

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-FIRST LEGISLATURE

ONE HUNDRED SIXTH DAY

St. Paul, Minnesota, Wednesday, April 12, 2000

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Knutson 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. Dr. James M. Perkl.

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

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

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.

April 11, 2000

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 Office of the Secretary of State, S.F. Nos. 1126, 2858, 2789, 1038, 2723, 3428, 3198 and 3533.

Sincerely,
Jesse Ventura, Governor

April 12, 2000

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 2000 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. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2000	Date Filed 2000
1126		358	10:30 a.m. April 11	April 11
2858		359	10:32 a.m. April 11	April 11
2789		360	10:34 a.m. April 11	April 11
1038		361	10:37 a.m. April 11	April 11
2723		362	10:40 a.m. April 11	April 11
3428		363	10:42 a.m. April 11	April 11
3198		364	10:45 a.m. April 11	April 11
3533		365	10:47 a.m. April 11	April 11

Sincerely,
Mary Kiffmeyer
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2471.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 11, 2000

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1870: A bill for an act relating to motor vehicles; regulating motor vehicle fuel franchises and marketing agreements; amending Minnesota Statutes 1998, section 80C.01, subdivision 4, and by adding subdivisions; proposing coding for new law as Minnesota Statutes, chapter 80F.

There has been appointed as such committee on the part of the House:

Haas, Paulsen and Entenza.

Senate File No. 1870 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 11, 2000

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2521: A bill for an act relating to local government; establishing standards for the creation of corporations by political subdivisions; providing for the continuation of existing corporations created by political subdivisions; amending Minnesota Statutes 1998, section 238.08, subdivision 3; proposing coding for new law in Minnesota Statutes 1998, chapter 465; repealing Minnesota Statutes 1998, section 465.715, subdivisions 1, 2, and 3; Minnesota Statutes 1999 Supplement, section 465.715, subdivision 1a.

There has been appointed as such committee on the part of the House:

Rest, Harder and Abrams.

Senate File No. 2521 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 11, 2000

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2686: A bill for an act relating to health; establishing requirements for the sale of funeral goods and services and preneed funeral arrangements; modifying the enforcement authority of the commissioner of health; modifying licensing requirements for funeral establishments; prohibiting certain solicitations of sales by funeral providers; requiring certain disclosures by funeral providers; prohibiting certain deceptive acts and practices for funeral providers; establishing requirements for preneed funeral agreements; amending Minnesota Statutes 1998, sections 149A.02, subdivision 22, and by adding subdivisions; 149A.08, subdivisions 1, 3, 4, and by adding a subdivision; 149A.70, by adding subdivisions; 149A.71, subdivisions 1, 2, 3, and 4; 149A.72, subdivisions 5, 6, 7, 9, 10, 11, 12, and 13; 149A.73, subdivisions 1, 3, 4, and by adding a subdivision; 149A.75; and 149A.97, subdivisions 1, 2, 3, 6, 9, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 149A.

There has been appointed as such committee on the part of the House:

Rest, McElroy and Davids.

Senate File No. 2686 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 11, 2000

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 3272, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 3272: A bill for an act relating to the building code; modifying requirements of bleacher safety; amending Minnesota Statutes 1999 Supplement, section 16B.616, subdivisions 3 and 4.

Senate File No. 3272 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 11, 2000

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 3091: A bill for an act relating to taxation; recodifying the sales and use tax laws; making style and form and clarifying changes; amending Minnesota Statutes 1998, sections 37.13; 115A.69, subdivision 6; 116A.25; 289A.31, subdivision 7; 360.035; 458A.09; 458A.30; 458D.23; 469.127; 473.448; 473.545; and 473.608, subdivision 2; Minnesota Statutes 1999 Supplement, section 469.101, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 1998, sections 297A.01; 297A.02; 297A.022; 297A.023; 297A.03; 297A.04; 297A.041; 297A.06; 297A.065; 297A.07; 297A.09; 297A.10; 297A.11; 297A.12; 297A.13; 297A.135; 297A.14; 297A.141; 297A.15; 297A.16; 297A.17; 297A.18; 297A.21; 297A.211; 297A.213; 297A.22; 297A.23; 297A.24; 297A.25; 297A.2531; 297A.2545; 297A.255; 297A.256; 297A.2571; 297A.2572; 297A.2573; 297A.259; 297A.26; 297A.28; 297A.33, subdivision 2; 297A.44, subdivision 1; 297A.46; 297A.47; and 297A.48.

Senate File No. 3091 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 11, 2000

CONCURRENCE AND REPASSAGE

Senator Murphy moved that the Senate concur in the amendments by the House to S.F. No. 3091 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 3091 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1699: A bill for an act relating to state government; authorizing payment by electronic means; proposing coding for new law in Minnesota Statutes, chapter 16A.

Senate File No. 1699 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 10, 2000

CONCURRENCE AND REPASSAGE

Senator Price moved that the Senate concur in the amendments by the House to S.F. No. 1699 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1699 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3020:

H.F. No. 3020: A bill for an act relating to human services; modifying provisions in long-term care; amending Minnesota Statutes 1998, sections 256B.411, subdivision 2; and 256B.431, subdivisions 1, 3a, 10, 16, 18, 21, 22, and 25; Minnesota Statutes 1999 Supplement, sections 256B.0913, subdivision 5; 256B.431, subdivisions 17 and 26; and 256B.434, subdivisions 3 and 4; repealing Minnesota Statutes 1998, sections 256B.03, subdivision 2; 256B.431, subdivisions 2, 2a, 2f, 2h, 2m, 2p, 2q, 3, 3b, 3d, 3h, 3j, 4, 5, 7, 8, 9, 9a, 12, and 24; 256B.48, subdivision 9; 256B.50, subdivision 3; and 256B.74, subdivision 3.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Bradley, Nornes and Greenfield have been appointed as such committee on the part of the House.

House File No. 3020 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 11, 2000

Senator Fischbach moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3020, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report pertaining to appointments. The motion prevailed.

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

H.F. No. 2489 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.
2489	3093				

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 Hottinger from the Committee on Health and Family Security, to which were referred the following appointments as reported in the Journal for February 1, 2000:

EMERGENCY MEDICAL SERVICES REGULATORY BOARD

David Huisenga
Steven Nesseth
John Prondzinski
Dr. Michael Wilcox

Reports the same back with the recommendation that the appointments be confirmed.

Senator Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF HOUSE BILLS

H.F. No. 2489 was read the second time.

MOTIONS AND RESOLUTIONS

Senators Larson, Stevens, Ziegler, Kierlin and Lesewski introduced--

Senate Resolution No. 156: A Senate resolution honoring National Volunteer Week.

Referred to the Committee on Rules and Administration.

Senator Larson introduced--

Senate Resolution No. 157: A Senate resolution congratulating Aaron Stanley, of Fergus Falls, on winning the Minnesota State Geographic Bee competition.

Referred to the Committee on Rules and Administration.

S.F. No. 2683 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2683

A bill for an act relating to game and fish; exempting archery bows used for bow fishing from casing requirement; authorizing disability permits for taking rough fish and hunting small game with a crossbow; amending Minnesota Statutes 1998, sections 97B.051; 97B.055, subdivision 2; and 97B.106.

April 5, 2000

The Honorable Allan H. Spear
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2683, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment.

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

Senate Conferees: (Signed) Don Samuelson, Bob Lessard, Pat Pariseau

House Conferees: (Signed) Tom Hackbarth, Jim Abeler, Thomas Bakk

Senator Samuelson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2683 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2683 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2870 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2870

A bill for an act relating to financial institutions; regulating certain loan charges and payments; making various technical changes; amending Minnesota Statutes 1998, sections 47.59, subdivisions 7, 10, and by adding a subdivision; 47.60, subdivision 2; 48.56; 52.04, subdivision 1; 56.131, subdivision 4; 58.02, subdivision 10; 58.04, subdivisions 2 and 3; 58.05, by adding a subdivision; 58.08, as amended; 58.10, subdivision 1; and 168.72, by adding a subdivision; Minnesota Statutes 1999 Supplement, sections 47.52; and 58.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 58; repealing Minnesota Statutes 1998, sections 58.02, subdivision 15; and 58.05, subdivision 2; Minnesota Rules, part 2675.4180.

April 11, 2000

The Honorable Allan H. Spear
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2870, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2870 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1999 Supplement, section 47.52, is amended to read:

47.52 [AUTHORIZATION.]

(a) With the prior approval of the commissioner, any bank doing business in this state may establish and maintain detached facilities provided the facilities are located within: (1) the municipality in which the principal office of the applicant bank is located; or (2) 5,000 feet of its principal office measured in a straight line from the closest points of the closest structures involved; or (3) a municipality in which no bank is located at the time of application; or (4) a municipality having a population of more than 10,000; or (5) a municipality having a population of 10,000 or less, as determined by the commissioner from the latest available data from the state demographer, or for municipalities located in the seven-county metropolitan area from the metropolitan council, and all the banks having a principal office in the municipality have consented in writing to the establishment of the facility.

(b) A detached facility shall not be closer than 50 feet to a detached facility operated by any other bank and shall not be closer than 100 feet to the principal office of any other bank, the measurement to be made in the same manner as provided above. This paragraph shall not be applicable if the proximity to the facility or the bank is waived in writing by the other bank and filed with the application to establish a detached facility.

(c) A bank is allowed, in addition to other facilities, part-time deposit-taking locations at elementary and secondary schools located within the municipality in which the main banking house or a detached facility is located if they are established in connection with student education programs approved by the school administration and consistent with safe, sound banking practices.

(d) In addition to other facilities, a bank may operate part-time locations at nursing homes and senior citizen housing facilities located within the municipality in which the main banking house or a detached facility is located, or within the seven-county metropolitan area if the bank's main banking facility or a detached facility is located within the seven-county metropolitan area, if they are operated in a manner consistent with safe, sound banking practices.

Sec. 2. Minnesota Statutes 1998, section 47.59, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions shall apply.

(a) "Actuarial method" has the meaning given the term in the Code of Federal Regulations, title 12, part 226, and appendix J thereto.

(b) "Annual percentage rate" has the meaning given the term in the Code of Federal Regulations, title 12, part 226, but using the definition of "finance charge" used in this section.

(c) "Borrower" means a debtor under a loan or a purchaser or debtor under a credit sale contract.

(d) "Business purpose" means a purpose other than a personal, family, household, or agricultural purpose.

(e) "Cardholder" means a person to whom a credit card is issued or who has agreed with the financial institution to pay obligations arising from the issuance to or use of the card by another person.

(f) "Consumer loan" means a loan made by a financial institution in which:

- (1) the debtor is a person other than an organization;
- (2) the debt is incurred primarily for a personal, family, or household purpose; and
- (3) the debt is payable in installments or a finance charge is made.

(g) "Credit" means the right granted by a financial institution to a borrower to defer payment of a debt, to incur debt and defer its payment, or to purchase property or services and defer payment.

(h) "Credit card" means a card or device issued under an arrangement pursuant to which a financial institution gives to a cardholder the privilege of obtaining credit from the financial institution or other person in purchasing or leasing property or services, obtaining loans, or otherwise. A transaction is "pursuant to a credit card" only if credit is obtained according to the terms of the arrangement by transmitting information contained on the card or device orally, in writing, by mechanical or electronic methods, or in any other manner. A transaction is not "pursuant to a credit card" if the card or device is used solely in that transaction to:

(1) identify the cardholder or evidence the cardholder's creditworthiness and credit is not obtained according to the terms of the arrangement;

(2) obtain a guarantee of payment from the cardholder's deposit account, whether or not the payment results in a credit extension to the cardholder by the financial institution; or

(3) effect an immediate transfer of funds from the cardholder's deposit account by electronic or other means, whether or not the transfer results in a credit extension to the cardholder by the financial institution.

(i) "Credit sale contract" means a contract evidencing a credit sale. "Credit sale" means a sale of goods or services, or an interest in land, in which:

(1) credit is granted by a seller who regularly engages as a seller in credit transactions of the same kind; and

(2) the debt is payable in installments or a finance charge is made.

(j) "Finance charge" has the meaning given in the Code of Federal Regulations, title 12, part 226, except that the following will not in any event be considered a finance charge:

(1) a charge as a result of default or delinquency under subdivision 6 if made for actual unanticipated late payment, delinquency, default, or other similar occurrence, and a charge made for an extension or deferment under subdivision 5, unless the parties agree that these charges are finance charges;

(2) an additional charge under subdivision 6;

(3) a discount, if a financial institution purchases a loan at less than the face amount of the obligation or purchases or satisfies obligations of a cardholder pursuant to a credit card and the purchase or satisfaction is made at less than the face amount of the obligation;

(4) fees paid by a borrower to a broker, provided the financial institution or a person described in subdivision 4 does not require use of the broker to obtain credit; or

(5) a commission, expense reimbursement, or other sum received by a financial institution or a person described in subdivision 4 in connection with insurance described in subdivision 6.

(k) "Financial institution" means a state or federally chartered bank, a state or federally chartered bank and trust, a trust company with banking powers, a state or federally chartered saving bank, a state or federally chartered savings association, an industrial loan and thrift company, or a regulated lender, or an operating subsidiary of any such institution.

(l) "Loan" means:

(1) the creation of debt by the financial institution's payment of money to the borrower or a third person for the account of the borrower;

(2) the creation of debt pursuant to a credit card in any manner, including a cash advance or the financial institution's honoring a draft or similar order for the payment of money drawn or accepted by the borrower, paying or agreeing to pay the borrower's obligation, or purchasing or otherwise acquiring the borrower's obligation from the obligee or the borrower's assignee;

(3) the creation of debt by a cash advance to a borrower pursuant to an overdraft line of credit arrangement;

(4) the creation of debt by a credit to an account with the financial institution upon which the borrower is entitled to draw immediately;

(5) the forbearance of debt arising from a loan; and

(6) the creation of debt pursuant to open-end credit.

"Loan" does not include the forbearance of debt arising from a sale or lease, a credit sale contract, or an overdraft from a person's deposit account with a financial institution which is not pursuant to a written agreement to pay overdrafts with the right to defer repayment thereof.

(m) "Official fees" means:

(1) fees and charges which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, terminating, or satisfying a security interest or mortgage relating to a loan or credit sale, and any separate fees or charges which actually are or will be paid to public officials for recording a notice described in section 580.032, subdivision 1; and

(2) premiums payable for insurance in lieu of perfecting a security interest or mortgage otherwise required by a financial institution in connection with a loan or credit sale, if the premium does not exceed the fees and charges described in clause (1), which would otherwise be payable.

(n) "Organization" means a corporation, government, government subdivision or agency, trust, estate, partnership, joint venture, cooperative, limited liability company, limited liability partnership, or association.

(o) "Person" means a natural person or an organization.

(p) "Principal" means the total of:

(1) the amount paid to, received by, or paid or repayable for the account of, the borrower; and

(2) to the extent that payment is deferred:

(i) the amount actually paid or to be paid by the financial institution for additional charges permitted under this section; and

(ii) prepaid finance charges.

Sec. 3. Minnesota Statutes 1998, section 47.59, subdivision 7, is amended to read:

Subd. 7. [ADVANCES TO PERFORM COVENANTS OF BORROWER OR PURCHASER.]

(a) If the agreement with respect to a loan or credit sale contract contains covenants by the borrower or purchaser to perform certain duties pertaining to insuring or preserving collateral and the financial institution according to the agreement pays for performance of the duties on behalf of the borrower or purchaser, the financial institution may add to the debt or contract balance the amounts so advanced. Before or within a reasonable time not less more than 30 days after advancing any sums, the financial institution shall state to the borrower or purchaser in writing the amount of sums advanced or to be advanced, any charges with respect to this amount, and any revised payment schedule and, if the duties of the borrower or purchaser performed by the financial institution pertain to insurance, a brief description of the insurance paid for or to be paid for by the financial institution including the type and amount of coverages. Additional information need not be given. The actions of the financial institution pursuant to this subdivision shall not be deemed to cure the borrower's failure to perform covenants in the loan or credit sale contract, unless the loan or credit sale contract expressly provides otherwise.

(b) A finance charge equal to that specified in the loan agreement or credit sale contract may be made for sums advanced under paragraph (a).

Sec. 4. Minnesota Statutes 1998, section 47.59, is amended by adding a subdivision to read:

Subd. 9a. [PROMPT CREDITING OF PAYMENTS.] (a) A financial institution shall credit a payment to the consumer's account as of the date of receipt except when a delay in crediting does not result in a finance or other charge or except as provided in paragraph (b).

(b) If a financial institution, in the loan agreement or, in the case of open-end credit, on or with a periodic statement or similar document, specifies requirements for the consumer to follow in making payments, but accepts a payment that does not conform to the requirements, the creditor shall credit the payment within five days of receipt.

(c) If a financial institution fails to credit a payment, as required by paragraph (a) or (b) in time to avoid the imposition of finance or other charges, the financial institution shall adjust the consumer's account so that the charges imposed are credited to the consumer's account promptly or, in the case of open-end credit, no later than during the next billing cycle.

Sec. 5. Minnesota Statutes 1998, section 47.59, subdivision 10, is amended to read:

Subd. 10. [CREDIT INSURANCE.] (a) The sale of credit insurance or mortgage insurance is subject to chapters 61A, 62A, and 62B, as applicable, and the rules adopted under those chapters, if any. In case there are multiple consumers obligated under a transaction subject to this chapter, no policy or certificate of insurance providing credit life insurance may be procured by or through a financial institution or person described in subdivision 2 upon more than two of the consumers, in which case they may be insured jointly.

(b) A financial institution that provides credit insurance in relation to open-end credit may calculate the charge to the borrower in each billing cycle by applying the current premium rate to the balance in the manner permitted with respect to finance charges by the provisions on finance charge in this section.

(c) Upon prepayment in full of a consumer loan or credit sale contract by the proceeds of credit insurance or mortgage insurance, the consumer or the consumer's estate is entitled to a refund of any portion of a separate charge for insurance that by reason of prepayment is retained by the financial institution or returned to it by the insurer, unless the charge was computed from time to time on the basis of the balances of the consumer's loan or credit sale contract.

(d) This section does not require a financial institution to grant a refund to the consumer if all refunds due to the consumer under paragraph (c) amount to less than \$5 and, except as provided in paragraph (c), does not require the financial institution to account to the consumer for any portion of a separate charge for insurance because:

(1) the insurance is terminated by performance of the insurer's obligation;

(2) the financial institution pays or accounts for premiums to the insurer in amounts and at times determined by the agreement between them; or

(3) the financial institution receives directly or indirectly under a policy of insurance a gain or advantage not prohibited by law.

(e) Except as provided in paragraph (d), the financial institution shall promptly make or cause to be made an appropriate refund to the consumer with respect to a separate charge made to the consumer for insurance if:

(1) the insurance is not provided or is provided for a shorter term than for which the charge to the borrower for insurance was computed; or

(2) the insurance terminates before the end of the term for which it was written because of prepayment in full or otherwise.

(f) If a financial institution requires insurance, upon notice to the borrower, the borrower has the option of providing the required insurance through an existing policy of insurance owned or controlled by the borrower, or through a policy to be obtained and paid for by the borrower, but the financial institution for reasonable cause may decline the insurance provided by the borrower.

Sec. 6. Minnesota Statutes 1998, section 47.60, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZATION, TERMS, CONDITIONS, AND PROHIBITIONS.] (a) In lieu of the interest, finance charges, or fees in any other law, a consumer small loan lender may charge the following:

(1) on any amount up to and including \$50, a charge of \$5.50 may be added;

(2) on amounts in excess of \$50, but not more than \$100, a charge may be added equal to ten percent of the loan proceeds plus a \$5 administrative fee;

(3) on amounts in excess of \$100, but not more than \$250, a charge may be added equal to seven percent of the loan proceeds with a minimum of \$10 plus a \$5 administrative fee;

(4) for amounts in excess of \$250 and not greater than the maximum in subdivision 1, paragraph (a), a charge may be added equal to six percent of the loan proceeds with a minimum of \$17.50 plus a \$5 administrative fee.

(b) The term of a loan made under this section shall be for no more than 30 calendar days.

(c) After maturity, the contract rate must not exceed 2.75 percent per month of the remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly rate in the contract for each calendar day the balance is outstanding.

(d) No insurance charges or other charges must be permitted to be charged, collected, or imposed on a consumer small loan except as authorized in this section.

(e) On a loan transaction in which cash is advanced in exchange for a personal check, a return check charge may be charged as authorized by section 332.50, subdivision 2, paragraph (d) (a).

(f) A loan made under this section must not be repaid by the proceeds of another loan made under this section by the same lender or related interest. The proceeds from a loan made under this section must not be applied to another loan from the same lender or related interest. No loan to a single borrower made pursuant to this section shall be split or divided and no single borrower shall have outstanding more than one loan with the result of collecting a higher charge than permitted by this section or in an aggregate amount of principal exceed at any one time the maximum of \$350.

Sec. 7. Minnesota Statutes 1998, section 48.56, is amended to read:

48.56 [BANKING INSTITUTIONS MAY USE FEDERAL BANKING ACT LAWS.]

~~Any banking institution now or hereafter organized under the laws of this state is hereby empowered, on the authority of its board of directors, or a majority thereof, to enter into such contracts, incur such obligations and generally to do and perform any and all such acts and things as may be necessary or appropriate in order to take advantage of any and all memberships, loans, subscriptions, contracts, grants, rights, or privileges which may at any time be available or enure to banking institutions or to their depositors, creditors, stockholders, receivers, or liquidators, by virtue of those provisions of Section 8 of the federal "Banking Acts of 1933" (Section 12B of the Federal Reserve Act, as amended (Mason's United States Code Annotated, title 12, s 264)), which establish the Federal Deposit Insurance Corporation and provide for the insurance of deposits, or of any other provisions of that or of any other act or resolution of Congress to aid, regulate, or safeguard banking institutions and their depositors, including any amendments of the same or any substitutions therefor; and to subscribe for and acquire any stock, debentures, bonds, or other types of securities of the Federal Deposit Insurance Corporation, and to comply with the lawful regulations and requirements from time to time issued or made by such corporation. Subdivision 1. [GENERAL POWERS.] The board of directors of a banking institution may enter into a contract, incur an obligation, or generally do what is necessary or appropriate to make use of United States Code, title 12, section 1811, or any act or resolution of Congress enacted or resolved to aid, regulate, or safeguard banking institutions and their depositors.~~

~~Subd. 2. [GENERAL RIGHTS AND PRIVILEGES.] Memberships, loans, subscriptions, contracts, grants, rights, or privileges that, under the act or resolution, are available to or enure to banking institutions, or their depositors, creditors, stockholders, receivers, or liquidators may be taken advantage of under this section.~~

~~Subd. 3. [PURCHASE OF FDIC SECURITIES.] The board may subscribe for and acquire securities of the Federal Deposit Insurance Corporation.~~

~~Subd. 4. [COMPLYING WITH FDIC REQUIREMENTS.] The board may comply with the corporation's requirements.~~

Sec. 8. Minnesota Statutes 1998, section 52.04, subdivision 1, is amended to read:

Subdivision 1. A credit union has the following powers:

(1) to offer its members and other credit unions various classes of shares, share certificates, deposits, or deposit certificates;

(2) to receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other thrift organizations within its membership. Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a credit union;

(3) to make loans to members for provident or productive purposes as provided in section 52.16;

(4) to make loans to a cooperative society or other organization having membership in the credit union;

(5) to deposit in state and national banks and trust companies authorized to receive deposits;

(6) to invest in any investment legal for savings banks or for trust funds in the state and, notwithstanding clause (3), to invest in and make loans of unsecured days funds (federal funds or similar unsecured loans) to financial institutions insured by an agency of the federal government and a member of the Federal Reserve System or required to maintain reserves at the Federal Reserve;

(7) to borrow money as hereinafter indicated;

(8) to adopt and use a common seal and alter the same at pleasure;

(9) to make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the Federal Credit Union Act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets. However, payments on shares of and deposit with credit unions chartered by other states are restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause do not apply to share accounts and deposit accounts of the Minnesota corporate credit union in United States central credit union or to share accounts and deposit accounts of credit unions in the Minnesota corporate credit union;

(10) to contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(11) to indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred in connection with or arising out of any action, suit, or proceeding to which that person is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which that person is finally adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties. The indemnification is not exclusive of any other rights to which that person may be entitled under any bylaw, agreement, vote of members, or otherwise;

(12) upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make those payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts, but a credit union proposing to permit draft withdrawals shall notify the commissioner of commerce, in the form prescribed, of its intent not less than 90 days prior to authorizing draft withdrawals. The board of directors of a credit union may restrict one class of shares to the extent that it may not be redeemed, withdrawn, or transferred except upon termination of membership in the credit union;

(13) to inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(14) to facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a subgroup under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, if the credit union obtains written authorization from the member for remittance by share or deposit withdrawals or through proceeds of loans made by the members, or

by permitting the credit union to make the payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for expenses incurred or in the case of credit life, accident and health, and involuntary unemployment insurance within the meaning of chapter 62B commissions for the handling of the insurance. The amount reimbursed or the commissions received may constitute the general income of the credit union. The directors, officers, committee members and employees of a credit union shall not profit on any insurance sale facilitated through the credit unions;

(15) to contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of commerce like other services;

(16) in furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union;

(17) to rent safe deposit boxes to its members if the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes;

(18) notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118 or section 9.031 or other applicable law and to receive deposits of trust funds provided that either the provider or the beneficial owner of the funds is a member of the credit union accepting the deposit;

(19) to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States;

(20) to accept deposits pursuant to section 149A.97, subdivision 5, notwithstanding the provisions of section 52.05, if the deposits represent funding of prepaid funeral plans of members;

(21) to sell, in whole or in part, real estate secured loans provided that:

(a) the loan is secured by a first lien;

(b) the board of directors approves the sale;

(c) if the sale is partial, the agreement to sell a partial interest shall, at a minimum:

(i) identify the loan or loans covered by the agreement;

(ii) provide for the collection, processing, remittance of payments of principal and interest, taxes and insurance premiums and other charges or escrows, if any;

(iii) define the responsibilities of each party in the event the loan becomes subject to collection, loss or foreclosure;

(iv) provide that in the event of loss, each owner shall share in the loss in proportion to its interest in the loan or loans;

(v) provide for the distribution of payments of principal to each owner proportionate to its interest in the loan or loans;

(vi) provide for loan status reports;

(vii) state the terms and conditions under which the agreement may be terminated or modified; and

(d) the sale is without recourse or repurchase unless the agreement:

- (i) requires repurchase of a loan because of any breach of warranty or misrepresentation;
- (ii) allows the seller to repurchase at its discretion; or
- (iii) allows substitution of one loan for another;

(22) in addition to the sale of loans secured by a first lien on real estate, to sell, pledge, discount, or otherwise dispose of, in whole or in part, to any source, a loan or group of loans, other than a self-replenishing line of credit; provided, that within a calendar year beginning January 1 the total dollar value of loans sold, other than loans secured by real estate or insured by a state or federal agency, shall not exceed 25 percent of the dollar amount of all loans and participating interests in loans held by the credit union at the beginning of the calendar year, unless otherwise authorized in writing by the commissioner;

(23) to designate the par value of the shares of the credit union by board resolution;

(24) to exercise by resolution the powers set forth in United States Code, title 12, section 1757, as amended through December 31, 1992. Before exercising each power, the board must submit a plan to the commissioner of commerce detailing implementation of the power to be used;

(25) to offer self-directed individual retirement accounts and Keogh accounts and act as custodian and trustee of these accounts if:

(1) all contributions of funds are initially made to a deposit, share or share certificate account in the credit union;

(2) any subsequent transfer of funds to other assets is solely at the direction of the member and the credit union exercises no investment discretion and provides no investment advice with respect to plan assets; and

(3) the member is clearly notified of the fact that National Credit Union Share Insurance Fund coverage is limited to funds held in deposit, share or share certificate accounts of National Credit Union Share Insurance Fund-insured credit unions.

Sec. 9. Minnesota Statutes 1998, section 56.131, subdivision 4, is amended to read:

Subd. 4. [ADJUSTMENT OF DOLLAR AMOUNTS.] The dollar amounts in subdivisions 2 and 6, sections 53.04, ~~subdivision 3a, paragraph (e), 56.01, 56.12, and 56.125~~ shall change periodically, as provided in section 47.59, subdivision 3.

Sec. 10. Minnesota Statutes 1998, section 58.02, subdivision 10, is amended to read:

Subd. 10. [FINANCIAL INSTITUTION.] "Financial institution" means a bank, bank and trust, trust company with banking powers, savings bank, savings association, or credit union, organized under the laws of this state, any other state, or the United States; ~~a Minnesota host state branch of an out-of-state state-chartered bank as provided for in section 49.411; an industrial loan and thrift under chapter 53; or a regulated lender under chapter 56.~~ The term "financial institution" also includes a subsidiary or operating subsidiary of a financial institution or of a bank holding company as defined in the federal Bank Holding Company Act, United States Code, title 12, section 1841 et seq., if the subsidiary or operating subsidiary can demonstrate to the satisfaction of the commissioner that it is regulated and subject to active and ongoing oversight and supervision by a federal banking agency, as defined in the Federal Deposit Insurance Act, United States Code, title 12, section 1811 et seq., or the commissioner.

Sec. 11. Minnesota Statutes 1999 Supplement, section 58.04, subdivision 1, is amended to read:

Subdivision 1. [RESIDENTIAL MORTGAGE ORIGINATOR LICENSING REQUIREMENTS.] (a) Beginning August 1, 1999, no person shall act as a residential mortgage originator, or make residential mortgage loans without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) The following persons are exempt from the residential mortgage originator licensing requirements:

(1) an employee of one mortgage originator licensee or one person holding a certificate of exemption;

(2) ~~a person engaged solely in commercial mortgage activities;~~

~~(3) a person licensed as a real estate broker under chapter 82, and who is not licensed to another real estate broker;~~

~~(3) an individual real estate licensee who is licensed to ~~the~~ a real estate broker as described in clause (2) if:~~

~~(i) the individual licensee acts only under the name, authority, and supervision of the broker to whom the licensee is licensed;~~

~~(ii) the broker to whom the licensee is licensed obtains a certificate of exemption according to section 58.05, subdivision 2;~~

~~(iii) the broker does not collect an advance fee for its residential mortgage-related activities; and~~

~~(iv) the residential mortgage origination activities are incidental to the real estate licensee's primary activities as a real estate broker or salesperson;~~

(4) an individual licensed as a property/casualty or life/health insurance agent under chapter 60K if:

(i) the insurance agent acts on behalf of only one residential mortgage originator, which is in compliance with chapter 58;

(ii) the insurance agent has entered into a written contract with the mortgage originator under the terms of which the mortgage originator agrees to accept responsibility for the insurance agent's residential mortgage-related activities;

(iii) the insurance agent obtains a certificate of exemption under section 58.05, subdivision 2; and

(iv) the insurance agent does not collect an advance fee for the insurance agent's residential mortgage-related activities;

(5) a person ~~making~~ who is not in the business of making residential mortgage loans and who makes no more than five residential mortgage three such loans, with its own funds, during any 12-month period;

(6) a financial institution as defined in section 58.02, subdivision 10;

(7) an agency of the federal government, or of a state or municipal government;

(8) an employee or employer pension plan making loans only to its participants;

(9) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction; or

(10) a person exempted by order of the commissioner.

Sec. 12. Minnesota Statutes 1998, section 58.04, subdivision 2, is amended to read:

Subd. 2. [RESIDENTIAL MORTGAGE SERVICER LICENSING REQUIREMENTS.] (a) Beginning August 1, 1999, no person shall engage in activities or practices that fall within the definition of "servicing a residential mortgage loan" under section 58.02, subdivision 22, without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) The following persons are exempt from the residential mortgage servicer licensing requirements:

- (1) a person licensed as a residential mortgage originator;
- (2) an employee of one licensee or one person holding a certificate of exemption based on an exemption under this subdivision;
- (3) ~~a person engaged solely in commercial mortgage activities;~~
- (4) a person servicing loans made with its own funds, if no more than five three such loans are made in any 12-month period;
- (5) ~~(4)~~ a financial institution as defined in section 58.02, subdivision 10;
- (6) ~~(5)~~ an agency of the federal government, or of a state or municipal government;
- (7) ~~(6)~~ an employee or employer pension plan making loans only to its participants;
- (8) ~~(7)~~ a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction; or
- (9) ~~(8)~~ a person exempted by order of the commissioner.

Sec. 13. Minnesota Statutes 1998, section 58.04, subdivision 3, is amended to read:

Subd. 3. [CONDUCTING BUSINESS UNDER LICENSE.] No person required to be licensed under this chapter may, without a license, do business under a name or title or circulate or use advertising or make representations or give information to a person, that indicates or reasonably implies activity within the scope of this chapter.

No person licensed under this chapter may do business under more than one name or title.

Sec. 14. Minnesota Statutes 1998, section 58.05, is amended by adding a subdivision to read:

Subd. 3. [CERTIFICATE OF EXEMPTION.] A person must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 1, paragraph (b), as a real estate broker under clause (2), an insurance agent under clause (4), a financial institution under clause (6), or by order of the commissioner under clause (10); or under section 58.04, subdivision 2, paragraph (b), as a financial institution under clause (4), or by order of the commissioner under clause (8).

Sec. 15. Minnesota Statutes 1998, section 58.08, as amended by Laws 1999, chapter 151, section 36, is amended to read:

58.08 [BONDS; LETTERS OF CREDIT.]

Subdivision 1. [REQUIREMENT OF RESIDENTIAL MORTGAGE ORIGINATORS.] A residential mortgage originator licensee engaging in servicing a residential mortgage loan shall continuously maintain a surety bond or irrevocable letter of credit in an amount not less than \$50,000 in a form approved by the commissioner, issued by an insurance company or bank authorized to do so in this state. The bond or irrevocable letter of credit must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter relating to servicing, and for losses or damages incurred by borrowers as the result of a licensee's servicing-related noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract.

The bond or irrevocable letter of credit must be submitted with the originator's license application, and evidence of continued coverage must be submitted with each renewal. Any change in the bond or letter of credit must be submitted for approval by the commissioner, within ten days of its execution.

Subd. 2. [REQUIREMENT OF RESIDENTIAL MORTGAGE SERVICERS.] A residential mortgage servicer licensee shall continuously maintain a surety bond or irrevocable letter of credit in an amount not less than \$100,000 in a form approved by the commissioner, issued by an

insurance company or bank authorized to do so in this state. The bond or irrevocable letter of credit must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter, and for losses or damages incurred by borrowers or other aggrieved parties as the result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

The bond or irrevocable letter of credit must be submitted with the servicer's license application and evidence of continued coverage must be submitted with each renewal. Any change in the bond or letter of credit must be submitted for approval by the commissioner, within ten days of its execution.

Subd. 3. [EXEMPTION.] Subdivisions 1 and 2 do not apply to mortgage originators or mortgage servicers who are approved as seller/servicers by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

Subd. 4. [IRREVOCABLE LETTER OF CREDIT.] As used in this chapter, an irrevocable letter of credit must be accepted only if it is clean, irrevocable, and contains an evergreen clause.

(a) "Clean" means a letter of credit that is not conditioned on the delivery of any other documents or materials.

(b) "Irrevocable" means a letter of credit that cannot be modified or revoked without the consent of the beneficiary once the beneficiary is established.

(c) "Evergreen clause" means one that specifically states the expiration of a letter of credit will not take place without a 60-day notice by the issuer and one that allows the issuer to conduct an annual review of the account party's financial condition. If prior notice of expiration is not given by the issuer, the letter of credit is automatically extended for one year.

A clean irrevocable letter of credit must be accepted only if it is issued by a financial institution that is authorized to engage in banking in any of the 50 states or under the laws of the United States, and whose business is substantially confined to banking and supervised by the state commissioner of commerce or similar official, and that has a long-term debt rating by a recognized national rating agency of investment grade or better. If no long-term debt rating is available, the financial institution must have the equivalent investment grade financial characteristics.

Sec. 16. Minnesota Statutes 1998, section 58.10, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees must be paid to the commissioner:

- (1) for an initial residential mortgage originator license, \$800;
- (2) for a renewal license, \$400;
- (3) for an initial residential mortgage servicer's license, \$1,000;
- (4) for a renewal license, \$500; and
- (5) ~~license service fees as set forth in chapter 45; and~~
- (6) for a certificate of exemption, \$100.

Sec. 17. [58.135] [RATES AND CHARGES.]

Subdivision 1. [FIRST LIEN MORTGAGES.] A residential mortgage originator making first lien residential mortgage loans must comply with the applicable limits on residential mortgage loan rates, fees, and charges as found in sections 47.20 and 47.204.

Nothing in this subdivision prevents a financial institution under section 47.59, subdivision 1, paragraph (k), from making first lien residential mortgage loans under section 47.59 or other provisions of law available to financial institutions under that section.

Subd. 2. [JUNIOR LIEN MORTGAGES.] (a) A residential mortgage originator that is a bank, bank and trust, trust company with banking powers, savings bank, savings association, or credit union organized under the laws of this or any other state or the United States, or an industrial loan and thrift company under chapter 53 or a regulated lender under chapter 56 or an entity in another state subject to regulation substantially similar to chapter 53 or 56, making junior lien residential loans, must comply with the limits on residential mortgage loan rates, fees, and charges as found in section 47.59.

Nothing in this subdivision authorizes a mortgage originator to make loans on terms and conditions that would not be available to it in the absence of this section.

(b) A residential mortgage originator other than an entity designated in paragraph (a) making junior lien residential loans, must comply with the limits on residential mortgage loan rates, fees, and charges as found in section 47.20.

Sec. 18. Minnesota Statutes 1998, section 168.72, is amended by adding a subdivision to read:

Subd. 1a. [PROMPT CREDITING OF PAYMENTS.] (a) A contract holder shall credit a payment to the customer's account as of the date of receipt except when a delay in crediting does not result in a finance or other charge or except as provided in paragraph (b).

(b) If a retail installment contract or other instructions specify requirements for the consumer to follow in making payments, but the contract holder accepts a payment that does not conform to the requirements, the contract holder shall credit the payment within five days of receipt.

(c) If a contract holder fails to credit a payment, as required by paragraphs (a) and (b), in time to avoid the imposition of finance or other charges, the contract holder shall adjust the consumer's account so that the charges imposed are credited to the consumer's account promptly.

Sec. 19. [COMMERCE DEPARTMENT EXAMINATION; FOUNDATION LOAN PORTFOLIO PILOT PROJECT.]

(a) Any nonprofit charitable organization recognized as exempt from federal income taxation under section 501(c) (3) of the federal Internal Revenue Code of 1986, as amended, participating as a regional organization under the challenge grant program established under Minnesota Statutes, section 116J.415, and serving the counties of Aitkin, Cook, Lake, St. Louis, Carlton, Itasca, and Koochiching as of the effective date of this section, may enter into an agreement with the commissioner of commerce to facilitate the charitable organization's participation in the United States Small Business Administration guaranteed lender program.

(b) The agreement referred to in paragraph (a) shall provide for a level of examination and supervision by the department of commerce necessary for the charitable organization to meet United States Small Business Administration requirements for guaranteed lender status, including an annual examination of the books, accounts, records, and files related to the charitable organization's portfolio of guaranteed loans. Reports of the commissioner's annual examination shall be made available to the United States Small Business Administration upon request.

(c) The charitable organization shall pay the department's cost, as determined by the commissioner of commerce, of the supervision and examination required under an agreement entered into pursuant to this section. The charitable organization shall also pay the department's cost, as determined by the commissioner, of negotiating the agreement. Money received by the department under this subdivision must be deposited in the state treasury and credited to an account in the special revenue fund. Money in this account is annually appropriated to the commissioner for purposes of administering this section.

(d) This section expires December 31, 2003.

Sec. 20. [VASA TOWNSHIP; DETACHED BANKING FACILITY.]

With the prior approval of the commissioner of commerce, a bank operating its principal office in Cannon Falls may establish and maintain not more than one detached facility in Vasa township.

A bank desiring to establish such a detached facility must follow the approval procedure prescribed in Minnesota Statutes, section 47.54. The establishment of a detached facility under this section is subject to Minnesota Statutes, sections 47.51 to 47.57, except to the extent those sections are inconsistent with this section.

Sec. 21. [REPEALER.]

(a) Minnesota Statutes 1998, sections 58.02, subdivision 15; and 58.05, subdivision 2, are repealed.

(b) Minnesota Rules, part 2675.4180, is repealed.

(c) Minnesota Rules, part 2675.6141, subpart 1, is repealed effective the day following final enactment.

Sec. 22. [EFFECTIVE DATES.]

Sections 1 to 3, 5 to 16, 19, and 21 are effective the day after final enactment. Sections 4, 17, and 18 are effective July 1, 2000. Section 20 is effective the day after compliance by the governing body of Vasa township with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating certain loan charges and payments; establishing a foundation loan portfolio pilot project; regulating detached banking facilities; making various technical changes; appropriating money; amending Minnesota Statutes 1998, sections 47.59, subdivisions 1, 7, 10, and by adding a subdivision; 47.60, subdivision 2; 48.56; 52.04, subdivision 1; 56.131, subdivision 4; 58.02, subdivision 10; 58.04, subdivisions 2 and 3; 58.05, by adding a subdivision; 58.08, as amended; 58.10, subdivision 1; and 168.72, by adding a subdivision; Minnesota Statutes 1999 Supplement, sections 47.52; and 58.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 58; repealing Minnesota Statutes 1998, sections 58.02, subdivision 15; and 58.05, subdivision 2; Minnesota Rules, parts 2675.4180; and 2675.6141, subpart 1."

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

Senate Conferees: (Signed) James P. Metzen, Sam G. Solon, Dick Day

House Conferees: (Signed) Gregory M. Davids, Michelle Rifenberg, Matt Entenza

Senator Metzen moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2870 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2870 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Kelley, S.P.	Larson	Novak
Belanger	Frederickson	Kelly, R.C.	Lesewski	Oliver
Berg	Hanson	Kierlin	Lessard	Olson
Berglin	Higgins	Kinkel	Limmer	Ourada
Betzold	Hottinger	Kiscaden	Lourey	Pappas
Cohen	Janezich	Kleis	Marty	Pariseau
Day	Johnson, D.E.	Knutson	Metzen	Piper
Dille	Johnson, D.H.	Krentz	Moe, R.D.	Pogemiller
Fischbach	Johnson, D.J.	Laidig	Murphy	Price
Flynn	Junge	Langseth	Neuville	Ranum

Ring
Robertson
Robling
Runbeck

Sams
Samuelson
Scheevel
Scheid

Solon
Spear
Stevens
Stumpf

Terwilliger
Vickerman
Wiener
Wiger

Ziegler

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 3023 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 3023

A bill for an act relating to motor vehicles; modifying vehicle registration and titling provisions; modifying interstate commercial vehicle registration provisions to conform to interstate registration plan; conforming state open bottle law to federal law; allowing exception to requirement of school bus drivers to activate school bus stop signals; adopting federal odometer regulations; modifying provisions to conform to federal standards for emergency vehicle siren; extending allowable length of recreational vehicle combinations; modifying fee provisions; making technical and clarifying changes; amending Minnesota Statutes 1998, sections 168.012, subdivision 7; 168.017, subdivision 3; 168.09, subdivision 6; 168.1235, subdivisions 1 and 4; 168.1291; 168.13; 168.187, subdivision 8; 168.31, subdivision 4; 168.33, subdivision 7; 168.54, subdivisions 5 and 6; 168A.03; 168A.06; 168A.13; 168A.14; 168A.31, subdivision 1; 169.122, subdivisions 1, 2, and 3; 169.443, subdivision 3; 169.68; 169.781, subdivision 3; 169.81, subdivision 3c; 171.20, subdivision 4; and 325E.15; Minnesota Statutes 1999 Supplement, sections 168.15, subdivision 1; 168.16; and 171.29, subdivision 2; Laws 1995, chapter 264, article 2, section 44, as amended; repealing Minnesota Statutes 1998, section 168.1292.

April 7, 2000

The Honorable Allan H. Spear
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 3023, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 3023 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 168.012, subdivision 7, is amended to read:

Subd. 7. ~~[VEHICLE NOT USED; DOMICILED IN ANOTHER STATE.]~~ The owner of a motor vehicles which vehicle that during any calendar year, or in the case of a vehicle registered pursuant to under section 168.017, during the registration period there provided for in that section, are is not operated on a public highway shall be is exempt from the provisions of this chapter requiring registration, payment of tax, and penalties for tax nonpayment thereof, provided that but only if the owner of any such the vehicle shall first file files a verified written application with the commissioner of public safety registrar, correctly describing the vehicle and certifying that it has not been and will not be operated upon a public highway.

~~Motor vehicles whose domicile is~~ A motor vehicle domiciled in a foreign state and are, legally licensed in that state, and owned by a Minnesota resident shall be is exempt from the provisions of this chapter and; except that it is subject to the provisions of section 168.181, subdivision 3-, provided, that this exemption does not conflict with any existing reciprocal agreement with the state in which the vehicle is domiciled.

Sec. 2. Minnesota Statutes 1998, section 168.017, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] (a) The registrar shall register all vehicles subject to registration under the monthly series system ~~shall be registered by the registrar~~ for a period of 12 consecutive calendar months, ~~except as follows unless:~~

(a) ~~if~~ (1) the application is an original rather than renewal application; or

(b) ~~if~~ (2) the applicant is a licensed motor vehicle lessor under section 168.27, in which case the applicant may apply for original or renewed registration of a vehicle for a period of four or more months, the month of expiration to be designated by the applicant at the time of registration. However, to qualify for this exemption, the applicant must present the application to the registrar at St. Paul, or at deputy registrar offices as the registrar may designate.

(b) In any instance except that of a licensed motor vehicle lessor, the registrar ~~may register~~ shall not approve registering the vehicle which is the subject of to the application for a period of not less than three nor more than 15 calendar months, except when the registrar determines that to do so otherwise will help to equalize the registration and renewal work load of the department.

Sec. 3. Minnesota Statutes 1998, section 168.09, subdivision 6, is amended to read:

Subd. 6. [SEMITRAILER.] ~~On semitrailers~~ For a semitrailer, as defined in section 168.011, subdivision 14, a number plate must be assigned to the registered owner as identification for the vehicle ~~and correlate with the certificate of title documentation on file with the department.~~ This number plate ~~shall~~ must not display a year designator. The registration card must indicate the number plate for the number plate to be valid.

Sec. 4. Minnesota Statutes 1998, section 168.1235, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS; FEES.] (a) On payment of a fee of \$10 for each set of two license plates, or for a single plate in the case of a motorcycle plate, payment of the registration tax required by law, and compliance with other laws relating to the registration and licensing of a passenger automobile, pickup truck, van, or self-propelled recreational equipment, or motorcycle vehicle, as applicable, the registrar shall issue a special license plate sticker for each plate to an applicant who is a member of a congressionally chartered veterans service organization and is an owner or joint owner of a passenger automobile, pickup truck, van, or self-propelled recreational equipment, or motorcycle vehicle.

(b) The additional fee of \$10 is payable at the time of initial application for the special license plate stickers and when the license plates must be replaced or renewed. An applicant must not be issued more than two sets of special license plate stickers for vehicles listed in paragraph (a) and owned or jointly owned by the applicant.

(c) The commissioner of veterans affairs shall determine what documentation is required by each applicant to show that the applicant is a member of a congressionally chartered veterans service organization and is entitled to the special license plate stickers.

Sec. 5. Minnesota Statutes 1998, section 168.1235, subdivision 4, is amended to read:

Subd. 4. [PLATES TRANSFER.] Notwithstanding section 168.12 or other law to the contrary, on payment of a fee of \$5, the special plate stickers issued under subdivision 1, may be transferred to other license plates on a passenger automobile, pickup truck, van, ~~motorcycle~~, or self-propelled recreational ~~equipment~~ vehicle owned or jointly owned by the person to whom the stickers were issued.

Sec. 6. Minnesota Statutes 1998, section 168.1291, is amended to read:

168.1291 [SPECIAL LICENSE PLATES; DESIGN.]

Subdivision 1. [DEFINITION.] For purposes of this section "special license plates" means license plates issued under sections 168.12, subdivisions 2b to 2e; 168.123; 168.1235; and 168.129; and 168.1292.

Subd. 2. [DESIGN OF SPECIAL LICENSE PLATES.] The commissioner shall design a single special license plate that will contain a unique number and a space for a unique symbol. The commissioner shall design a unique symbol related to the purpose of each special license plate. Any provision of sections 168.12, subdivisions 2b to 2e; 168.123; and 168.129; ~~and 168.1292~~ that requires the placement of a specified letter or letters on a special license plate applies to those license plates only to the extent that the commissioner includes the letter or letters in the design. Where a law authorizing a special license plate contains a specific requirement for graphic design of that license plate, that requirement applies to the appropriate unique symbol the commissioner designs.

Subd. 3. [ISSUANCE OF SPECIAL LICENSE PLATES WITH UNIQUE SYMBOLS.] Notwithstanding section 168.12, subdivisions 2b to 2e; 168.123; or 168.129; ~~or 168.1292,~~ beginning with special license plates issued in calendar year 1996 the commissioner shall issue each class of special license plates permanently marked with specific designs under those laws only until the commissioner's supply of those license plates is exhausted. Thereafter the commissioner shall issue under those laws only the license plate authorized under subdivision 2, with the appropriate unique symbol attached.

Subd. 4. [FEES.] Notwithstanding section 168.12, subdivisions 2b to 2e; 168.123; or 168.129; ~~or 168.1292,~~ the commissioner shall charge a fee of \$10 for each set of license plates issued under this section.

Subd. 5. [APPLICATION.] This section does not apply to a special motorcycle license plate designed by the registrar under section 168.123, subdivision 1, clause (2).

Sec. 7. Minnesota Statutes 1998, section 168.13, is amended to read:

168.13 [PROOF OF OWNERSHIP.]

(a) ~~The registrar shall not approve no an application and shall not issue no number plates for any motor vehicle, unless and until the title certificate theretofore issued under chapter 168A, or registration certificate if not titled, is delivered to the registrar, who shall. The registrar must be satisfied from the records that all taxes and fees due hereunder shall have been paid; and that endorsements upon the certificate are in writing and have been signed by the seller and purchaser.~~

(b) ~~The registrar shall not register and shall not issue number plates for a motor vehicles vehicle brought into Minnesota from other states shall not be registered or have number plates issued therefor another state until such:~~

(1) ~~a registration certificate or other evidence of title as may reasonably be required from the registrant within that state be is surrendered to the registrar in the same manner as certificates of this state;~~ or in lieu thereof, such view and

(2) ~~the registrar receives evidence of the chain of ownership be had as will assure the payment of the proper tax so long as the motor vehicle shall be is in the state.~~

Sec. 8. Minnesota Statutes 1999 Supplement, section 168.15, subdivision 1, is amended to read:

Subdivision 1. [TRANSFER OF OWNERSHIP.] (a) ~~Upon the transfer of ownership, destruction, theft, dismantling as such, or the permanent removal by the owner thereof from this state of any motor vehicle registered in accordance with the provisions of this chapter, the right of the owner of such the vehicle to use the registration certificate and number plates assigned such to the vehicle shall expire, and such certificate and any existing plates shall be, by such owner, forthwith returned, with transportation prepaid, to the registrar with a signed notice of the date and manner of termination of ownership, giving the name and post office address, with street and number, if in a city, of the person to whom transferred. No fee may be charged for a return of plates under this section expires.~~

(b) ~~When the ownership of a motor vehicle shall be is transferred to another who shall forthwith register the same in the other's name, the registrar may permit the manual delivery of such plates to the new owner of such vehicle resident of this state, the transferor shall surrender~~

the registration plates, unless otherwise provided for in this chapter, and assign the registration tax paid to the credit of the transferee.

(c) When seeking to become the owner by gift, trade, or purchase of any vehicle for which a registration certificate has been theretofore issued under the provisions of this chapter, a person shall join with the registered owner in transmitting with the application the registration certificate, with the assignment and notice of sale duly executed upon the reverse side thereof, or, in case of loss of such the certificate, with such proof of loss by sworn statement, in writing, as shall be and satisfactory to the registrar. Upon the transfer of any motor vehicle by a manufacturer or dealer, for use within the state, whether by sale, lease, or otherwise, such the manufacturer or dealer shall, within ten days after such the transfer, file with the registrar a notice or report containing the date of such transfer, a description of such the motor vehicles vehicle, and the transferee's name, street and number of residence, if in a city, and the post office address of the transferee, and shall also transmit therewith with it the transferee's application for registration thereof.

Sec. 9. Minnesota Statutes 1999 Supplement, section 168.16, is amended to read:

168.16 [REFUND; APPROPRIATION.]

After the tax upon any motor vehicle ~~shall have~~ has been paid for any year, refund ~~shall~~ must be made for errors made in computing the tax or fees and for the error on the part of an owner who may in error have registered a motor vehicle that was not before, nor at the time of registration, nor at any time thereafter during the current past year, subject to tax in this state as provided by section 168.012. Unless otherwise provided in this chapter, a claim for a refund of an overpayment of registration tax must be filed within 3-1/2 years from the date of payment. The refundment shall refund must be made from any fund in possession of the registrar and shall be deducted from the registrar's monthly report to the commissioner of finance. A detailed report of the refundment shall refund must accompany the report. The former owner of a transferred vehicle, by an assignment in writing endorsed upon the registration certificate and delivered to the registrar within the time provided herein may sell and in this subdivision, shall assign, except for vehicles registered under section 168.187, to the new owner thereof the right to have the tax paid by the former owner accredited to the owner who duly registers the vehicle. Any owner at the time of such occurrence, whose vehicle shall be is declared by an insurance company to be a total loss due to flood or tornado damage, permanently destroyed, or sold to the federal government, the state, or a political subdivision thereof of the state, shall upon filing a verified claim be entitled to a refund of the unused portion of the tax paid upon the vehicle, computed as follows:

(1) if the vehicle is registered under the calendar year system of registration, the refund is computed pro rata by the month, 1/12 of the annual tax paid for each month of the year remaining after the month in which the plates and certificate were returned to the registrar;

(2) ~~in the case of a~~ if the vehicle is registered under the monthly series system of registration, the amount of the refund is equal to the sum of the amounts of the license fee attributable to those months remaining in the licensing period after the month in which the plates and certificate were returned to the registrar.

There is hereby appropriated to the persons entitled to a refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Sec. 10. Minnesota Statutes 1998, section 168.187, subdivision 8, is amended to read:

Subd. 8. [BASE STATE RECIPROCITY.] (1) Any agreement, arrangement, or declaration made under the authority of this section may contain provisions authorizing the registration or licensing in another state of vehicles based in such the other state, which vehicles otherwise would be required to be registered or licensed in this state, except that such those provisions shall not apply to passenger cars.

(2) ~~For the purpose of this section, a vehicle shall be deemed to be based in the state where it is most frequently dispatched, garaged, serviced, maintained, operated or otherwise controlled.~~

(3) For the purpose of this section, the owner of a vehicle shall declare the state in which it is based, but the commissioner of public safety shall make the final determination of the state in which a the vehicle is based shall be made by the commissioner of public safety of this state for the purpose of determining liability for registration and other fees and penalties due this state. ~~To the extent possible, The commissioner of public safety shall be is governed, to the extent possible,~~ by the criteria specified in this section, and agreement with the administrator of any other interested state.

(4) (3) Any agreement, arrangement, or declaration made under this section may grant exemptions, benefits, and privileges for vehicles in accordance with the its terms thereof.

Sec. 11. Minnesota Statutes 1998, section 168.31, subdivision 4, is amended to read:

Subd. 4. [INSTALLMENTS.] If the tax for a vehicle assessed under section 168.013, subdivision 1c, 1d, 1e, or 1g, amounts to more than \$400, the owner may pay ~~such~~ the tax by installments. The owner shall tender with the application for registration one-third of the annual tax due or \$400, whichever is greater, plus any penalties or arrears, plus a fee of \$10. Instead of this fee, the applicant may furnish a bond, bank letter of credit, or certificate of deposit approved by the registrar of motor vehicles, for the total of the tax still due. The amount of the bond, letter of credit, or certificate of deposit may include any penalties ~~which are~~ assessed. The bond, letter of credit, or certificate of deposit shall must be for the benefit of the state for monetary loss caused by failure of the vehicle owner to pay delinquent license fees and penalties. The remainder of the tax due shall must be paid in two equal installments; the due date of the first installment shall be is the first day of the fifth month of the registration period for which the tax is assessed and the second installment shall be is due on the first day of the ninth month of the registration period for which the tax is assessed. When the applicant elects to pay the administrative fee, the registrar shall issue to the applicant distinctive validation stickers ~~for the installment paid~~. When the applicant elects to furnish a bond, bank letter, or letter of deposit, the registrar shall issue regular validation stickers for the registration year. If an owner of a vehicle fails to pay an installment on or before ~~the~~ its due date thereof, the vehicle shall must not ~~use~~ be used on the public streets or highways in this state until the installment or installments of the tax remaining due on ~~such~~ the vehicle shall have been paid in full for the licensed year together with a penalty at the rate of \$1 per day for the remainder of the month in which the balance of the tax becomes due and \$4 a month for each succeeding month or fraction thereof of a month during which the balance of the tax remains unpaid. Upon the payment of the balance of the tax and the penalties, the registrar shall issue a registration certificate to the owner of the vehicle in the manner provided by law. The registrar shall deny installment payment privileges provided in this subdivision in the subsequent year to any owner on any or all vehicles of ~~such~~ the owner who during the current year fails to pay any installment due within one month after the due date.

Sec. 12. Minnesota Statutes 1998, section 168.33, subdivision 7, is amended to read:

Subd. 7. [FILING FEE.] In addition to all other statutory fees and taxes, a filing fee of \$3.50 is imposed on every application; except that a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the department or a deputy registrar. The filing fee shall be shown as a separate item on all registration renewal notices sent out by the department of public safety. No filing fee or other fee may be charged for the permanent surrender of a certificate of title and license plates for a motor vehicle. Filing fees collected under this subdivision by the registrar must be paid into the state treasury and credited to the highway user tax distribution fund, except fees for registrations of new motor vehicles. Filing fees collected for registrations of new motor vehicles in conjunction with a title transfer or first application in this state must be paid into the state treasury with 50 percent of the money credited to the general fund and 50 percent credited to the highway user tax distribution fund.

Sec. 13. Minnesota Statutes 1998, section 168.54, subdivision 5, is amended to read:

Subd. 5. [PROCEEDS TO GENERAL FUND.] The registrar shall collect the proceeds of the fee imposed under the provisions of this section shall ~~be collected by the commissioner of public safety and paid into~~ deposit them in the general fund pursuant to section 168A.31.

Sec. 14. Minnesota Statutes 1998, section 168.54, subdivision 6, is amended to read:

Subd. 6. [BALANCE TO GENERAL FUND.] The unobligated balances in excess of \$4,000 in ~~said the transfer of ownership revolving fund as of June 30 of each fiscal year shall be canceled into~~ cancel to the general fund.

Sec. 15. Minnesota Statutes 1998, section 168A.03, is amended to read:

168A.03 [EXEMPT VEHICLES.]

~~No~~ The registrar shall not issue a certificate of title need be obtained for:

- (1) a vehicle owned by the United States, ~~unless it is registered in this state;~~
- (2) a vehicle owned by a manufacturer or dealer and held for sale, even though incidentally moved on the highway or used pursuant to section 168.27 or 168.28, or a vehicle used by a manufacturer solely for testing;
- (3) a vehicle owned by a nonresident and not required by law to be registered in this state;
- (4) a vehicle owned by a nonresident and regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;
- (5) a vehicle moved solely by animal power;
- (6) an implement of husbandry;
- (7) special mobile equipment;
- (8) a self-propelled wheelchair or invalid tricycle;
- (9) a trailer (i) having a gross weight of 4,000 pounds or less unless a secured party holds an interest in the trailer or a certificate of title was previously issued by this state or any other state or a trailer (ii) designed primarily for agricultural purposes except recreational equipment or a manufactured home, both as defined in section 168.011, subdivisions 8 and 25;
- (10) a snowmobile.

Sec. 16. Minnesota Statutes 1998, section 168A.04, subdivision 5, is amended to read:

Subd. 5. [SPECIALLY CONSTRUCTED OR RECONSTRUCTED VEHICLE.] Except as provided in subdivision 6, if the application refers to a specially constructed vehicle or a reconstructed vehicle, the application shall so state and shall contain or be accompanied by:

- (1) Any information and documents the department reasonably requires to establish the ownership of the vehicle and the existence or nonexistence and priority of security interests in it;
- (2) The certificate of a person authorized by the department that the identifying number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the department reasonably requires.

Sec. 17. Minnesota Statutes 1998, section 168A.04, is amended by adding a subdivision to read:

Subd. 6. [ASSEMBLED MOTORCYCLES.] (a) If the application refers to an assembled motorcycle, the application must so state and be accompanied by:

- (1) a manufacturer's statement or certificate of origin from a recognized motorcycle manufacturer for the frame, complete engine or engine cases, provided that if a statement or certificate of origin is submitted for engine cases it must also be accompanied by copies of original documentation for cylinder heads, cylinders, flywheels, and piston and rod assemblies; and

(2) vendor receipts or copies of the receipts from suppliers on the transmission assembly, engine assembly, fork assembly, and front and rear wheel assemblies. If the applicant is a motorcycle assembler, the applicant must also provide copies of original vendor receipts for the assemblies listed in this clause.

(b) An assembled motorcycle for which the documentation required under paragraph (a), clauses (1) and (2), has been submitted is not subject to the filing requirement of section 168A.07, subdivision 1, clause (2).

Sec. 18. Minnesota Statutes 1998, section 168A.06, is amended to read:

168A.06 [DELIVERY OF CERTIFICATE.]

The certificate of title ~~shall~~ must be ~~mailed~~ delivered to the owner named in it. Secured parties, if any, ~~shall~~ must be mailed notification of their security interest filed.

Sec. 19. Minnesota Statutes 1998, section 168A.13, is amended to read:

168A.13 [FEE ACCOMPANIES APPLICATION; DELIVERY OF REGISTRATION CARD AND PLATES.]

Subdivision 1. [FEE ACCOMPANIES APPLICATION FOR CERTIFICATE.] An application for a certificate of title ~~shall~~ must be accompanied by the required fee ~~fees~~ when mailed or delivered to the department.

Subd. 2. [FEE ACCOMPANIES APPLICATION FOR NAMING SECURED PARTY.] An application for the naming of a secured party or the party's assignee on a certificate of title ~~shall~~ must be accompanied by the required fee ~~fees~~ when mailed or delivered to the department.

Subd. 3. [DELIVERY OF REGISTRATION CARD AND PLATES.] A transferor of a vehicle, other than a dealer transferring a new vehicle, shall deliver to the transferee at the time of the delivery of possession of the vehicle the registration card and license plates for the vehicle.

Sec. 20. Minnesota Statutes 1998, section 168A.14, is amended to read:

168A.14 [NEW CERTIFICATES ISSUED, OLD CERTIFICATES SURRENDERED.]

Subdivision 1. [NEW CERTIFICATE AFTER ASSIGNMENT.] The department, upon receipt of a properly assigned certificate of title, with an application for a new certificate of title, the required fees and taxes, and any other documents required by law, shall issue a new certificate of title in the name of the transferee as owner and list any secured party named on it and ~~mail~~ deliver it to the owner. The secured party or parties ~~shall~~ must be issued a notification that the security interest has been filed.

Subd. 1a. [NEW CERTIFICATE AFTER SECURITY INTEREST FILED.] The department, upon receipt of an affidavit as provided in section 524.3-1201(a), an application for a new certificate of title, and any required fee, shall issue a new certificate of title in the name of the successor as owner, listing any secured party on it. The department shall ~~mail~~ deliver the certificate to the successor and shall issue any secured party a notification that the security interest has been filed.

Subd. 2. [NEW CERTIFICATE AFTER NONVOLUNTARY TRANSFER.] The department, upon receipt of an application for a new certificate of title by a transferee other than by voluntary transfer, with proof of the transfer, the required fees and taxes, and any other documents required by law, shall issue a new certificate of title in the name of the transferee as owner. ~~If the outstanding certificate of title is not delivered to it, the department shall make demand therefor from the holder thereof.~~

Subd. 3. [SURRENDERED CERTIFICATE.] The department shall file and retain for seven years every surrendered certificate of title, the file to be maintained so as to permit the tracing of title of the vehicle designated therein.

Sec. 21. Minnesota Statutes 1998, section 168A.31, subdivision 1, is amended to read:

Subdivision 1. [PAID TO GENERAL FUND.] All fees prescribed by sections 168A.01 to 168A.31 and 168.54 collected by the department shall must be paid into the general fund.

Sec. 22. Minnesota Statutes 1998, section 169.122, subdivision 1, is amended to read:

Subdivision 1. [ACT PROHIBITED.] No person shall drink or consume ~~intoxicating liquors an~~ alcoholic beverage, distilled spirit, or 3.2 percent malt liquors liquor in any motor vehicle when sueh the vehicle is upon a public highway.

Sec. 23. Minnesota Statutes 1998, section 169.122, subdivision 2, is amended to read:

Subd. 2. [POSSESSION PROHIBITED.] (a) No person shall have in possession while in a private motor vehicle upon a public highway, any bottle or receptacle containing ~~intoxicating liquor an~~ alcoholic beverage, distilled spirit, or 3.2 percent malt liquor which that has been opened, or the seal broken, or the contents of which have been partially removed.

(b) For purposes of this section, "possession" means either that the person had actual possession of the bottle or receptacle or that the person consciously exercised dominion and control over the bottle or receptacle. This subdivision does not apply to a bottle or receptacle that is in the trunk of the vehicle if it is equipped with a trunk, or that is in another area of the vehicle not normally occupied by the driver and passengers if the vehicle is not equipped with a trunk.

Sec. 24. Minnesota Statutes 1998, section 169.122, subdivision 3, is amended to read:

Subd. 3. [LIABILITY OF NONPRESENT OWNER.] (a) ~~It shall be is~~ is unlawful for the owner of any private motor vehicle or the driver, if the owner ~~be is~~ is not then present in the motor vehicle, to keep or allow to be kept in a motor vehicle when sueh the vehicle is upon the public highway any bottle or receptacle containing ~~intoxicating liquors an~~ alcoholic beverage, distilled spirit, or 3.2 percent malt liquors which liquor that has been opened, or the seal broken, or the contents of which have been partially removed ~~except when sueh~~.

(b) This subdivision does not apply to a bottle or receptacle ~~shall be kept~~ that is in the trunk of the motor vehicle when sueh the vehicle is equipped with a trunk, or ~~kept that is~~ in some other area of the vehicle not normally occupied by the driver or passengers, if the motor vehicle is not equipped with a trunk.

(c) A utility compartment or glove compartment ~~shall be is~~ is deemed to be within the area occupied by the driver and passengers.

Sec. 25. Minnesota Statutes 1998, section 169.443, subdivision 3, is amended to read:

Subd. 3. [WHEN SIGNALS NOT USED.] School bus drivers shall not activate the prewarning flashing amber signals or flashing red signals and shall not use the stop arm signal:

(1) in special school bus loading areas where the bus is entirely off the traveled portion of the roadway and where no other motor vehicle traffic is moving or is likely to be moving within 20 feet of the bus;

(2) when directed not to do so, in writing, by the local school board;

(3) when a school bus is being used on a street or highway for purposes other than the actual transportation of school children to or from school or a school-approved activity, except as provided in subdivision 8;

(4) at railroad grade crossings; and

(5) when loading and unloading people at designated school bus stops where people are not required to cross the street or highway, while the bus is completely off the traveled portion of a separated, one-way roadway that has adequate shoulders. The driver shall drive the bus completely off the traveled portion of this roadway before loading or unloading people. A school bus stop is

designated under this clause if the transportation director of the school district in which the bus stop is located, in consultation with the road authority, certifies the integrity of the shoulder and the safety of the location for loading and unloading people. Each designated school bus stop must be documented and approved by the school board.

Sec. 26. Minnesota Statutes 1998, section 169.68, is amended to read:

169.68 [HORN, SIREN.]

(a) Every motor vehicle when operated upon a highway ~~shall~~ must be equipped with a horn in good working order and capable of emitting sound audible under normal conditions from a distance of not less than 200 feet, ~~but no~~. However, the horn or other warning device ~~shall~~ must not emit an unreasonably loud or harsh sound or a whistle. The driver of a motor vehicle shall, when reasonably necessary to insure safe operation, give audible warning with the horn, but shall not otherwise use ~~such~~ the horn when upon a highway.

~~No~~ (b) A vehicle ~~shall~~ must not be equipped with, ~~nor shall any~~ and a person ~~shall~~ shall not use upon a vehicle, any siren, whistle, or bell, except as otherwise permitted in this section.

(c) It is permissible, but not required, ~~that~~ for any commercial vehicle to be equipped with a theft alarm signal device ~~which is~~, so arranged that it cannot be used by the driver as an ordinary warning signal.

(d) All authorized emergency vehicles ~~shall~~ must be equipped with a siren capable of emitting sound audible under normal conditions from a distance of not less than 500 feet and of a type ~~approved by the department of public safety, but such~~ conforming to the federal certification standards for sirens, as determined by the General Services Administration. However, the siren ~~shall~~ must not be used except when ~~such~~ the vehicle is operated in response to an emergency call or in the immediate pursuit of an actual or suspected violator of the law, in which latter events the driver of ~~such~~ the vehicle shall sound the siren when necessary to warn pedestrians and other drivers of the vehicle's approach thereof.

Sec. 27. Minnesota Statutes 1998, section 169.781, subdivision 3, is amended to read:

Subd. 3. [INSPECTOR CERTIFICATION; SUSPENSION AND REVOCATION; HEARING.] (a) An inspection required by this section may be performed only by:

(1) an employee of the department of public safety or transportation who has been certified by the commissioner after having received training provided by the state patrol; or

(2) another person who has been certified by the commissioner after having received training provided by the state patrol or other training approved by the commissioner.

(b) A person who is not an employee of the department of public safety or transportation may be certified by the commissioner if the person is: (1) an owner, or employee of the owner, of one or more commercial motor vehicles that are power units; (2) a dealer licensed under section 168.27 and engaged in the business of buying and selling commercial motor vehicles, or an employee of the dealer; or (3) engaged in the business of repairing and servicing commercial motor vehicles. Certification of persons described in clauses (1) to (3) is effective for two years from the date of certification. The commissioner may require biennial retraining of persons holding a certificate under this paragraph as a condition of renewal of the certificate. The commissioner may charge a fee of not more than \$10 for each certificate issued and renewed. A certified person described in clauses (1) to (3) may charge a reasonable fee ~~of not more than \$50~~ for each inspection of a vehicle not owned by the person or the person's employer.

(c) Except as otherwise provided in subdivision 5, the standards adopted by the commissioner for commercial motor vehicle inspections under sections 169.781 to 169.783 shall be the standards prescribed in Code of Federal Regulations, title 49, section 396.17, and in chapter III, subchapter B, appendix G. The commissioner may classify types of vehicles for inspection purposes and may issue separate classes of inspector certificates for each class.

The commissioner shall issue separate categories of inspector certificates based on the following classifications:

(1) a class of certificate that authorizes the certificate holder to inspect commercial motor vehicles without regard to ownership or lease; and

(2) a class of certificate that authorizes the certificate holder to inspect only commercial motor vehicles the certificate holder owns or leases.

The commissioner shall issue a certificate described in clause (1) only to a person described in paragraph (b), clause (2) or (3).

(d) The commissioner, after notice and an opportunity for a hearing, may suspend a certificate issued under paragraph (b) for failure to meet annual certification requirements prescribed by the commissioner or failure to inspect commercial motor vehicles in accordance with inspection procedures established by the state patrol. The commissioner shall revoke a certificate issued under paragraph (b) if the commissioner determines after notice and an opportunity for a hearing that the certified person issued an inspection decal for a commercial motor vehicle when the person knew or reasonably should have known that the vehicle was in such a state of repair that it would have been declared out of service if inspected by an employee of the state patrol. Suspension and revocation of certificates under this subdivision are not subject to sections 14.57 to 14.69.

Sec. 28. Minnesota Statutes 1998, section 171.20, subdivision 4, is amended to read:

Subd. 4. [REINSTATEMENT FEE.] Before the license is reinstated, a person whose driver's license has been suspended under section 171.16, subdivision 2; 171.18, except subdivision 1, clause (10); or 171.182, or who has been disqualified from holding a commercial driver's license under section 171.165, must pay a fee of ~~\$25 until June 30, 1999, and \$20 thereafter.~~ When fees are collected by a ~~county-operated office of deputy registrar licensing agent appointed under section 171.061,~~ a handling charge is imposed in the amount specified under section ~~168.33~~ 171.061, subdivision 7.4. ~~The handling charge must be deposited in the treasury of the place for which the deputy registrar was appointed and the reinstatement fee and surcharge must be deposited in an approved state depository as directed under section 168.33~~ 171.061, subdivision 2.4. A suspension may be rescinded without fee for good cause.

Sec. 29. Minnesota Statutes 1999 Supplement, section 171.29, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) When these fees are collected by a ~~county-operated office of deputy registrar~~ licensing agent, appointed under section 171.061, a handling charge is imposed in the amount specified under section ~~468.33~~ 171.061, subdivision 7 4. ~~The handling charge must be deposited in the treasury of the place for which the deputy registrar was appointed and the reinstatement fees and surcharge must be deposited in an approved state depository as directed under section 468.33 171.061, subdivision 2 4.~~

Sec. 30. Minnesota Statutes 1998, section 325E.15, is amended to read:

325E.15 [TRANSFER OF MOTOR VEHICLE; MILEAGE DISCLOSURE.]

No person shall transfer a motor vehicle without disclosing in writing to the transferee the true mileage registered on the odometer reading or that the actual mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. ~~The registrar of motor vehicles shall adopt, pursuant to the Administrative Procedure Act, rules not inconsistent with sections 325E.13 to 325E.16 or regulations contained in Code of Federal Regulations, title 49, sections 580.1 to 580.17, as amended through October 1, 1998, implementing Title IV of the Federal Motor Vehicle Information and Cost Savings Act or any rules promulgated thereunder prescribing~~ prescribe the manner in which such written disclosure shall must be made in this state and are adopted by reference. No transferor shall violate any rules regulations adopted under this section or knowingly give a false statement to a transferee in making any disclosure required by such rules the regulations.

Sec. 31. Laws 1995, chapter 264, article 2, section 44, as amended by Laws 1996, chapter 471, article 2, section 27, and Laws 1998, chapter 389, article 8, section 33, is amended to read:

Sec. 44. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Sections 3 and 4 are effective June 1, 1995. ~~Section 4 is repealed June 1, 2000.~~

Sections 5 to 21 and 43, paragraph (a), are effective July 1, 1995.

Sections 23, 28, 33, 40, 42, and the part of section 22 amending language in paragraph (i), clause (vii), are effective the day following final enactment.

Sections 24 and 34 are effective for sales made after December 31, 1996.

Section 25 is effective beginning with leases or rentals made after June 30, 1995.

Section 26 is effective retroactively for sales after May 31, 1992.

Section 27 is effective for sales made after June 30, 1995.

Section 29 and the part of section 22 striking the language after paragraph (h) are effective for sales after June 30, 1995.

Section 32 is effective for sales made after June 30, 1995, and before July 1, 1999.

Sections 35 and 36 are effective for sales or transfers made after June 30, 1995.

Section 38 is effective the day after the governing body of the city of Winona complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 39 is effective upon compliance by the Minneapolis city council with Minnesota Statutes, section 645.021, subdivision 3.

Section 43, paragraph (b), is effective for sales of 900 information services made after June 30, 1995.

Sec. 32. [REPEALER.]

Minnesota Statutes 1998, section 168.1292, is repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 22 to 24 are effective the day following final enactment, for offenses committed after final enactment. Sections 16, 17, 27, and 31 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to motor vehicles; modifying vehicle registration and titling provisions; modifying interstate commercial vehicle registration provisions to conform to interstate registration plan; conforming state open bottle law to federal law; allowing exception to requirement of school bus drivers to activate school bus stop signals; adopting federal odometer regulations; modifying provisions to conform to federal standards for emergency vehicle siren; modifying fee provisions; making technical and clarifying changes; amending Minnesota Statutes 1998, sections 168.012, subdivision 7; 168.017, subdivision 3; 168.09, subdivision 6; 168.1235, subdivisions 1 and 4; 168.1291; 168.13; 168.187, subdivision 8; 168.31, subdivision 4; 168.33, subdivision 7; 168.54, subdivisions 5 and 6; 168A.03; 168A.04, subdivision 5, and by adding a subdivision; 168A.06; 168A.13; 168A.14; 168A.31, subdivision 1; 169.122, subdivisions 1, 2, and 3; 169.443, subdivision 3; 169.68; 169.781, subdivision 3; 171.20, subdivision 4; and 325E.15; Minnesota Statutes 1999 Supplement, sections 168.15, subdivision 1; 168.16; and 171.29, subdivision 2; Laws 1995, chapter 264, article 2, section 44, as amended; repealing Minnesota Statutes 1998, section 168.1292."

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

Senate Conferees: (Signed) Dave Kleis, Randy C. Kelly, Mark Ourada

House Conferees: (Signed) Tom Workman, Mark William Holsten, Henry J. Kalis

Senator Kleis moved that the foregoing recommendations and Conference Committee Report on S.F. No. 3023 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 3023 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2484 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2484

A bill for an act relating to traffic regulations; requiring vehicles to be driven in the right-hand lane unless overtaking slower vehicles; modifying school zone speed limit provisions; amending Minnesota Statutes 1998, sections 169.14, subdivisions 4 and 5a; and 169.18, subdivision 7.

April 11, 2000

The Honorable Allan H. Spear
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2484, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2484 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 169.18, subdivision 7, is amended to read:

Subd. 7. [LANED HIGHWAY.] When any roadway has been divided into two or more clearly marked lanes for traffic, the following rules, in addition to all others consistent herewith, shall apply:

(a) A vehicle shall be driven as nearly as practicable entirely within a single lane and shall not be moved from such lane until the driver has first ascertained that such movement can be made with safety.

(b) Upon a roadway which is not a one-way roadway and which is divided into three lanes, a vehicle shall not be driven in the center lane except when overtaking and passing another vehicle where the roadway is clearly visible and such center lane is clear of traffic within a safe distance, or in preparation for a left turn or where such center lane is at the time allocated exclusively to traffic moving in the direction the vehicle is proceeding, and is signposted to give notice of such allocation. The left lane of a three-lane roadway which is not a one-way roadway shall not be used for overtaking and passing another vehicle.

(c) Official signs may be erected directing slow-moving traffic to use a designated lane or allocating specified lanes to traffic moving in the same direction, and drivers of vehicles shall obey the directions of every such sign.

(d) Whenever a bicycle lane has been established on a roadway, any person operating a motor vehicle on such roadway shall not drive in the bicycle lane except to park where parking is permitted, to enter or leave the highway, or to prepare for a turn as provided in section 169.19, subdivision 1.

(e) To the extent it is practicable, a vehicle shall be driven in the right-hand lane. At approximately every 50 miles on interstate highways, the commissioner shall erect appropriate signs that must read "MOVE TO THE RIGHT AFTER PASSING."

Delete the title and insert:

"A bill for an act relating to traffic regulations; requiring vehicles to be driven in the right-hand lane to the extent practicable; amending Minnesota Statutes 1998, section 169.18, subdivision 7."

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

Senate Conferees: (Signed) Dick Day, Dallas C. Sams, Jane Krentz

House Conferees: (Signed) David J. Tomassoni, Tom Workman, Carol L. Molnau

Senator Day moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2484 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2484 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 15, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.H.	Larson	Olson	Solon
Berg	Johnson, D.J.	Lesewski	Ourada	Spear
Betzold	Kelley, S.P.	Lessard	Pappas	Stevens
Day	Kierlin	Limmer	Pariseau	Stumpf
Dille	Kinkel	Lourey	Pogemiller	Terwilliger
Fischbach	Kiscaden	Metzen	Ranum	Wiener
Frederickson	Kleis	Moe, R.D.	Robertson	Ziegler
Higgins	Knutson	Murphy	Runbeck	
Hottinger	Krentz	Neuville	Sams	
Janezich	Laidig	Novak	Samuelson	
Johnson, D.E.	Langseth	Oliver	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Kelly, R.C.	Price	Scheid
Berglin	Foley	Marty	Ring	Vickerman
Cohen	Hanson	Piper	Robling	Wiger

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 3839 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 3839: A bill for an act relating to health; modifying provisions for speech-language pathologists, audiologists, unlicensed mental health practitioners, alcohol and drug counselors, and hearing instrument dispensers; requiring a study; extending a board; amending Minnesota Statutes 1998, sections 148.512, subdivision 5; 148.515, subdivision 3; 148.517, by adding a subdivision; 148.518, subdivision 2; 148.5193, subdivisions 1, 2, 4, 6, and by adding a subdivision; 148.5196, subdivision 3; 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, subdivisions 1 and 2; 148C.09, subdivisions 1 and 1a; 148C.10, by adding a subdivision; 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; Laws 99, chapter 223, article 2, section 81, as amended; repealing Minnesota Statutes 1998, sections 148.5193, subdivisions 3 and 5; and 148C.04, subdivision 5.

Senator Kleis moved to amend H.F. No. 3839, as amended pursuant to Rule 49, adopted by the Senate April 10, 2000, as follows:

(The text of the amended House File is identical to S.F. No. 2474.)

Page 26, after line 26, insert:

"Sec. 24. Minnesota Statutes 1998, section 148C.10, is amended by adding a subdivision to read:

Subd. 1a. [PRACTICE ALLOWED; CERTAIN INDIVIDUALS.] (a) Notwithstanding subdivision 1, individuals may engage in alcohol and drug counseling practice only until the commissioner issues a license or denies the license application, whichever occurs sooner, provided the individual satisfies the following:

- (1) employed as an alcohol and drug counselor before January 28, 2000;
- (2) under supervision of an alcohol and drug counselor who is licensed under this chapter or employed in a program licensed by the department of human services;
- (3) has not applied and been rejected or denied a license by the commissioner on any grounds under this chapter, other than failure to satisfy examination requirements, or on the basis of an investigation under chapter 148B; and
- (4) made application to the commissioner for a license as an alcohol and drug counselor before January 28, 2000; or
- (5) made application to the administrator of the exam or exams required by the commissioner before January 28, 2000, passes the examinations before January 28, 2001, and within 60 calendar days of passing the examinations makes application to the commissioner for a license under this chapter.

(b) As used in this subdivision, supervision means monitoring activities of and accepting legal liability for the individual practicing without a license.

(c) Practice allowed under this subdivision creates no rights or expectations of approval from the commissioner for licensing as an alcohol and drug counselor. The commissioner may suspend or restrict practice under this subdivision as authorized under section 148C.09."

Page 34, after line 31, insert:

"Sec. 38. [EFFECTIVE DATE.]

Section 24 is effective the day following final enactment."

Reorder the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Samuelson moved to amend H.F. No. 3839, as amended pursuant to Rule 49, adopted by the Senate April 10, 2000, as follows:

(The text of the amended House File is identical to S.F. No. 2474.)

Page 20, after line 35, insert:

"Sec. 19. Minnesota Statutes 1998, section 148C.04, subdivision 3, is amended to read:

Subd. 3. [LICENSING REQUIREMENTS FOR THE FIRST FIVE YEARS.] For five years after the effective date of the rules authorized in section 148C.03, the applicant, unless qualified under section 148C.06 during the ~~two-year~~ 25-month period authorized therein, under section 148C.07, or under subdivision 4, must furnish evidence satisfactory to the commissioner that the applicant has met all the requirements in clauses (1) to (3). The applicant must have:

(1) received an associate degree, or an equivalent number of credit hours, and a certificate in alcohol and drug counseling including 270 clock hours of alcohol and drug counseling classroom education from an accredited school or educational program and 880 clock hours of alcohol and drug counseling practicum;

(2) completed a written case presentation and satisfactorily passed an oral examination that demonstrates competence in the core functions; and

(3) satisfactorily passed a written examination as established by the commissioner."

Page 22, line 17, strike "two years" and insert "25 months"

Page 34, after line 31, insert:

"Sec. 38. [EFFECTIVE DATE.]

Section 19 is effective the day following final enactment."

Reorder the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Sams moved to amend H.F. No. 3839, as amended pursuant to Rule 49, adopted by the Senate April 10, 2000, as follows:

(The text of the amended House File is identical to S.F. No. 2474.)

Page 1, after line 21, insert:

"Section 1. 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. 2. 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. 3. 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 waivered 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. 4. 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 suppliers, and other health care providers such as home health intravenous therapy providers, personal care attendants, day activity centers, ~~waivered services, hospice, and other home health services,~~ and freestanding ambulatory surgical centers.

Sec. 5. 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. 6. [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 United States Code, title 42, sections 1320d to 1320d-8, and as amended 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. The commissioner and the administrative uniformity committee must consult with the Minnesota Dental Association and Delta Dental Plan of Minnesota before requiring under this section the use of a paper document

for the uniform explanation of benefits document or the uniform remittance advice report for dental care services.

Subd. 5. [EFFECTIVE DATE.] The requirements in subdivisions 1 and 2 are effective 12 months after the date of required compliance with the standards for the electronic remittance advice transaction under United States Code, title 42, sections 1320d to 1320d-8, and as amended 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. 7. 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."

Reorder the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Kiscaden moved to amend H.F. No. 3839, as amended pursuant to Rule 49, adopted by the Senate April 10, 2000, as follows:

(The text of the amended House File is identical to S.F. No. 2474.)

Page 1, after line 21, insert:

"Section 1. Minnesota Statutes 1998, section 148.512, subdivision 5, is amended to read:

Subd. 5. [APPROVED CONTINUING EDUCATION SPONSOR.] "~~Approved~~ Continuing education sponsor" means an organization that offers a learning experience designed to promote continuing competency in the procedures and techniques of the practice of speech-language pathology or audiology and ~~that meets whose activities meet the criteria in section 148.5193, subdivision 3, or is a preapproved sponsor listed in section 148.5193, subdivision 2.~~"

Page 8, after line 18, insert:

"Sec. 10. Minnesota Statutes 1998, section 148.5196, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The advisory council shall:

(1) advise the commissioner regarding speech-language pathologist and audiologist registration standards;

(2) advise the commissioner on enforcement of sections 148.511 to 148.5196;

(3) provide for distribution of information regarding speech-language pathologist and audiologist registration standards;

(4) review applications and make recommendations to the commissioner on granting or denying registration or registration renewal;

(5) review reports of investigations relating to individuals and make recommendations to the commissioner as to whether registration should be denied or disciplinary action taken against the individual;

(6) advise the commissioner regarding approval of continuing education activities provided by sponsors using the criteria in section 148.5193, subdivision 3 2; and

(7) perform other duties authorized for advisory councils under chapter 214, or as directed by the commissioner."

Page 23, after line 23, insert:

"Sec. 24. Minnesota Statutes 1998, section 148C.06, subdivision 2, is amended to read:

Subd. 2. [DOCUMENTATION OF STATUS; CERTAIN APPLICANTS.] (a) A licensure applications applicant under subdivision 1, paragraphs (a) and (c), may document certified status by submitting to the commissioner an original and current certificate issued by an international certification and reciprocity consortium board in this or another jurisdiction.

(b) A licensure applicant under subdivision 1, paragraphs (b) and (c), must be deemed eligible for licensure within the transition period provided the applicant:

(1) made the application to the administrator of the exam or exams required by the commissioner before January 28, 2000;

(2) passed the required examinations before January 28, 2001; and

(3) meets all other requirements for licensure under this section."

Page 34, after line 31, insert:

"Sec. 39. [EFFECTIVE DATE.]

Sections 1 to 38 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Ring moved to amend H.F. No. 3839, as amended pursuant to Rule 49, adopted by the Senate April 10, 2000, as follows:

(The text of the amended House File is identical to S.F. No. 2474.)

Page 1, after line 21, insert:

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

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

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

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

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

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

Subd. 4. [COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTICES.] (a) "Complementary and alternative health care practices" means the broad domain of complementary and alternative healing methods and treatments, including but not limited to: (1) acupressure; (2) anthroposophy; (3) aroma therapy; (4) ayurveda; (5) cranial sacral therapy; (6) culturally traditional healing practices; (7) detoxification practices and therapies; (8) energetic healing; (9)

polarity therapy; (10) folk practices; (11) healing practices utilizing food, food supplements, nutrients, and the physical forces of heat, cold, water, touch, and light; (12) Gerson therapy and colostrum therapy; (13) healing touch; (14) herbology or herbalism; (15) homeopathy; (16) nondiagnostic iridology; (17) body work, massage, and massage therapy; (18) meditation; (19) mind-body healing practices; (20) naturopathy; (21) noninvasive instrumentalities; and (22) traditional Oriental practices, such as Qi Gong energy healing.

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

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

(d) This chapter does not apply to, control, prevent, or restrict the practice, service, or activity of lawfully marketing or distributing food products, including dietary supplements as defined in the federal Dietary Supplement Health and Education Act, educating customers about such products, or explaining the uses of such products. Under Minnesota law, an unlicensed complementary and alternative health care practitioner may not provide a medical diagnosis or recommend discontinuance of medically prescribed treatments.

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

Subd. 6. [UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTITIONER.] (a) "Unlicensed complementary and alternative health care practitioner" means a person who:

(1) is not licensed or registered by a health-related licensing board or the commissioner of health, or does not hold oneself out to the public as licensed or registered by a health-related licensing board or the commissioner of health; or

(2) is licensed or registered by the commissioner of health or a health-related licensing board other than the board of medical practice, the board of dentistry, the board of chiropractic examiners, or the board of podiatric medicine, but does not hold oneself out to the public as being licensed or registered by the commissioner or a health-related licensing board when engaging in complementary and alternative health care; and

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

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

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

(b) A health care practitioner licensed or registered by the commissioner or a health-related licensing board, who engages in complementary and alternative health care while practicing under the practitioner's license or registration, shall be regulated by and be under the jurisdiction of the applicable health-related licensing board with regard to the complementary and alternative health care practices.

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

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

Subd. 2. [RULEMAKING.] The commissioner shall adopt rules necessary to implement, administer, or enforce provisions of this chapter pursuant to chapter 14.

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

Nothing in this chapter shall restrict the ability of a local welfare agency, local law enforcement agency, the commissioner of human services, or the state to take action regarding the maltreatment of minors under section 609.378 or 626.556. A parent who obtains complementary and alternative health care for the parent's minor child is not relieved of the duty to seek necessary medical care consistent with the requirements of sections 609.378 and 626.556. A complementary or alternative health care practitioner who is providing services to a child who is not receiving necessary medical care must make a report under section 626.556. A complementary or alternative health care provider is a mandated reporter under section 626.556, subdivision 3.

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

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

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

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

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

successfully counsels the other practitioner to limit or withdraw from practice to the extent required by the impairment, the office may deem this limitation of or withdrawal from practice to be sufficient disciplinary action.

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

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

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

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

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

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

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

Subdivision 1. [REPORTING.] Any person, other than the unlicensed complementary and alternative health care practitioner who committed the violation, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting a report to the

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

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

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

Upon judicial review of any disciplinary action taken by the commissioner under this chapter, the reviewing court shall seal the portions of the administrative record that contain data on a complementary and alternative health care client or a complainant under section 146A.03, and shall not make those portions of the administrative record available to the public.

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

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

Subd. 2. [DATA.] (a) Data relating to investigations of complaints and disciplinary actions involving unlicensed complementary and alternative health care practitioners are governed by this subdivision and section 13.41 does not apply. Except as provided in section 13.39, subdivision 2, and paragraph (b), data relating to investigations of complaints and disciplinary actions involving unlicensed complementary and alternative health care practitioners are public data, regardless of the outcome of any investigation, action, or proceeding.

(b) The following data are private data on individuals, as defined in section 13.02:

(1) data on a complementary and alternative health care client;

(2) data on a complainant under section 146A.03; and

(3) data on the nature or content of unsubstantiated complaints when the information is not maintained in anticipation of legal action.

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

(1) exchanging information with state boards; agencies, including the office of ombudsman for

mental health and mental retardation; health-related and law enforcement facilities; departments responsible for licensing health-related occupations, facilities, and programs; and law enforcement personnel in this and other states; and

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

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

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

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

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

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

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

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

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

(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 engaging in complementary and alternative health care practices. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony, gross misdemeanor, or misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.

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

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

(d) Engaging in sexual contact with a complementary and alternative health care client or former client, engaging in contact that may be reasonably interpreted by a client as sexual,

engaging in any verbal behavior that is seductive or sexually demeaning to the patient, or engaging in sexual exploitation of a client or former client. For purposes of this clause, "former client" means a person who has obtained services from the unlicensed complementary and alternative health care practitioner within the past two years.

(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 complementary and alternative health care client; or any other practice that may create 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 engage in complementary and alternative health care practices with reasonable safety to complementary and alternative health care 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 complementary and alternative health care client except when otherwise required or permitted by law.

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

(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 complementary and alternative health care 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 146A.03 or cooperate with an investigation of the office.

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

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

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

(s) Violating any order issued by the commissioner.

(t) Failure to comply with any provision of sections 146A.01 to 146A.11 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 any

health care license, certificate, registration, or right to practice of the unlicensed complementary and alternative health care practitioner in this or another state or jurisdiction for offenses that would be subject to disciplinary action in this state or failure to report to the office that charges regarding the practitioner's license, certificate, registration, or right of practice have been brought in this or another state or jurisdiction.

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

(x) Failure to provide a complementary and alternative health care client with a recommendation that the client see a health care provider who is licensed or registered by a health-related licensing board or the commissioner of health, if there is a reasonable likelihood that the client needs to be seen by a licensed or registered health care provider.

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

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

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

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

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

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

(1) revoke the right to practice;

(2) suspend the right to practice;

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

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

(5) censure or reprimand the practitioner;

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

(7) any other action justified by the case.

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

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

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

Subd. 4. [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the commissioner may, acting through a person to whom the commissioner has delegated this authority and without a hearing, temporarily suspend the right of an unlicensed complementary and alternative health care practitioner to practice if the commissioner's delegate finds that the practitioner has violated a statute or rule that the commissioner is empowered to enforce and continued practice by the practitioner would create a serious risk of harm to others. The suspension is in effect upon service of a written order on the practitioner specifying the statute or

rule violated. The order remains in effect until the commissioner issues a final order in the matter after a hearing or upon agreement between the commissioner and the practitioner. Service of the order is effective if the order is served on the practitioner or counsel of record personally or by first class mail. Within ten days of service of the order, the commissioner shall hold a hearing on the sole issue of whether there is a reasonable basis to continue, modify, or lift the suspension. Evidence presented by the office or practitioner shall be in affidavit form only. The practitioner or the counsel of record may appear for oral argument. Within five working days after the hearing, the commissioner shall issue the commissioner's order and, if the suspension is continued, schedule a contested case hearing within 45 days after issuance of the order. The administrative law judge shall issue a report within 30 days after closing of the contested case hearing record. The commissioner shall issue a final order within 30 days after receipt of that report.

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

Subd. 6. [LICENSED OR REGULATED PRACTITIONERS.] If a practitioner investigated under this section is licensed or registered by the commissioner of health or a health-related licensing board, and if the commissioner determines that the practitioner has violated any provision of this chapter, the commissioner, in addition to taking disciplinary action under this section:

(1) may, if the practitioner is licensed or regulated in another capacity by the commissioner, take further disciplinary action against the practitioner in that capacity; or

(2) shall, if the practitioner is licensed or registered in another capacity by a health-related licensing board, report the commissioner's findings under this section, and may make a nonbinding recommendation that the board take further action against the practitioner in that capacity.

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

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

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

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

(d) In the event of noncompliance with a cease and desist order, the commissioner may institute a proceeding in Hennepin county district court to obtain injunctive relief or other appropriate

relief, including a civil penalty payable to the office not exceeding \$10,000 for each separate violation.

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

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

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

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

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

(2) the degrees, training, experience, or other qualifications of the practitioner regarding the complimentary and alternative health care being provided, followed by the following statement in bold print:

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

Under Minnesota law, an unlicensed complementary and alternative health care practitioner may not provide a medical diagnosis or recommend discontinuance of medically prescribed treatments. If a client desires a diagnosis from a licensed physician, chiropractor, or acupuncture practitioner, or services from a physician, chiropractor, nurse, osteopath, physical therapist, dietitian, nutritionist, acupuncture practitioner, athletic trainer, or any other type of health care provider, the client may seek such services at any time.";

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

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

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

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

- (7) a statement that the client has a right to reasonable notice of changes in services or charges;
- (8) a brief summary, in plain language, of the theoretical approach used by the practitioner in providing services to clients;
- (9) notice that the client has a right to complete and current information concerning the practitioner's assessment and recommended service that is to be provided, including the expected duration of the service to be provided;
- (10) a statement that clients may expect courteous treatment and to be free from verbal, physical, or sexual abuse by the practitioner;
- (11) a statement that client records and transactions with the practitioner are confidential, unless release of these records is authorized in writing by the client, or otherwise provided by law;
- (12) a statement of the client's right to be allowed access to records and written information from records in accordance with section 144.335;
- (13) a statement that other services may be available in the community, including where information concerning services is available;
- (14) a statement that the client has the right to choose freely among available practitioners and to change practitioners after services have begun, within the limits of health insurance, medical assistance, or other health programs;
- (15) a statement that the client has a right to coordinated transfer when there will be a change in the provider of services;
- (16) a statement that the client may refuse services or treatment, unless otherwise provided by law; and
- (17) a statement that the client may assert the client's rights without retaliation.

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

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

147.09 [EXEMPTIONS.]

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

- (1) A person who is a commissioned medical officer of, a member of, or employed by, the armed forces of the United States, the United States Public Health Service, the Veterans Administration, any federal institution or any federal agency while engaged in the performance of official duties within this state, if the person is licensed elsewhere.
- (2) A licensed physician from a state or country who is in actual consultation here.
- (3) A licensed or registered physician who treats the physician's home state patients or other participating patients while the physicians and those patients are participating together in outdoor recreation in this state as defined by section 86A.03, subdivision 3. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to promulgate the contents of that form by rule. No fee shall be charged for this registration.
- (4) A student practicing under the direct supervision of a preceptor while the student is enrolled in and regularly attending a recognized medical school.
- (5) A student who is in continuing training and performing the duties of an intern or resident or engaged in postgraduate work considered by the board to be the equivalent of an internship or

residency in any hospital or institution approved for training by the board, provided the student has a residency permit issued by the board under section 147.0391.

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

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

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

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

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

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

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

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

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

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

Page 34, after line 28, insert:

"Sec. 50. Minnesota Statutes 1999 Supplement, section 214.01, subdivision 2, is amended to read:

Subd. 2. [HEALTH-RELATED LICENSING BOARD.] "Health-related licensing board" means the board of examiners of nursing home administrators established pursuant to section 144A.19, the office of unlicensed complementary and alternative health care practice established pursuant to section 146A.02, the board of medical practice created pursuant to section 147.01, the board of nursing created pursuant to section 148.181, the board of chiropractic examiners established pursuant to section 148.02, the board of optometry established pursuant to section

148.52, the board of physical therapy established pursuant to section 148.67, the board of psychology established pursuant to section 148.90, the board of social work pursuant to section 148B.19, the board of marriage and family therapy pursuant to section 148B.30, the office of mental health practice established pursuant to section 148B.61, the alcohol and drug counselors licensing advisory council established pursuant to section 148C.02, the board of dietetics and nutrition practice established under section 148.622, the board of dentistry established pursuant to section 150A.02, the board of pharmacy established pursuant to section 151.02, the board of podiatric medicine established pursuant to section 153.02, and the board of veterinary medicine, established pursuant to section 156.01.

Sec. 51. [REPORT TO THE LEGISLATURE.]

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

Page 34, after line 31, insert:

"Sec. 53. [EFFECTIVE DATE.]

Sections 1 to 14, 50, and 51 are effective July 1, 2001."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 3839 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 61 and nays 3, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Foley, Ranum, Janezich, Novak and Hottinger introduced--

S.F. No. 3821: A bill for an act proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for equality of rights under the law for men and women.

Referred to the Committee on Judiciary.

MEMBERS EXCUSED

Senator Junge was excused from the Session of today at 11:00 a.m. Senator Kelly, R.C. was excused from the Session of today at 11:20 a.m. Senator Lourey was excused from the Session of today from 11:30 to 11:45 a.m.

ADJOURNMENT

Senator Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Thursday, April 13, 2000. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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