll was called, and there were yeas 60 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Knutson	Neuville	Samuelson
Belanger	Hottinger	Krentz	Olson	Scheevel
Berg	Janezich	Laidig	Ourada	Scheid
Betzold	Johnson, D.E.	Langseth	Pappas	Solon
Cohen	Johnson, D.H.	Larson	Pariseau	Spear
Day	Johnson, D.J.	Lesewski	Piper	Stevens
Dille	Johnson, J.B.	Lessard	Pogemiller	Stumpf
Fischbach	Junge	Limmer	Price	Ten Eyck
Flynn	Kelley, S.P.	Lourey	Ranum	Terwilliger
Foley	Kelly, R.C.	Metzen	Robertson	Vickerman
Frederickson	Kiscaden	Moe, R.D.	Robling	Wiener
Hanson	Kleis	Murphy	Sams	Wiger

Those who voted in the negative were:

Marty	Oliver	Runbeck
-------	--------	---------

The motion prevailed. So the Johnson, D.J. amendment, as amended, was adopted.

Senator Limmer moved to amend the Johnson, D.J. amendment to H.F. No. 50, adopted by the Senate March 30, 1999, as follows:

Page 12, after line 34, insert:

"SALES TO LOCAL GOVERNMENTS

Section 1. Minnesota Statutes 1998, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by; the following governmental entities are exempt:

(1) the United States and its agencies and instrumentalities,;

(2) the University of Minnesota, state universities, community colleges, technical colleges, state academies, and the Lola and Rudy Perpich Minnesota center for arts education, an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools, school districts,;

(3) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, ~~county law libraries under chapter 134A,~~ the state library under section 480.09, and the legislative reference library are exempt; and

(4) political subdivisions of a state and their agencies and instrumentalities.

~~As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, service cooperatives, secondary vocational cooperative centers, special education cooperatives, joint purchasing cooperatives, telecommunication cooperatives, regional management information centers, and any instrumentality of a school district, as defined in section 471.59.~~

~~Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, paragraph (f).~~

~~Sales to hospitals and nursing homes owned and operated by political subdivisions of the state are exempt under this subdivision.~~

~~Sales of supplies and equipment used in the operation of an ambulance service owned and operated by a political subdivision of the state are exempt under this subdivision provided that the supplies and equipment are used in the course of providing medical care. Sales to a political subdivision of repair and replacement parts for emergency rescue vehicles and fire trucks and apparatus are exempt under this subdivision.~~

~~Sales to a political subdivision of machinery and equipment, except for motor vehicles, used directly for mixed municipal solid waste management services at a solid waste disposal facility as defined in section 115A.03, subdivision 10, are exempt under this subdivision.~~

~~Sales to political subdivisions of chore and homemaking services to be provided to elderly or disabled individuals are exempt.~~

~~Sales to a town of gravel and of machinery, equipment, and accessories, except motor vehicles, used exclusively for road and bridge maintenance, and leases of motor vehicles exempt from tax under section 297B.03, clause (10), are exempt.~~

~~Sales of telephone services to the department of administration that are used to provide telecommunications services through the intertechnologies revolving fund are exempt under this subdivision.~~

~~This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.~~

~~This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for:~~

~~(1) leases entered into by the United States or its agencies or instrumentalities; and~~

~~(2) leases entered into by a political subdivision of motor vehicles exempt from tax under chapter 297B.~~

~~The tax imposed on sales to political subdivisions of the state under this section applies to all political subdivisions other than those explicitly exempted under this subdivision, notwithstanding section 115A.69, subdivision 6, 116A.25, 360.035, 458A.09, 458A.30, 458D.23, 469.101, subdivision 2, 469.127, 473.448, 473.545, or 473.608 or any other law to the contrary enacted before 1992.~~

~~Sales exempted by this subdivision include sales made to other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state, but do not include sales under section 297A.01, subdivision 3, paragraphs (c) and (e).~~

Sec. 2. Minnesota Statutes 1998, section 297A.47, is amended to read:

297A.47 [REPORTING OF SALES TAX ON MINNESOTA GOVERNMENTS.]

The commissioner shall estimate the amount of revenues derived from imposing the tax under this chapter and chapter 297B on state agencies and political subdivisions for each fiscal year and shall report this amount to the commissioner of finance before the time for filing reports for the fiscal year with the United States Department of Commerce. The commissioner of finance in reporting the sales tax and sales tax on motor vehicles collections to the United States Department of Commerce shall exclude this amount from the sales and motor vehicle collections. Sales tax and Sales tax on motor vehicles revenues received from political subdivisions must be reported as intergovernmental grants or similar intergovernmental revenue. The amount of the sales tax and sales tax on motor vehicles paid by state agencies must be reported as reduced state expenditures.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for sales occurring after June 30, 1999.

ARTICLE 5"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 40, as follows:

Those who voted in the affirmative were:

Day	Kleis	Neuville	Robertson	Wiger
Dille	Knutson	Oliver	Robling	
Fischbach	Larson	Olson	Sams	
Frederickson	Limmer	Ourada	Scheevel	
Kiscaden	Marty	Pariseau	Stevens	

Those who voted in the negative were:

Anderson	Hanson	Kelley, S.P.	Moe, R.D.	Scheid
Belanger	Hottinger	Kelly, R.C.	Murphy	Solon
Berg	Janezich	Krentz	Novak	Spear
Berglin	Johnson, D.E.	Laidig	Piper	Stumpf
Betzold	Johnson, D.H.	Langseth	Pogemiller	Ten Eyck
Cohen	Johnson, D.J.	Lesewski	Price	Terwilliger
Flynn	Johnson, J.B.	Lessard	Ranum	Vickerman
Foley	Junge	Metzen	Runbeck	Wiener

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

Senator Oliver moved to amend the Johnson, D.J. amendment to H.F. No. 50, adopted by the Senate March 30, 1999, as follows:

Page 12, after line 34, insert:

"INCOME TAX RATE REDUCTION

Section 1. Minnesota Statutes 1998, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$19,910 ~~\$25,220~~, ~~6~~ 5.5 percent;
- (2) On all over \$19,910 ~~\$25,220~~, but not over \$79,120 ~~\$100,210~~, ~~8~~ 7.5 percent;
- (3) On all over \$79,120 ~~\$100,210~~, ~~8.5~~ 8 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by

applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$13,620~~ \$17,250, ~~6~~ 5.5 percent;
- (2) On all over ~~\$13,620~~ \$17,250, but not over ~~\$44,750~~ \$56,680, ~~8~~ 7.5 percent;
- (3) On all over ~~\$44,750~~ \$56,680, ~~8.5~~ 8 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$16,770~~ \$21,240, ~~6~~ 5.5 percent;
- (2) On all over ~~\$16,770~~ \$21,240, but not over ~~\$67,390~~ \$85,350, ~~8~~ 7.5 percent;
- (3) On all over ~~\$67,390~~ \$85,350, ~~8.5~~ 8 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code disregarding income or loss flowing from a corporation having a valid election for the taxable year under section 1362 of the Internal Revenue Code but which is not an "S" corporation under section 290.9725 and increased by the additions required under section 290.01, subdivision 19a, clauses (1) and (9), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1), (5), (6), (7), and (9), and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1), (11), and (12).

Sec. 2. Minnesota Statutes 1998, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, ~~1991~~ 1999, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, ~~1990~~ 1998, and before January 1, ~~1992~~ 2000. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets and by the percentage determined pursuant

to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) the word "1990 1998" shall be substituted for the word "1987 1992." For 1991 1999, the commissioner shall then determine the percent change from the 12 months ending on August 31, 1990 1998, to the 12 months ending on August 31, 1991 1999, and in each subsequent year, from the 12 months ending on August 31, 1990 1999, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the Administrative Procedure Act contained in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

Sec. 3. Minnesota Statutes 1998, section 290.091, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION OF TAX.] In addition to all other taxes imposed by this chapter a tax is imposed on individuals, estates, and trusts equal to the excess (if any) of

(a) an amount equal to seven 6.8 percent of alternative minimum taxable income after subtracting the exemption amount, over

(b) the regular tax for the taxable year.

Sec. 4. Minnesota Statutes 1998, section 290.091, subdivision 2, is amended to read:

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

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the Minnesota charitable contribution deduction;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a disabled person;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1);

(6) amounts added to federal taxable income as provided by section 290.01, subdivision 19a, clauses (5), (6), and (7);

less the sum of the amounts determined under the following clauses (1) to (4):

(1) interest income as defined in section 290.01, subdivision 19b, clause (1);

(2) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2), to the extent included in federal alternative minimum taxable income;

(3) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income; and

(4) amounts subtracted from federal taxable income as provided by section 290.01, subdivision 19b, clauses (11) and (12).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Tentative minimum tax" equals ~~seven~~ 6.8 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Net minimum tax" means the minimum tax imposed by this section.

(f) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses (a) to (e). When the federal deduction for charitable contributions is limited under section 170(b) of the Internal Revenue Code, the allowable contributions in the year of contribution are deemed to be first contributions to entities described in section 290.21, subdivision 3, clauses (a) to (e).

Sec. 5. Minnesota Statutes 1998, section 290.091, subdivision 6, is amended to read:

Subd. 6. [CREDIT FOR PRIOR YEARS' LIABILITY.] (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of

(1) the tentative minimum tax, over

(2) ~~seven~~ 6.8 percent of the sum of

(i) adjusted gross income as defined in section 62 of the Internal Revenue Code,

(ii) interest income as defined in section 290.01, subdivision 19a, clause (1),

(iii) the amount added to federal taxable income as provided by section 290.01, subdivision 19a, clauses (5), (6), and (7),

(iv) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),

(v) depletion as defined in section 57(a)(1), determined without regard to the last sentence of paragraph (1), of the Internal Revenue Code, less

(vi) the deductions allowed in computing alternative minimum taxable income provided in subdivision 2, paragraph (a), clause (2) of the first series of clauses and clauses (1), (2), (3), and (4) of the second series of clauses, and

(vii) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 6. [EFFECTIVE DATE.]

Sections 1 and 3 to 5 are effective for taxable years beginning after December 31, 1998. Section 2 is effective for taxable years beginning after December 31, 1999.

ARTICLE 5"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Limmer	Robertson	Terwilliger
Day	Kleis	Neuville	Robling	Wiger
Dille	Knutson	Oliver	Runbeck	
Fischbach	Laidig	Olson	Sams	
Frederickson	Larson	Ourada	Scheevel	
Johnson, D.E.	Lesewski	Pariseau	Stevens	

Those who voted in the negative were:

Anderson	Higgins	Kelly, R.C.	Murphy	Scheid
Berg	Hottinger	Krentz	Novak	Solon
Berglin	Janezich	Langseth	Pappas	Spear
Betzold	Johnson, D.H.	Lessard	Piper	Stumpf
Cohen	Johnson, D.J.	Lourey	Pogemiller	Ten Eyck
Flynn	Johnson, J.B.	Marty	Price	Vickerman
Foley	Junge	Metzen	Ranum	Wiener
Hanson	Kelley, S.P.	Moe, R.D.	Samuelson	

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

Senator Laidig moved to amend the Johnson, D.J. amendment to H.F. No. 50, adopted by the Senate March 30, 1999, as follows:

Page 4, line 32, after "1999" insert ", provided that legislation providing a permanent income tax decrease of no less than \$1,000,000,000 per year has been enacted by that date. If such legislation has not been enacted by August 1, 1999, payment of the rebates under this article may not be made until such legislation has been enacted"

Page 4, line 33, after "1999," insert "or 60 days after the date of enactment of legislation providing a permanent income tax decrease of no less than \$1,000,000,000 per year, if that is later"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Lesewski	Ourada	Scheevel
Day	Kleis	Limmer	Pariseau	Stevens
Dille	Knutson	Neuville	Robertson	Terwilliger
Fischbach	Laidig	Oliver	Robling	Wiger
Johnson, D.E.	Larson	Olson	Runbeck	

Those who voted in the negative were:

Anderson	Higgins	Kelly, R.C.	Novak	Scheid
Berg	Hottinger	Krentz	Pappas	Spear
Berglin	Janezich	Langseth	Piper	Stumpf
Betzold	Johnson, D.H.	Lessard	Pogemiller	Ten Eyck
Cohen	Johnson, D.J.	Lourey	Price	Vickerman
Flynn	Johnson, J.B.	Metzen	Ranum	Wiener
Foley	Junge	Moe, R.D.	Sams	
Frederickson	Kelley, S.P.	Murphy	Samuelson	

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

Senator Belanger moved that H.F. No. 50 be referred to the Committee on Taxes.

CALL OF THE SENATE

Senator Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 50. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 24 and nays 40, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Larson	Olson	Runbeck
Day	Kiscaden	Lesewski	Ourada	Scheevel
Dille	Kleis	Limmer	Pariseau	Stevens
Fischbach	Knutson	Neuville	Robertson	Terwilliger
Frederickson	Laidig	Oliver	Robling	

Those who voted in the negative were:

Anderson	Higgins	Kelly, R.C.	Novak	Scheid
Berg	Hottinger	Krentz	Pappas	Solon
Berglin	Janezich	Langseth	Piper	Spear
Betzold	Johnson, D.H.	Lessard	Pogemiller	Stumpf
Cohen	Johnson, D.J.	Lourey	Price	Ten Eyck
Flynn	Johnson, J.B.	Metzen	Ranum	Vickerman
Foley	Junge	Moe, R.D.	Sams	Wiener
Hanson	Kelley, S.P.	Murphy	Samuelson	Wiger

The motion did not prevail.

Senator Scheevel moved to amend the Johnson, D.J. amendment to H.F. No. 50, adopted by the Senate March 30, 1999, as follows:

Pages 1 to 8, delete articles 1 and 2

Renumber the articles in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 45, as follows:

Those who voted in the affirmative were:

Berg	Kiscaden	Marty	Ourada	Runbeck
Day	Knutson	Neuville	Pariseau	Scheevel
Fischbach	Larson	Oliver	Robertson	Stevens
Frederickson	Lesewski	Olson	Robling	Terwilliger

Those who voted in the negative were:

Anderson	Betzold	Flynn	Higgins	Johnson, D.E.
Belanger	Cohen	Foley	Hottinger	Johnson, D.H.
Berglin	Dille	Hanson	Janezich	Johnson, D.J.

Johnson, J.B.	Laidig	Moe, R.D.	Price	Spear
Junge	Langseth	Murphy	Ranum	Stumpf
Kelley, S.P.	Lessard	Novak	Sams	Ten Eyck
Kelly, R.C.	Limmer	Pappas	Samuelson	Vickerman
Kleis	Lourey	Piper	Scheid	Wiener
Krentz	Metzen	Pogemiller	Solon	Wiger

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

H.F. No. 50 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 43 and nays 22, as follows:

Those who voted in the affirmative were:

Berg	Hottinger	Kleis	Novak	Solon
Berglin	Janezich	Krentz	Pappas	Spear
Betzold	Johnson, D.E.	Langseth	Piper	Stumpf
Cohen	Johnson, D.H.	Lesewski	Pogemiller	Ten Eyck
Dille	Johnson, D.J.	Lessard	Price	Vickerman
Fischbach	Johnson, J.B.	Lourey	Ranum	Wiener
Flynn	Junge	Metzen	Sams	Wiger
Hanson	Kelley, S.P.	Moe, R.D.	Samuelson	
Higgins	Kelly, R.C.	Murphy	Scheid	

Those who voted in the negative were:

Anderson	Kiscaden	Marty	Pariseau	Stevens
Belanger	Knutson	Neuville	Robertson	Terwilliger
Day	Laidig	Oliver	Robling	
Foley	Larson	Olson	Runbeck	
Frederickson	Limmer	Ourada	Scheevel	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Senator Hottinger from the Committee on Health and Family Security, to which was referred

S.F. No. 1966: A bill for an act relating to health; making certain health-related data nondisclosable; extending expiration date of the medical education and research advisory committee; modifying classification of certain licensing data; modifying maternal and child health provisions; removing expiration date for advisory council on water supply systems and wastewater treatment facilities; modifying provisions for speech-language pathologists, audiologists, unlicensed mental health practitioners, alcohol and drug counselors, and hearing instrument dispensers; clarifying certain crimes committed by psychotherapists; establishing protocol for occupational exposure to bloodborne pathogens in certain settings; modifying the Minnesota Health Care Administrative Simplification Act; providing criminal penalties; amending Minnesota Statutes 1998, sections 13.41, subdivision 2; 13.99, subdivision 38, and by adding a subdivision; 15.059, subdivision 5a; 62J.51, by adding subdivisions; 62J.52, subdivisions 1, 2, and 5; 62J.60, subdivision 1; 62J.69, subdivision 2; 72A.20, subdivision 29; 115.741, subdivision 3; 144.4804,

by adding a subdivision; 145.881, subdivision 2; 145.882, subdivision 7, and by adding a subdivision; 145.885, subdivision 2; 148.511; 148.515, subdivision 3; 148.517, by adding a subdivision; 148B.60, subdivision 3; 148B.68, subdivision 1; 148B.69, by adding a subdivision; 148B.71, subdivision 1; 148C.01, subdivisions 2, 7, 9, 10, and by adding a subdivision; 148C.03, subdivision 1; 148C.04, by adding subdivisions; 148C.06, subdivision 1; 148C.09, subdivisions 1 and 1a; 148C.11, subdivision 1; 153A.13, subdivision 9, and by adding subdivisions; 153A.14, subdivisions 1, 2a, 2h, 4, 4a, and by adding subdivisions; 153A.15, subdivision 1; 214.18, subdivision 5, and by adding a subdivision; 214.19, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; and 611A.19, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 13; 62J; 144; and 241; repealing Minnesota Statutes 1998, sections 144.761; 144.762; 144.763; 144.764; 144.765; 144.766; 144.767; 144.768; 144.769; 144.7691; 145.882, subdivisions 3 and 4; and 148C.04, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 62E.04, subdivision 4, is amended to read:

Subd. 4. [MAJOR MEDICAL COVERAGE.] Each insurer and fraternal shall affirmatively offer coverage of major medical expenses to every applicant who applies to the insurer or fraternal for a new unqualified policy, which has a lifetime benefit limit of less than \$1,000,000, at the time of application and annually to every holder of such an unqualified policy of accident and health insurance renewed by the insurer or fraternal. The coverage shall provide that when a covered individual incurs out-of-pocket expenses of \$5,000 or more within a calendar year for services covered in section 62E.06, subdivision 1, benefits shall be payable, subject to any copayment authorized by the commissioner, up to a maximum lifetime limit of \$500,000. The offer of coverage of major medical expenses may consist of the offer of a rider on an existing unqualified policy or a new policy which is a qualified plan.

Sec. 2. Minnesota Statutes 1998, section 62J.51, is amended by adding a subdivision to read:

Subd. 19a. [UNIFORM EXPLANATION OF BENEFITS DOCUMENT.] "Uniform explanation of benefits document" means the document associated with and explaining the details of a group purchaser's claim adjudication for services rendered, which is sent to a patient.

Sec. 3. Minnesota Statutes 1998, section 62J.51, is amended by adding a subdivision to read:

Subd. 19b. [UNIFORM REMITTANCE ADVICE REPORT.] "Uniform remittance advice report" means the document associated with and explaining the details of a group purchaser's claim adjudication for services rendered, which is sent to a provider.

Sec. 4. Minnesota Statutes 1998, section 62J.52, subdivision 1, is amended to read:

Subdivision 1. [UNIFORM BILLING FORM HCFA 1450.] (a) On and after January 1, 1996, all institutional inpatient hospital services, ancillary services, ~~and~~ institutionally owned or operated outpatient services rendered by providers in Minnesota, ~~and~~ institutional or noninstitutional home health services that are not being billed using an equivalent electronic billing format, must be billed using the uniform billing form HCFA 1450, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form HCFA 1450 shall be in accordance with the uniform billing form manual specified by the commissioner. In promulgating these instructions, the commissioner may utilize the manual developed by the National Uniform Billing Committee, as adopted and finalized by the Minnesota uniform billing committee.

(c) Services to be billed using the uniform billing form HCFA 1450 include: institutional inpatient hospital services and distinct units in the hospital such as psychiatric unit services, physical therapy unit services, swing bed (SNF) services, inpatient state psychiatric hospital services, inpatient skilled nursing facility services, home health services (Medicare part A), and hospice services; ancillary services, where benefits are exhausted or patient has no Medicare part

A, from hospitals, state psychiatric hospitals, skilled nursing facilities, and home health (Medicare part B); ~~and institutional owned or operated outpatient services such as waived services, hospital outpatient services, including ambulatory surgical center services, hospital referred laboratory services, hospital-based ambulance services, and other hospital outpatient services, skilled nursing facilities, home health, including infusion therapy, freestanding renal dialysis centers, comprehensive outpatient rehabilitation facilities (CORF), outpatient rehabilitation facilities (ORF), rural health clinics, and community mental health centers;~~ home health services such as home health intravenous therapy providers, waived services, personal care attendants, and hospice; and any other health care provider certified by the Medicare program to use this form.

(d) On and after January 1, 1996, a mother and newborn child must be billed separately, and must not be combined on one claim form.

Sec. 5. Minnesota Statutes 1998, section 62J.52, subdivision 2, is amended to read:

Subd. 2. [UNIFORM BILLING FORM HCFA 1500.] (a) On and after January 1, 1996, all noninstitutional health care services rendered by providers in Minnesota except dental or pharmacy providers, that are not currently being billed using an equivalent electronic billing format, must be billed using the health insurance claim form HCFA 1500, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form HCFA 1500 shall be in accordance with the manual developed by the administrative uniformity committee entitled standards for the use of the HCFA 1500 form, dated February 1994, as further defined by the commissioner.

(c) Services to be billed using the uniform billing form HCFA 1500 include physician services and supplies, durable medical equipment, noninstitutional ambulance services, independent ancillary services including occupational therapy, physical therapy, speech therapy and audiology, podiatry services, optometry services, mental health licensed professional services, substance abuse licensed professional services, nursing practitioner professional services, certified registered nurse anesthetists, chiropractors, physician assistants, laboratories, medical supplies, and other health care providers such as ~~home health intravenous therapy providers, personal care attendants, day activity centers, waived services, hospice, and other home health services,~~ and freestanding ambulatory surgical centers.

Sec. 6. Minnesota Statutes 1998, section 62J.52, subdivision 5, is amended to read:

Subd. 5. [STATE AND FEDERAL HEALTH CARE PROGRAMS.] (a) Skilled nursing facilities and ICF/MR services billed to state and federal health care programs administered by the department of human services shall use the form designated by the department of human services.

(b) On and after July 1, 1996, state and federal health care programs administered by the department of human services shall accept the HCFA 1450 for community mental health center services and shall accept the HCFA 1500 for freestanding ambulatory surgical center services.

(c) State and federal health care programs administered by the department of human services shall be authorized to use the forms designated by the department of human services for pharmacy services ~~and for child and teen checkup services.~~

(d) State and federal health care programs administered by the department of human services shall accept the form designated by the department of human services, and the HCFA 1500 for supplies, medical supplies, or durable medical equipment. Health care providers may choose which form to submit.

(e) Personal care attendant and waived services billed on a fee-for-service basis directly to state and federal health care programs administered by the department of human services shall use either the HCFA 1450 or the HCFA 1500 form, as designated by the department of human services.

Sec. 7. [62J.581] [STANDARDS FOR MINNESOTA UNIFORM HEALTH CARE REIMBURSEMENT DOCUMENTS.]

Subdivision 1. [MINNESOTA UNIFORM REMITTANCE ADVICE REPORT.] All group purchasers and payers shall provide a uniform remittance advice report to health care providers when a claim is adjudicated. The uniform remittance advice report shall comply with the standards prescribed in this section.

Subd. 2. [MINNESOTA UNIFORM EXPLANATION OF BENEFITS DOCUMENT.] All group purchasers and payers shall provide a uniform explanation of benefits document to health care patients when a claim is adjudicated. The uniform explanation of benefits document shall comply with the standards prescribed in this section.

Subd. 3. [SCOPE.] For purposes of sections 62J.50 to 62J.61, the uniform remittance advice report and the uniform explanation of benefits document format specified in subdivision 4 shall apply to all health care services delivered by a health care provider or health care provider organization in Minnesota, regardless of the location of the payer. Health care services not paid on an individual claims basis, such as capitated payments, are not included in this section. A health plan company is excluded from the requirements in subdivisions 1 and 2 if they comply with section 62A.01, subdivisions 2 and 3.

Subd. 4. [SPECIFICATIONS.] The uniform remittance advice report and the uniform explanation of benefits document shall be provided by use of a paper document conforming to the specifications in this section or by use of the ANSI X12N 835 standard electronic format as established under sections 1171 to 1179 of Public Law Number 104-191, Statutes at Large, volume 110, page 1936, and as updated from time to time for the remittance advice. The commissioner, after consulting with the administrative uniformity committee, shall specify the data elements and definitions for the uniform remittance advice report and the uniform explanation of benefits document.

Subd. 5. [EFFECTIVE DATE.] The requirements in subdivisions 1 and 2 are effective 12 months after standards for the electronic remittance advice transaction are effective under sections 1171 to 1179 of Public Law Number 104-191, Statutes at Large, volume 110, page 1936, and as updated from time to time. The requirements in subdivisions 1 and 2 apply regardless of when the health care service was provided to the patient.

Sec. 8. Minnesota Statutes 1998, section 62J.60, subdivision 1, is amended to read:

Subdivision 1. [MINNESOTA HEALTH CARE IDENTIFICATION CARD.] All individuals with health care coverage shall be issued health care identification cards by group purchasers as of January 1, 1998, unless the requirements of section 62A.01, subdivisions 2 and 3, are met. The health care identification cards shall comply with the standards prescribed in this section.

Sec. 9. Minnesota Statutes 1998, section 62J.75, is amended to read:

62J.75 [CONSUMER ADVISORY BOARD.]

(a) The consumer advisory board consists of 18 members appointed in accordance with paragraph (b). All members must be public, consumer members who:

(1) do not have and never had a material interest in either the provision of health care services or in an activity directly related to the provision of health care services, such as health insurance sales or health plan administration;

(2) are not registered lobbyists; and

(3) are not currently responsible for or directly involved in the purchasing of health insurance for a business or organization.

(b) The governor, the speaker of the house of representatives, and the subcommittee on committees of the committee on rules and administration of the senate shall each appoint six members. Members may be compensated in accordance with section 15.059, subdivision 3, except that members shall not receive per diem compensation or reimbursements for child care expenses.

(c) The board shall advise the commissioners of health and commerce on the following:

(1) the needs of health care consumers and how to better serve and educate the consumers on health care concerns and recommend solutions to identified problems; and

(2) consumer protection issues in the self-insured market, including, but not limited to, public education needs.

The board also may make recommendations to the legislature on these issues.

(d) The board and this section expire June 30, ~~2001~~ 1999.

Sec. 10. Minnesota Statutes 1998, section 145.881, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The advisory task force shall meet on a regular basis to perform the following duties:

(a) review and report on the health care needs of mothers and children throughout the state of Minnesota;

(b) review and report on the type, frequency and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health;

(c) establish, review, and report to the commissioner a list of program guidelines and criteria which the advisory task force considers essential to providing an effective maternal and child health care program to low income populations and high risk persons and fulfilling the purposes defined in section 145.88;

(d) review staff recommendations of the department of health regarding maternal and child health grant awards before the awards are made;

(e) make recommendations to the commissioner for the use of other federal and state funds available to meet maternal and child health needs;

(f) make recommendations to the commissioner of health on priorities for funding the following maternal and child health services: (1) prenatal, delivery and postpartum care, (2) comprehensive health care for children, especially from birth through five years of age, (3) adolescent health services, (4) family planning services, (5) preventive dental care, (6) special services for chronically ill and handicapped children and (7) any other services which promote the health of mothers and children; ~~and~~

(g) make recommendations to the commissioner of health on the process to distribute, award and administer the maternal and child health block grant funds; and

(h) review the measures that are used to define the variables of the funding distribution formula in section 145.882, subdivision 4a, every two years and make recommendations to the commissioner of health for changes based upon principles established by the advisory task force for this purpose.

Sec. 11. Minnesota Statutes 1998, section 145.882, is amended by adding a subdivision to read:

Subd. 4a. [ALLOCATION TO COMMUNITY HEALTH BOARDS.] (a) Federal maternal and child health block grant money remaining after distributions made under subdivision 2 and money appropriated for allocation to community health boards must be allocated according to paragraphs (b) to (d) to community health boards as defined in section 145A.02, subdivision 5.

(b) All community health boards must receive 95 percent of the funding awarded to them for the 1998-1999 funding cycle. If the amount of state and federal funding available is less than 95 percent of the amount awarded to community health boards for the 1998-1999 funding cycle, the available funding must be apportioned to reflect a proportional decrease for each recipient.

(c) The federal and state funding remaining after distributions made under paragraph (b) must be allocated to each community health board based on the following three variables:

(1) 25 percent based on the maternal and child population in the area served by the community health board;

(2) 50 percent based on the health risk factors of the maternal and child population in the area served by the community health board; and

(3) 25 percent based on the income of the maternal and child population in the area served by the community health board.

(d) Each variable must be expressed as a city or county score consisting of the city or county frequency of each variable divided by the statewide frequency of the variable. A total score for each city or county jurisdiction must be computed by totaling the scores of the three factors. Each community health board must be allocated an amount equal to the total score obtained for the city, county, or counties in its area multiplied by the amount of money available.

Sec. 12. Minnesota Statutes 1998, section 145.882, subdivision 7, is amended to read:

Subd. 7. [USE OF BLOCK GRANT MONEY.] (a) Maternal and child health block grant money allocated to a community health board or community health services area under this section must be used for qualified programs for high risk and low-income individuals. Block grant money must be used for programs that:

(1) specifically address the highest risk populations, particularly low-income and minority groups with a high rate of infant mortality and children with low birth weight, by providing services, including pre-pregnancy family planning services, calculated to produce measurable decreases in infant mortality rates, instances of children with low birth weight, and medical complications associated with pregnancy and childbirth, including infant mortality, low birth rates, and medical complications arising from chemical abuse by a mother during pregnancy;

(2) specifically target pregnant women whose age, medical condition, maternal history, or chemical abuse substantially increases the likelihood of complications associated with pregnancy and childbirth or the birth of a child with an illness, disability, or special medical needs;

(3) specifically address the health needs of young children who have or are likely to have a chronic disease or disability or special medical needs, including physical, neurological, emotional, and developmental problems that arise from chemical abuse by a mother during pregnancy;

(4) provide family planning and preventive medical care for specifically identified target populations, such as minority and low-income teenagers, in a manner calculated to decrease the occurrence of inappropriate pregnancy and minimize the risk of complications associated with pregnancy and childbirth; or

(5) specifically address the frequency and severity of childhood injuries in high risk target populations by providing services calculated to produce measurable decreases in mortality and morbidity. ~~However, money may be used for this purpose only if the community health board's application includes program components for the purposes in clauses (1) to (4) in the proposed geographic service area and the total expenditure for injury-related programs under this clause does not exceed ten percent of the total allocation under subdivision 3.~~

~~(b) Maternal and child health block grant money may be used for purposes other than the purposes listed in this subdivision only under the following conditions:~~

~~(1) the community health board or community health services area can demonstrate that existing programs fully address the needs of the highest risk target populations described in this subdivision; or~~

~~(2) the money is used to continue projects that received funding before creation of the maternal and child health block grant in 1981.~~

~~(e) (b) Projects that received funding before creation of the maternal and child health block grant in 1981, must be allocated at least the amount of maternal and child health special project grant funds received in 1989, unless (1) the local board of health provides equivalent alternative funding for the project from another source; or (2) the local board of health demonstrates that the need for the specific services provided by the project has significantly decreased as a result of changes in the demographic characteristics of the population, or other factors that have a major impact on the demand for services. If the amount of federal funding to the state for the maternal and child health block grant is decreased, these projects must receive a proportional decrease as required in subdivision 1. Increases in allocation amounts to local boards of health under subdivision 4 may be used to increase funding levels for these projects may be continued at the discretion of the community health board.~~

Sec. 13. Minnesota Statutes 1998, section 145.885, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REQUIREMENTS FOR COMMUNITY BOARDS OF HEALTH.] Applications by community health boards as defined in section 145A.02, subdivision 5, under section 145.882, subdivision 3 4a, must also contain a summary of the process used to develop the local program, including evidence that the community health board notified local public and private providers of the availability of funding through the community health board for maternal and child health services; a list of all public and private agency requests for grants submitted to the community health board indicating which requests were included in the grant application; and an explanation of how priorities were established for selecting the requests to be included in the grant application. The community health board shall include, with the grant application, a written statement of the criteria to be applied to public and private agency requests for funding.

Sec. 14. Minnesota Statutes 1998, section 148.511, is amended to read:

148.511 [SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS.]

Sections 148.511 to 148.5196 apply only to persons who are applicants for registration, who are registered, who use protected titles, or who represent that they are registered. Persons who engage in the practice of speech-language pathology or audiology and who satisfy the qualifications for registration must register under sections 148.511 to 148.5196. Sections 148.511 to 148.5196 do not apply to school personnel licensed by the board of teaching under Minnesota Rules, part 8700.5505 section 122A.28, provided that school personnel practicing within the scope of their licensed occupation preface titles protected under section 148.513 with the words "school" or "educational."

Sec. 15. Minnesota Statutes 1998, section 148.515, subdivision 3, is amended to read:

Subd. 3. [SUPERVISED CLINICAL TRAINING REQUIRED.] (a) An applicant must complete at least 375 hours of supervised clinical training as a student that meets the requirements of paragraphs (b) to (f).

(b) The supervised clinical training must be provided by the educational institution or by one of its cooperating programs.

(c) The first 25 hours of the supervised clinical training must be spent in clinical observation. Those 25 hours must concern the evaluation and treatment of children and adults with disorders of speech, language, or hearing.

(d) All applicants must complete at least 350 hours of supervised clinical training that concern the evaluation and treatment of children and adults with disorders of speech, language, and hearing. At least 250 of the 350 hours must be at the graduate level in the area in which registration is sought. At least 50 hours must be spent in each of three types of clinical settings including, but not limited to, university clinics, hospitals, private clinics, and schools, including secondary and elementary.

(e) An applicant seeking registration as a speech-language pathologist must:

(1) obtain 250 of the 350 supervised hours in speech-language pathology;

(2) complete a minimum of 20 hours of the 250 hours in each of the following eight categories:

- (i) evaluation: speech disorders in children;
- (ii) evaluation: speech disorders in adults;
- (iii) evaluation: language disorders in children;
- (iv) evaluation: language disorders in adults;
- (v) treatment: speech disorders in children;
- (vi) treatment: speech disorders in adults;
- (vii) treatment: language disorders in children; and
- (viii) treatment: language disorders in adults;

(3) complete a minimum of ~~35 hours in audiology including:~~

- ~~(i) 15 hours in the evaluation or screening of individuals with hearing disorders; and~~
- ~~(ii) 15 hours in habilitation or rehabilitation of individuals with hearing impairment~~ 20 of the 350 hours in audiology; and

(4) obtain no more than 20 hours in the major professional area that are in related disorders.

(f) An applicant seeking registration as an audiologist must:

(1) obtain 250 of the 350 hours in audiology;

~~(2) complete a minimum of 40 hours in each of the following four categories~~ 40 of the 250 hours in each of the first two of the following categories, complete at least 80 hours in categories (iii) and (iv), with at least ten hours in each of categories (i) to (iv), and complete at least 20 hours in category (v):

- (i) evaluation: hearing in children;
- (ii) evaluation: hearing in adults;
- (iii) selection and use: amplification and assistive devices for children; ~~and~~
- (iv) selection and use: amplification and assistive devices for adults; and
- (v) treatment: hearing disorders in children and adults;

~~(3) complete a minimum of 20 hours in the category of the treatment of hearing disorders in children and adults;~~

~~(4) complete a minimum of 35 hours~~ 20 of the 350 hours in speech-language pathology unrelated to hearing impairment as follows:

- ~~(i) 15 hours in evaluation or screening; and~~
- ~~(ii) 15 hours in treatment; and~~

~~(5)~~ (4) obtain no more than 20 hours in the major professional area that are in related disorders.

Sec. 16. Minnesota Statutes 1998, section 148.517, is amended by adding a subdivision to read:

Subd. 4. [TEMPORARY REGISTRATION.] (a) The commissioner shall issue temporary registration as a speech language pathologist, an audiologist, or both, to applicants who have applied for registration under this section and meet the following requirements:

(1) submit a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 148.5195, subdivision 3; and

(2) either:

(i) provide a copy of a current credential as a speech language pathologist, an audiologist, or both, held in the District of Columbia or a state or territory of the United States; or

(ii) provide a copy of a current certificate of clinical competence issued by the American Speech-Language-Hearing Association or its equivalent.

(b) A temporary registration issued to a person under this subdivision expires 90 days after it is issued or on the date the commissioner grants or denies registration, whichever occurs first.

(c) Upon application for renewal, a temporary registration shall be renewed once to a person who is able to demonstrate good cause for failure to meet the requirements for registration within the initial temporary registration period and who is not the subject of a disciplinary action or disqualified on the basis of section 148.5195, subdivision 3.

Sec. 17. Minnesota Statutes 1998, section 148B.60, subdivision 3, is amended to read:

Subd. 3. [UNLICENSED MENTAL HEALTH PRACTITIONER OR PRACTITIONER.] "Unlicensed mental health practitioner" or "practitioner" means a person who provides or purports to provide, for remuneration, mental health services as defined in subdivision 4. It does not include persons licensed by the board of medical practice under chapter 147 or registered by the board of medical practice under chapter 147A; the board of nursing under sections 148.171 to 148.285; the board of psychology under sections 148.88 to 148.98; the board of social work under sections 148B.18 to 148B.289; the board of marriage and family therapy under sections 148B.29 to 148B.39; or another licensing board if the person is practicing within the scope of the license; or members of the clergy who are providing pastoral services in the context of performing and fulfilling the salaried duties and obligations required of a member of the clergy by a religious congregation; American Indian medicine men and women; licensed attorneys; probation officers; school counselors employed by a school district while acting within the scope of employment as school counselors; registered occupational therapists; or occupational therapy assistants. For the purposes of complaint investigation or disciplinary action relating to an individual practitioner, the term includes:

(1) persons employed by a program licensed by the commissioner of human services who are acting as mental health practitioners within the scope of their employment;

(2) persons employed by a program licensed by the commissioner of human services who are providing chemical dependency counseling services; persons who are providing chemical dependency counseling services in private practice; and

(3) clergy who are providing mental health services that are equivalent to those defined in subdivision 4.

Sec. 18. Minnesota Statutes 1998, section 148B.68, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED CONDUCT.] The commissioner may impose disciplinary action as described in section 148B.69 against any unlicensed mental health practitioner. The following conduct is prohibited and is grounds for disciplinary action:

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

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

(c) Failure to comply with the self-reporting requirements of section 148B.63, subdivision 7.

(d) Engaging in sexual contact with a client or former client as defined in section 148A.01, or engaging in contact that may be reasonably interpreted by a client as sexual, or engaging in any verbal behavior that is seductive or sexually demeaning to the patient, or engaging in sexual exploitation of a client or former client.

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

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

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

(h) Inability to provide mental health services with reasonable safety to clients.

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

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

(k) Revealing a communication from, or relating to, a client except when otherwise required or permitted by law.

(l) Failure to comply with a client's request made under section 144.335, or to furnish a client record or report required by law.

(m) Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the client.

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

(o) Failure to make reports as required by section 148B.63, or cooperate with an investigation of the office.

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

(q) Undertaking or continuing a professional relationship with a client in which the objectivity of the professional would be impaired.

(r) Failure to provide the client with a copy of the client bill of rights or violation of any provision of the client bill of rights.

(s) Violating any order issued by the commissioner.

(t) Failure to comply with sections 148B.60 to 148B.71, and the rules adopted under those sections.

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

(v) Revocation, suspension, restriction, limitation, or other disciplinary action against the mental health practitioner's license, certificate, registration, or right of practice in this or another state or jurisdiction, for offenses that would be subject to disciplinary action in this state, or failure to report to the office of mental health practice that charges regarding the practitioner's license, certificate, registration, or right of practice have been brought in this or another state or jurisdiction.

(w) Bartering for services with a client.

Sec. 19. Minnesota Statutes 1998, section 148B.69, is amended by adding a subdivision to read:

Subd. 7. [RELEASE TO OBTAIN NONPUBLIC DATA.] An unlicensed mental health practitioner who is the subject of an investigation must sign a release authorizing the commissioner to obtain criminal conviction data, reports about abuse or neglect of clients, and other information pertaining to investigations of violations of statute or rules from the bureau of criminal apprehension, the Federal Bureau of Investigation, the department of human services, the office of health facilities complaints, private certification organizations, county social service agencies, the division of driver and vehicle services in the department of public safety, adult protection services, child protection services, and other agencies that regulate provision of health care services. After the commissioner gives written notice to an individual who is the subject of an investigation, the agencies shall assist the commissioner with the investigation by giving the commissioner the requested data.

Sec. 20. Minnesota Statutes 1998, section 148B.71, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] All unlicensed mental health practitioners other than those providing services in a facility regulated under section 144.651 or a government agency or program licensed by the commissioner of health or the commissioner of human services, shall provide to each client prior to providing treatment a written copy of the mental health client bill of rights. A copy must also be posted in a prominent location in the office of the mental health practitioner. Reasonable accommodations shall be made for those clients who cannot read or who have communication impairments and those who do not read or speak English. The mental health client bill of rights shall include the following:

(a) the name, title, business address, and telephone number of the practitioner;

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

"THE STATE OF MINNESOTA HAS NOT ADOPTED UNIFORM EDUCATIONAL AND TRAINING STANDARDS FOR ALL MENTAL HEALTH PRACTITIONERS. THIS STATEMENT OF CREDENTIALS IS FOR INFORMATION PURPOSES ONLY."

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

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

(e) the name, address, and telephone number of the office of mental health practice and notice that a client may file complaints with the office;

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

- (g) a statement that the client has a right to reasonable notice of changes in services or charges;
- (h) a brief summary, in plain language, of the theoretical approach used by the practitioner in treating patients;
- (i) notice that the client has a right to complete and current information concerning the practitioner's assessment and recommended course of treatment, including the expected duration of treatment;
- (j) a statement that clients may expect courteous treatment and to be free from verbal, physical, or sexual abuse by the practitioner;
- (k) a statement that client records and transactions with the practitioner are confidential, unless release of these records is authorized in writing by the client, or otherwise provided by law;
- (l) a statement of the client's right to be allowed access to records and written information from records in accordance with section 144.335;
- (m) a statement that other services may be available in the community, including where information concerning services is available;
- (n) a statement that the client has the right to choose freely among available practitioners, and to change practitioners after services have begun, within the limits of health insurance, medical assistance, or other health programs;
- (o) a statement that the client has a right to coordinated transfer when there will be a change in the provider of services;
- (p) a statement that the client may refuse services or treatment, unless otherwise provided by law; and
- (q) a statement that the client may assert the client's rights without retaliation.

Sec. 21. Minnesota Statutes 1998, section 148C.01, subdivision 2, is amended to read:

Subd. 2. [ALCOHOL AND DRUG COUNSELOR.] "Alcohol and drug counselor" or "counselor" means a person who:

- (1) uses, as a representation to the public, any title, initials, or description of services incorporating the words "alcohol and drug counselor";
- (2) offers to render professional alcohol and drug counseling services relative to the abuse of or the dependency on alcohol or other drugs to the general public or groups, organizations, corporations, institutions, or government agencies for compensation, implying that the person is licensed and trained, experienced or expert in alcohol and drug counseling;
- (3) holds a valid license issued under sections 148C.01 to 148C.11 to engage in the practice of alcohol and drug counseling; or
- (4) is an applicant for an alcohol and drug counseling license.

Sec. 22. Minnesota Statutes 1998, section 148C.01, subdivision 7, is amended to read:

Subd. 7. [ACCREDITED SCHOOL OR EDUCATIONAL PROGRAM.] "Accredited school or educational program" means a school of alcohol and drug counseling, university, college, or other post-secondary education program that offers no less than the required number of education and practicum hours as described in section 148C.04, subdivision 3, and the core functions as defined in subdivision 9, and that, at the time the student completes the program, is accredited by a regional accrediting association whose standards are substantially equivalent to those of the North Central Association of Colleges and Post-Secondary Education Institutions or an accrediting association that evaluates schools of alcohol and drug counseling for inclusion of the education, practicum, and core function standards in this chapter.

Sec. 23. Minnesota Statutes 1998, section 148C.01, subdivision 9, is amended to read:

Subd. 9. [CORE FUNCTIONS.] "Core functions" means the following services provided in alcohol and drug dependency treatment:

(1) "Screening" means the process by which a client is determined appropriate and eligible for admission to a particular program.

(2) "Intake" means the administrative and initial assessment procedures for admission to a program.

(3) "Orientation" means describing to the client the general nature and goals of the program; rules governing client conduct and infractions that can lead to disciplinary action or discharge from the program; in a nonresidential program, the hours during which services are available; treatment costs to be borne by the client, if any; and client's rights.

(4) "Assessment" means those procedures by which a counselor identifies and evaluates an individual's strengths, weaknesses, problems, and needs ~~for the development of the~~ to develop a treatment plan or make recommendations for level of care placement.

(5) "Treatment planning" means the process by which the counselor and the client identify and rank problems needing resolution; establish agreed upon immediate and long-term goals; and decide on a treatment process and the sources to be utilized.

(6) "Counseling" means the utilization of special skills to assist individuals, families, or groups in achieving objectives through exploration of a problem and its ramifications; examination of attitudes and feelings; consideration of alternative solutions; and decision making.

(7) "Case management" means activities which bring services, agencies, resources, or people together within a planned framework of action toward the achievement of established goals.

(8) "Crisis intervention" means those services which respond to an alcohol or other drug user's needs during acute emotional or physical distress.

(9) "Client education" means the provision of information to clients who are receiving or seeking counseling concerning alcohol and other drug abuse and the available services and resources.

(10) "Referral" means identifying the needs of the client which cannot be met by the counselor or agency and assisting the client to utilize the support systems and available community resources.

(11) "Reports and recordkeeping" means charting the results of the assessment and treatment plan, writing reports, progress notes, discharge summaries, and other client-related data.

(12) "Consultation with other professionals regarding client treatment and services" means communicating with other professionals in regard to client treatment and services to assure comprehensive, quality care for the client.

Sec. 24. Minnesota Statutes 1998, section 148C.01, subdivision 10, is amended to read:

Subd. 10. [PRACTICE OF ALCOHOL AND DRUG COUNSELING.] "Practice of alcohol and drug counseling" means the observation, description, evaluation, interpretation, and modification of human behavior as it relates to the harmful or pathological use or abuse of alcohol or other drugs by the application of the core functions. The practice of alcohol and drug counseling includes, but is not limited to, the following activities, regardless of whether the counselor receives compensation for the activities:

(1) assisting clients who use alcohol or drugs, evaluating that use, and recognizing dependency if it exists;

(2) assisting clients with alcohol or other drug problems to gain insight and motivation aimed at resolving those problems;

(3) providing experienced professional guidance, assistance, and support for the client's efforts to develop and maintain a responsible functional lifestyle;

(4) recognizing problems outside the scope of the counselor's training, skill, or competence and referring the client to other appropriate professional services;

(5) assessing the level of alcohol or other drug use involvement;

(6) individual planning to prevent a return to harmful alcohol or chemical use;

(7) alcohol and other drug abuse education for clients;

(8) consultation with other professionals; ~~and~~

(9) gaining cultural competence through ongoing training and education according to standards established by rule; and

(10) providing the above services, as needed, to family members or others who are directly affected by someone using alcohol or other drugs.

Sec. 25. Minnesota Statutes 1998, section 148C.01, is amended by adding a subdivision to read:

Subd. 18. [PSYCHOMETRICALLY VALID AND RELIABLE.] "Psychometrically valid and reliable" means developed on the basis of role delineation, validation, reliability, passing point, and sensitivity review factors, according to generally accepted standards.

Sec. 26. Minnesota Statutes 1998, section 148C.03, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner shall, after consultation with the advisory council or a committee established by rule:

(a) adopt and enforce rules for licensure of alcohol and drug counselors, including establishing standards and methods of determining whether applicants and licensees are qualified under section 148C.04. The rules must provide for examinations and establish standards for the regulation of professional conduct. The rules must be designed to protect the public;

(b) develop and, at least twice a year, administer an examination to assess applicants' knowledge and skills. The commissioner may contract for the administration of an examination approved by the ~~International Certification Reciprocity Consortium/Alcohol and Other Drug Abuse (ICRC/AODA)~~ with an entity designated by the commissioner. The examinations must be psychometrically valid and reliable; must be written and oral, with the oral examination based on a written case presentation; must minimize cultural bias; and must be balanced in various theories relative to the practice of alcohol and drug counseling;

(c) issue licenses to individuals qualified under sections 148C.01 to 148C.11;

(d) issue copies of the rules for licensure to all applicants;

(e) adopt rules to establish and implement procedures, including a standard disciplinary process and rules of professional conduct;

(f) carry out disciplinary actions against licensees;

(g) establish, with the advice and recommendations of the advisory council, written internal operating procedures for receiving and investigating complaints and for taking disciplinary actions as appropriate;

(h) educate the public about the existence and content of the rules for alcohol and drug counselor licensing to enable consumers to file complaints against licensees who may have violated the rules;

(i) evaluate the rules in order to refine and improve the methods used to enforce the commissioner's standards;

(j) set, collect, and adjust license fees for alcohol and drug counselors so that the total fees collected will as closely as possible equal anticipated expenditures during the biennium, as provided in section 16A.1285; fees for initial and renewal application and examinations; late fees for counselors who submit license renewal applications after the renewal deadline; and a surcharge fee. The surcharge fee must include an amount necessary to recover, over a five-year period, the commissioner's direct expenditures for the adoption of the rules providing for the licensure of alcohol and drug counselors. All fees received shall be deposited in the state treasury and credited to the special revenue fund; and

(k) prepare reports on activities related to the licensure of alcohol and drug counselors according to this subdivision by October 1 of each even-numbered year. Copies of the reports shall be delivered to the legislature in accordance with section 3.195 and to the governor. The reports shall contain the following information on the commissioner's activities relating to the licensure of alcohol and drug counselors, for the two-year period ending the previous June 30:

- (1) a general statement of the activities;
- (2) the number of staff hours spent on the activities;
- (3) the receipts and disbursements of funds;
- (4) the names of advisory council members and their addresses, occupations, and dates of appointment and reappointment;
- (5) the names and job classifications of employees;
- (6) a brief summary of rules proposed or adopted during the reporting period with appropriate citations to the State Register and published rules;
- (7) the number of persons having each type of license issued by the commissioner as of June 30 in the year of the report;
- (8) the locations and dates of the administration of examinations by the commissioner;
- (9) the number of persons examined by the commissioner with the persons subdivided into groups showing age categories, sex, and states of residency;
- (10) the number of persons licensed by the commissioner after taking the examinations referred to in clause (8) with the persons subdivided by age categories, sex, and states of residency;
- (11) the number of persons not licensed by the commissioner after taking the examinations referred to in clause (8) with the persons subdivided by age categories, sex, and states of residency;
- (12) the number of persons not taking the examinations referred to in clause (8) who were licensed by the commissioner or who were denied licensing, the reasons for the licensing or denial, and the persons subdivided by age categories, sex, and states of residency;
- (13) the number of persons previously licensed by the commissioner whose licenses were revoked, suspended, or otherwise altered in status with brief statements of the reasons for the revocation, suspension, or alteration;
- (14) the number of written and oral complaints and other communications received by the commissioner which allege or imply a violation of a statute or rule which the commissioner is empowered to enforce;
- (15) a summary, by specific category, of the substance of the complaints and communications referred to in clause (14) and, for each specific category, the responses or dispositions; and
- (16) any other objective information which the commissioner believes will be useful in reviewing the commissioner's activities.

Sec. 27. Minnesota Statutes 1998, section 148C.04, is amended by adding a subdivision to read:

Subd. 6. [TEMPORARY PRACTICE REQUIREMENTS.] (a) A person may temporarily practice alcohol and drug counseling prior to being licensed under this chapter if the person:

(1) either:

(i) meets the associate degree education and practicum requirements of subdivision 3, clause (1); or

(ii) meets the bachelor degree education and practicum requirements of subdivision 4, clause (1), item (i);

(2) within 60 days of meeting the requirements of subdivision 3, clause (1), or subdivision 4, clause (1), item (i), requests, in writing, temporary practice status with the commissioner on application forms according to section 148C.0351, which include the nonrefundable license fee and an affirmation by the person's supervisor, as defined in paragraph (b), clause (1), and which are signed and dated by the person and the person's supervisor;

(3) has not been disqualified to practice temporarily on the basis of a background investigation under section 148C.09, subdivision 1a; and

(4) has been notified in writing by the commissioner that the person is qualified to practice under this subdivision.

(b) A person practicing under this subdivision:

(1) may practice only in a program licensed by the department of human services and under the direct, on-site supervision of a person who is licensed under this chapter and employed in that licensed program;

(2) is subject to the rules of professional conduct set by rule;

(3) is not subject to the continuing education requirements of section 148C.05; and

(4) must be licensed according to this chapter within 12 months of meeting the requirements of subdivision 3, clause (1), or subdivision 4, clause (1), item (i).

(c) Upon written request, the commissioner may extend a person's temporary status if the person practices in a program described in section 148C.11, subdivision 3, paragraph (b), clause (2).

(d) A person practicing under this subdivision may not hold himself or herself out to the public by any title or description stating or implying that the person is licensed to engage in the practice of alcohol and drug counseling.

Sec. 28. Minnesota Statutes 1998, section 148C.04, is amended by adding a subdivision to read:

Subd. 7. [EFFECT AND SUSPENSION OF TEMPORARY PRACTICE.] Approval of a person's application for temporary practice creates no rights to or expectation of approval from the commissioner for licensure as an alcohol and drug counselor. The commissioner may suspend or restrict a person's temporary practice status according to section 148C.09.

Sec. 29. Minnesota Statutes 1998, section 148C.06, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] For two years from the effective date of the rules authorized in section 148C.03, subdivision 1, the commissioner shall issue a license to an applicant if the applicant meets one of the following qualifications:

(a) is credentialed as a certified chemical dependency counselor (CCDC) or certified chemical dependency counselor reciprocal (CCDCR) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.; graduates from an accredited school or education program with a

certificate of completion in alcohol and drug counselor studies that includes a minimum of 270 clock hours of formal classroom education and 880 clock hours of alcohol and drug counselor internship and passes both the written and oral examinations according to this chapter; or has 2080 hours of supervised alcohol and drug counselor experience, 270 clock hours of alcohol and drug counselor training with a minimum of 60 hours of the training occurring within the past five years, and 300 hours of alcohol and drug counselor internship and successfully completes the examination requirements in section 148C.04, subdivision 3, clauses (2) and (3);

(b) has 6,000 hours of supervised alcohol and drug counselor experience as defined by the core functions, 270 clock hours of alcohol and drug counselor training with a minimum of 60 hours of this training occurring within the past five years, 300 hours of alcohol and drug counselor internship, and has successfully completed the examination requirements in section 148C.04, subdivision 3, clauses (2) and (3);

(c) has 10,000 hours of supervised alcohol and drug counselor experience as defined by the core functions, 270 clock hours of alcohol and drug training with a minimum of 60 hours of this training occurring within the past five years, and has successfully completed the requirements in section 148C.04, subdivision 3, clause (2) or (3), or is credentialed as a certified chemical dependency practitioner (CCDP) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.; or

(d) has 14,000 hours of supervised alcohol and drug counselor experience as defined by the core functions and 270 clock hours of alcohol and drug training with a minimum of 60 hours of this training occurring within the past five years; ~~or~~

~~(e) has met the special licensing criteria established pursuant to section 148C.11.~~

Sec. 30. Minnesota Statutes 1998, section 148C.09, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The commissioner may refuse to grant a license to, or may suspend, revoke, or restrict the license of an individual if the commissioner determines that a licensee or applicant:

(1) is incompetent to engage in alcohol and drug counseling practice or is found to be engaged in alcohol and drug counseling practice in a manner harmful or dangerous to a client or the public;

(2) has violated the rules of the commissioner or the statutes the commissioner is empowered to enforce; or any law, rule order, stipulation and consent order, agreement, or settlement;

(3) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent misrepresentation;

(4) has knowingly made a false statement on the form required to be submitted to the commissioner for licensing or license renewal;

(5) has failed to obtain continuing education credits required by the commissioner;

(6) has failed to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the commissioner. The burden of proof shall be upon the applicant to demonstrate qualifications or satisfaction of requirements;

(7) has been convicted of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court in Minnesota or any other jurisdiction in the United States, reasonably related to the provision of alcohol and drug counseling services. Conviction, as used in this subdivision, includes conviction of an offense which, if committed in this state, would be deemed a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered;

(8) has been convicted of a crime against another person. For purposes of this chapter, a crime against another person means an offense listed in section 148B.68, subdivision 1, paragraph (b);

(9) has failed to comply with the self-reporting requirements of section 148C.095, subdivision 7;

(10) has engaged in sexual contact with a client, or a former client, as defined in section 148A.01, or has engaged in conduct that may be reasonably interpreted by a client as sexual, or has engaged in any verbal behavior that is seductive or sexually demeaning to the client, or has engaged in sexual exploitation of a client or former client;

(11) has engaged in false, fraudulent, deceptive, or misleading advertising;

(12) has engaged in conduct likely to deceive, defraud, or harm the public; or has demonstrated a willful or careless disregard for the health, welfare, or safety of a client; or any other practice that may create unnecessary danger to any client's life, health, or safety, in any of which cases, proof of actual injury need not be established;

(13) has been adjudicated as mentally incompetent, or as a person who has a psychopathic personality, or who is dangerous to self, or has been adjudicated as chemically dependent, mentally ill, mentally retarded, or mentally ill and dangerous to the public pursuant to chapter 253B;

(14) is unable to provide alcohol and drug counseling services with reasonable safety to clients;

(15) is ~~has habitually overindulgent~~ overindulged in the use of or the dependence on alcohol within the past two years;

(16) has engaged in the improper or unauthorized personal or other use of any legend drugs as defined in section 151.01, any chemicals as defined in section 151.01, or any controlled substance as defined in section 152.01 within the past two years;

(17) reveals a communication from, or relating to, a client except when required or permitted by law;

(18) fails to comply with a client's request for health records made under section 144.335, or to furnish a client record or report required by law;

(19) has engaged in fee splitting or promises to pay a portion of a fee to any other professional other than for services rendered by the other professional to the client;

(20) has engaged in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws;

(21) fails to make reports as required by section 148C.095, or cooperate with an investigation of the commissioner;

(22) obtains money, property, or services from a client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud;

(23) undertakes or continues a professional relationship with a client in which the objectivity of the alcohol and drug counselor may be impaired;

(24) engages in conduct that constitutes grounds for discipline as established by the commissioner in rule; or

(25) engages in bartering for services with a client.

Sec. 31. Minnesota Statutes 1998, section 148C.09, subdivision 1a, is amended to read:

Subd. 1a. [BACKGROUND INVESTIGATION.] The applicant must sign a release authorizing the commissioner to obtain information from the bureau of criminal apprehension, the Federal Bureau of Investigation, the office of mental health practice, the department of human services, the office of health facilities complaints, and other agencies specified in the rules. After the commissioner has given written notice to an individual who is the subject of a background

investigation, the agencies shall assist the commissioner with the investigation by giving the commissioner criminal conviction data, reports about ~~abuse or neglect of clients~~ substantiated maltreatment of minors and vulnerable adults, and other information specified in the rules. The commissioner may contract with the commissioner of human services to obtain criminal history data from the bureau of criminal apprehension.

Sec. 32. Minnesota Statutes 1998, section 148C.11, subdivision 1, is amended to read:

Subdivision 1. [OTHER PROFESSIONALS.] Nothing in sections 148C.01 to 148C.10 shall prevent members of other professions or occupations from performing functions for which they are qualified or licensed. This exception includes, but is not limited to, licensed physicians, registered nurses, licensed practical nurses, licensed psychological practitioners, members of the clergy, American Indian medicine men and women, licensed attorneys, probation officers, licensed marriage and family therapists, licensed social workers, licensed professional counselors, school counselors employed by a school district while acting within the scope of employment as school counselors, and registered occupational therapists or occupational therapy assistants. These persons must not, however, use a title incorporating the words "alcohol and drug counselor" or "licensed alcohol and drug counselor" or otherwise hold themselves out to the public by any title or description stating or implying that they are engaged in the practice of alcohol and drug counseling, or that they are licensed to engage in the practice of alcohol and drug counseling. Persons engaged in the practice of alcohol and drug counseling are not exempt from the commissioner's jurisdiction solely by the use of one of the above titles.

Sec. 33. Minnesota Statutes 1998, section 153A.13, subdivision 9, is amended to read:

Subd. 9. [SUPERVISION.] "Supervision" means ~~on-site observing and~~ monitoring activities of, and accepting responsibility for, the hearing instrument dispensing activities of a trainee.

Sec. 34. Minnesota Statutes 1998, section 153A.13, is amended by adding a subdivision to read:

Subd. 10. [DIRECT SUPERVISION OR DIRECTLY SUPERVISED.] "Direct supervision" or "directly supervised" means the on-site and contemporaneous location of a supervisor and trainee, when the supervisor observes the trainee engaging in hearing instrument dispensing with a consumer.

Sec. 35. Minnesota Statutes 1998, section 153A.13, is amended by adding a subdivision to read:

Subd. 11. [INDIRECT SUPERVISION OR INDIRECTLY SUPERVISED.] "Indirect supervision" or "indirectly supervised" means the remote and independent performance of hearing instrument dispensing by a trainee when authorized under section 153A.14, subdivision 4a, paragraph (b).

Sec. 36. Minnesota Statutes 1998, section 153A.14, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION FOR CERTIFICATE.] An applicant must:

- (1) be ~~18~~ 21 years of age or older;
- (2) apply to the commissioner for a certificate to dispense hearing instruments on application forms provided by the commissioner;
- (3) at a minimum, provide the applicant's name, social security number, business address and phone number, employer, and information about the applicant's education, training, and experience in testing human hearing and fitting hearing instruments;
- (4) include with the application a statement that the statements in the application are true and correct to the best of the applicant's knowledge and belief;
- (5) include with the application a written and signed authorization that authorizes the

commissioner to make inquiries to appropriate regulatory agencies in this or any other state where the applicant has sold hearing instruments;

(6) submit certification to the commissioner that the applicant's audiometric equipment has been calibrated to meet current ANSI standards within 12 months of the date of the application;

(7) submit evidence of continuing education credits, if required; and

(8) submit all fees as required under section 153A.17.

Sec. 37. Minnesota Statutes 1998, section 153A.14, subdivision 2a, is amended to read:

Subd. 2a. [EXEMPTION FROM WRITTEN EXAMINATION REQUIREMENT.] Persons completing the audiology registration requirements of section 148.515 after January 1, 1996, are exempt from the written examination requirements of subdivision 2h, paragraph (a), clause (1). Minnesota registration or American Speech-Language-Hearing Association certification as an audiologist is not required but may be submitted as evidence qualifying for exemption from the written examination if the requirements are completed after January 1, 1996. Persons qualifying for written examination exemption must fulfill the other credentialing requirements under subdivisions 1 and 2 before a certificate may be issued by the commissioner.

Sec. 38. Minnesota Statutes 1998, section 153A.14, subdivision 2h, is amended to read:

Subd. 2h. [CERTIFICATION BY EXAMINATION.] An applicant must achieve a passing score, as determined by the commissioner, on an examination according to paragraphs (a) to (c).

(a) The examination must include, but is not limited to:

(1) A written examination approved by the commissioner covering the following areas as they pertain to hearing instrument selling:

(i) basic physics of sound;

(ii) the anatomy and physiology of the ear;

(iii) the function of hearing instruments;

(iv) the principles of hearing instrument selection; and

(v) state and federal laws, rules, and regulations.

(2) Practical tests of proficiency in the following techniques as they pertain to hearing instrument selling:

(i) pure tone audiometry, including air conduction testing and bone conduction testing;

(ii) live voice or recorded voice speech audiometry including speech recognition (discrimination) testing, most comfortable loudness level, and uncomfortable loudness measurements of tolerance thresholds;

(iii) masking when indicated;

(iv) recording and evaluation of audiograms and speech audiometry to determine proper selection and fitting of a hearing instrument;

(v) taking ear mold impressions; and

(vi) using an otoscope for the visual observation of the entire ear canal.

(b) The examination shall be administered by the commissioner at least twice a year.

(c) An applicant must achieve a passing score on all portions of the examination within a two-year period. An applicant who does not achieve a passing score on all portions of the

examination within a two-year period must retake the entire examination and achieve a passing score on each portion of the examination. An applicant who does not apply for certification within one year of successful completion of the examination must retake the examination and achieve a passing score on each portion of the examination. An applicant may not take any part of the examination more than three times in a two-year period.

Sec. 39. Minnesota Statutes 1998, section 153A.14, subdivision 4, is amended to read:

Subd. 4. [DISPENSING OF HEARING INSTRUMENTS WITHOUT CERTIFICATE.] Except as provided in ~~subdivision~~ subdivisions 4a and 4c, it is unlawful for any person not holding a valid certificate to dispense a hearing instrument as defined in section 153A.13, subdivision 3. A person who dispenses a hearing instrument without the certificate required by this section is guilty of a gross misdemeanor.

Sec. 40. Minnesota Statutes 1998, section 153A.14, subdivision 4a, is amended to read:

Subd. 4a. [TRAINEES.] (a) A person who is not certified under this section may dispense hearing instruments as a trainee for a period not to exceed 12 months if the person:

- (1) submits an application on forms provided by the commissioner;
- (2) is under the supervision of a certified dispenser meeting the requirements of this subdivision; and
- (3) meets all requirements for certification except passage of the examination required by this section.

(b) A certified hearing instrument dispenser may not supervise more than two trainees at the same time and may not directly supervise more than one trainee at a time. The certified dispenser is responsible for all actions or omissions of a trainee in connection with the dispensing of hearing instruments. A certified dispenser may not supervise a trainee if there are any commissioner, court, or other orders, currently in effect or issued within the last five years, that were issued with respect to an action or omission of a certified dispenser or a trainee under the certified dispenser's supervision.

Trainees Until taking and passing the practical examination testing the techniques described in subdivision 2h, paragraph (a), clause (2), trainees must be directly supervised in all areas described in subdivision 4b, and the activities tested by the practical examination. Two hundred hours of on-site observations must be completed within the trainee period with a minimum of 100 hours involving the supervisor, trainee, and a consumer. In addition Thereafter, trainees may dispense hearing instruments under indirect supervision until expiration of the trainee period. Under indirect supervision, the trainee must complete two monitored activities a week. Monitored activities may be executed by correspondence, telephone, or other telephonic devices, and include, but are not limited to, evaluation of audiograms, written reports, and contracts. The time spent in supervision must be recorded and the record retained by the supervisor.

Sec. 41. Minnesota Statutes 1998, section 153A.14, is amended by adding a subdivision to read:

Subd. 4c. [RECIPROCITY.] (a) A person applying for certification as a hearing instrument dispenser under subdivision 1 and who has dispensed hearing instruments in another jurisdiction may dispense hearing instruments as a trainee under indirect supervision if the person:

- (1) satisfies provisions of subdivision 4a, paragraph (a);
- (2) submits a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 153A.15, subdivision 1; and
- (3) provides a copy of a current credential as a hearing instrument dispenser, an audiologist, or both, held in the District of Columbia or a state or territory of the United States.

(b) A person becoming a trainee under this subdivision who fails to take and pass the practical examination described in subdivision 2h, paragraph (a), clause (2), when next offered must cease dispensing hearing instruments unless under direct supervision.

Sec. 42. Minnesota Statutes 1998, section 153A.14, is amended by adding a subdivision to read:

Subd. 4d. [EXPIRATION OF TRAINEE PERIOD.] The trainee period automatically expires two months following notice of passing all examination requirements of subdivision 2h.

Sec. 43. Minnesota Statutes 1998, section 153A.15, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] The commissioner may take enforcement action as provided under subdivision 2 against a dispenser of hearing instruments for the following acts and conduct:

(1) prescribing or otherwise recommending to a consumer or potential consumer the use of a hearing instrument, unless the prescription from a physician or recommendation from a hearing instrument dispenser or audiologist is in writing, is based on an audiogram that is delivered to the consumer or potential consumer when the prescription or recommendation is made, and bears the following information in all capital letters of 12-point or larger boldface type: "THIS PRESCRIPTION OR RECOMMENDATION MAY BE FILLED BY, AND HEARING INSTRUMENTS MAY BE PURCHASED FROM, THE CERTIFIED DISPENSER OF YOUR CHOICE";

(2) failing to give a copy of the audiogram, upon which the prescription or recommendation is based, to the consumer when there has been a charge for the audiogram and the consumer requests a copy;

(3) dispensing a hearing instrument to a minor person 18 years or younger unless evaluated by an audiologist for purposes of hearing evaluation and hearing aid evaluation;

(4) failing to provide the consumer rights brochure required by section 153A.14, subdivision 9;

~~(4)~~ (5) being disciplined through a revocation, suspension, restriction, or limitation by another state for conduct subject to action under this chapter;

~~(5)~~ (6) presenting advertising that is false or misleading;

~~(6)~~ (7) providing the commissioner with false or misleading statements of credentials, training, or experience;

~~(7)~~ (8) engaging in conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a consumer;

~~(8)~~ (9) splitting fees or promising to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

~~(9)~~ (10) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

~~(10)~~ (11) obtaining money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

~~(11)~~ (12) failing to comply with restrictions on sales of hearing aids in sections 153A.14, subdivision 9, and 153A.19;

~~(12)~~ (13) performing the services of a certified hearing instrument dispenser in an incompetent or negligent manner;

~~(13)~~ (14) failing to comply with the requirements of this chapter as an employer, supervisor, or trainee;

(14) (15) failing to provide information in a timely manner in response to a request by the commissioner, commissioner's designee, or the advisory council;

(15) (16) being convicted within the past five years of violating any laws of the United States, or any state or territory of the United States, and the violation is a felony, gross misdemeanor, or misdemeanor, an essential element of which relates to hearing instrument dispensing, except as provided in chapter 364;

(16) (17) failing to cooperate with the commissioner, the commissioner's designee, or the advisory council in any investigation;

(17) (18) failing to perform hearing instrument dispensing with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

(18) (19) failing to fully disclose actions taken against the applicant or the applicant's legal authorization to dispense hearing instruments in this or another state;

(19) (20) violating a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the applicant in hearing instrument dispensing;

(20) (21) having been or being disciplined by the commissioner of the department of health, or other authority, in this or another jurisdiction, if any of the grounds for the discipline are the same or substantially equivalent to those in sections 153A.13 to 153A.19;

(21) (22) misrepresenting the purpose of hearing tests, or in any way communicating that the hearing test or hearing test protocol required by section 153A.14, subdivision 4b, is a medical evaluation, a diagnostic hearing evaluation conducted by an audiologist, or is other than a test to select a hearing instrument, except that the hearing instrument dispenser can determine the need for or recommend the consumer obtain a medical evaluation consistent with requirements of the United States Food and Drug Administration;

(22) (23) violating any of the provisions of sections 153A.13 to 153A.19; and

(23) (24) aiding or abetting another person in violating any of the provisions of sections 153A.13 to 153A.19.

Sec. 44. [REPEALER.]

Minnesota Statutes 1998, sections 145.882, subdivisions 3 and 4; and 148C.04, subdivision 5, are repealed."

Delete the title and insert:

"A bill for an act relating to health; making certain health-related data nondisclosable; modifying maternal and child health provisions; modifying provisions for speech-language pathologists, audiologists, unlicensed mental health practitioners, alcohol and drug counselors, and hearing instrument dispensers; modifying the Minnesota Health Care Administrative Simplification Act; amending Minnesota Statutes 1998, sections 62E.04, subdivision 4; 62J.51, by adding subdivisions; 62J.52, subdivisions 1, 2, and 5; 62J.60, subdivision 1; 62J.75; 145.881, subdivision 2; 145.882, subdivision 7, and by adding a subdivision; 145.885, subdivision 2; 148.511; 148.515, subdivision 3; 148.517, by adding a subdivision; 148B.60, subdivision 3; 148B.68, subdivision 1; 148B.69, by adding a subdivision; 148B.71, subdivision 1; 148C.01, subdivisions 2, 7, 9, 10, and by adding a subdivision; 148C.03, subdivision 1; 148C.04, by adding subdivisions; 148C.06, subdivision 1; 148C.09, subdivisions 1 and 1a; 148C.11, subdivision 1; 153A.13, subdivision 9, and by adding subdivisions; 153A.14, subdivisions 1, 2a, 2h, 4, 4a, and by adding subdivisions; and 153A.15, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62J; repealing Minnesota Statutes 1998, sections 145.882, subdivisions 3 and 4; and 148C.04, subdivision 5."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Amendments adopted. Report adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pogemiller moved that the names of Senators Betzold and Belanger be added as co-authors to Senate Resolution No. 59. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Senator Runbeck introduced--

S.F. No. 2138: A bill for an act relating to taxation; prohibiting the use of property taxes for light rail transit; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Metropolitan Government.

Senator Runbeck introduced--

S.F. No. 2139: A bill for an act relating to railroads; abolishing regional rail authorities in the seven-county metropolitan area; amending Minnesota Statutes 1998, sections 10A.01, subdivision 26; 174.03, subdivision 6a; 275.065, subdivision 3; 398A.03, subdivision 1; 473.399, subdivisions 1 and 1a; 473.3994, subdivisions 2, 3, 10, and 12; and 473.3997; Laws 1998, chapter 404, section 17, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 398A; repealing Minnesota Statutes 1998, section 473.3998.

Referred to the Committee on Local and Metropolitan Government.

Senator Johnson, D.E. introduced--

S.F. No. 2140: A bill for an act relating to motor carriers; appropriating money to the commissioner of transportation for grants to motor carriers for tourism promotion and "no-zone" public information and education.

Referred to the Committee on Transportation.

Senator Samuelson introduced--

S.F. No. 2141: A bill for an act relating to education funding; authorizing a facilities grant for a cooperative facility for independent school district No. 482, Little Falls, and Morrison County; appropriating money.

Referred to the Committee on Children, Families and Learning.

Senator Johnson, D.J. introduced--

S.F. No. 2142: A bill for an act relating to taxation; prohibiting local units of government from imposing certain taxes on motor vehicles; authorizing a limited local excise tax on motor vehicles.

Referred to the Committee on Taxes.

Senator Cohen introduced--

S.F. No. 2143: A bill for an act relating to veterans; appropriating money for the Red Tail Project to honor the Tuskegee airmen.

Referred to the Committee on Governmental Operations and Veterans.

Senator Belanger introduced--

S.F. No. 2144: A bill for an act relating to taxation; reducing individual income tax rates and adjusting income brackets; allowing a corporate franchise tax election to treat all income as business income; changing property tax class rates; providing property tax reform; providing a property tax credit for certain levies on agricultural property; eliminating accelerated liability for sales, cigarettes and tobacco, and liquor taxes; exempting sales of items used in production of television commercials from the sales and use tax; changing administration of the sales tax exemption for capital equipment; changing the automobile registration tax; providing for funds transfers; providing for automatic rebates; repealing MinnesotaCare taxes; amending Minnesota Statutes 1998, sections 60A.15, subdivision 1; 62J.041, subdivision 1; 62Q.095, subdivision 6; 62R.24; 126C.13, subdivisions 1 and 2; 126C.17, subdivision 6; 127A.48, subdivision 1; 168.013, subdivision 1a; 214.16, subdivisions 2 and 3; 256L.02, subdivision 3; 270B.01, subdivision 8; 270B.14, subdivision 1; 273.13, subdivisions 22, 23, 24, 25, and 31; 273.1382, subdivision 1; 289A.11, subdivision 1; 289A.18, subdivision 4; 289A.20, subdivision 4; 289A.56, subdivision 4; 290.06, subdivisions 2c and 2d; 290.091, subdivisions 1, 2, 3, and 6; 290.17, subdivision 6; 297A.25, by adding a subdivision; and 297F.09, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 126C; 273; and 275; repealing Minnesota Statutes 1998, sections 13.99, subdivision 86b; 16A.724; 16A.76; 62T.10; 144.1484, subdivision 2; 256L.02, subdivision 4; 273.127; 273.1382, subdivision 1a; 289A.60, subdivision 15; 295.50; 295.51; 295.52; 295.53; 295.54; 295.55; 295.56; 295.57; 295.58; 295.581; 295.582; 295.59; 297A.15, subdivision 5; 297F.09, subdivision 6; and 297G.09, subdivision 5.

Referred to the Committee on Taxes.

Senators Ourada and Stevens introduced--

S.F. No. 2145: A bill for an act relating to education funding; authorizing a technology grant for independent school district No. 727, Big Lake; appropriating money.

Referred to the Committee on Children, Families and Learning.

Senators Johnson, D.J. and Lessard introduced--

S.F. No. 2146: A bill for an act relating to taxation; modifying the requirements for the tax exemption for business incubator property; amending Minnesota Statutes 1998, section 272.02, subdivision 1.

Referred to the Committee on Local and Metropolitan Government.

Senator Lourey introduced--

S.F. No. 2147: A bill for an act proposing an amendment to the Minnesota Constitution by adding an article XV; restricting corporate ownership of farm land; repealing Minnesota Statutes 1998, section 500.24, subdivisions 1, 2, 3, 3a, 3b, 4, and 5.

Referred to the Committee on Agriculture and Rural Development.

Senators Lourey, Ranum, Murphy and Janezich introduced--

S.F. No. 2148: A bill for an act relating to courts; providing for implementation of recommendations of the Minnesota task force on gender fairness in the courts; appropriating money.

Referred to the Committee on Judiciary.

Senators Moe, R.D. and Stumpf introduced--

S.F. No. 2149: A bill for an act relating to taxation; providing aid to certain counties that had flood-related market value losses; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1998, section 273.1383.

Referred to the Committee on Taxes.

Senator Lesewski introduced--

S.F. No. 2150: A bill for an act relating to economic development; providing for a grant to the Pipestone County Historical Society; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

MEMBERS EXCUSED

Senator Novak was excused from the Session of today from 12:45 to 1:50 p.m.

ADJOURNMENT

Senator Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, March 31, 1999. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

INDEX TO DAILY JOURNAL

Tuesday, March 30, 1999

EXECUTIVE AND OFFICIAL COMMUNICATIONS

Pages 1155 to 1156

CHAPTER LAWS

S.F. Nos.	H.F. Nos.	Session Laws		Page
		Chapter No.	Res. No.	
	544	Res. No.1		1156
	137	22		1156
	56	23		1156

MESSAGES FROM THE HOUSE AND FIRST READINGS OF HOUSE FILES

S.F. Nos.	Message Page	H.F. Nos.	Message Page	1st Reading Page
Sen. Con. Res. No. 8	1156	7	1156	1156

REPORTS OF COMMITTEES AND SECOND READINGS

S.F. Nos.	Report Page	2nd Reading Page	H.F. Nos.	Report Page	2nd Reading Page
436	1157	1163	92	1160	
1329	1158	1163	132	1157	1163
1464	1159		408	1158	1163
1497	1159	1163	420	1158	1163
1609	1158	1163	621	1159	1163
1734	1157	1163			
1784	1160				
1966	1179				

MOTIONS AND RESOLUTIONS

S.F. Nos.	Page	H.F. Nos.	Page
1279	1164	50	1164
1342	1163	92	1164
1415	1163	745	1164
1784	1163	1556	1164
1852	1163		
1868	1163		

20131163
 Sen. Res.
 No . 591163
 Sen. Res.
 No . 591202
 Sen. Res.
 No . 601163
 Sen. Res.
 No . 611163

SPECIAL ORDERS

S.F. Nos.	Page	H.F. Nos.	Page
		50	1164

INTRODUCTION AND FIRST READING OF SENATE BILLS

S.F. Nos. 2138 to 2150 Pages 1202 to 1204