

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-SECOND LEGISLATURE

THIRTY-SECOND DAY

St. Paul, Minnesota, Monday, April 9, 2001

The Senate met at 11:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Betzold 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. Richard Keene Smith.

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

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

Anderson	Frederickson	Langseth	Orfield	Sams
Bachmann	Higgins	Larson	Ourada	Samuelson
Belanger	Hottinger	Lesewski	Pappas	Scheevel
Berg	Johnson, Dave	Lessard	Pariseau	Scheid
Berglin	Johnson, Dean	Limmer	Pogemiller	Schwab
Betzold	Johnson, Doug	Lourey	Price	Stevens
Chaudhary	Kelley, S.P.	Marty	Ranum	Stumpf
Cohen	Kelly, R.C.	Metzen	Reiter	Terwilliger
Day	Kierlin	Moe, R.D.	Rest	Tomassoni
Dille	Kinkel	Murphy	Ring	Vickerman
Fischbach	Kiscaden	Neuville	Robertson	Wiener
Foley	Kleis	Oliver	Robling	Wiger
Fowler	Krentz	Olson	Sabo	

The President declared a quorum present.

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

MEMBERS EXCUSED

Senators Johnson, Debbie; Knutson and Solon were excused from the Session of today.

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed with the Secretary of the Senate: Minnesota Sentencing Guidelines Commission, Statute Table Pilot Project in Ramsey County, 2001; Department of Corrections, Efforts to Recruit a Workforce for the Minnesota Correctional Facility, Rush City, 2001; Department of Corrections, Impact of MCF-Red Wing Per Diem Changes on Counties and Other Juvenile Facilities, 2001; Department of Corrections, 2000 Performance Report: Adult Recidivism in Minnesota, 2001; Department of Health, Evaluation of

the Nursing Assistant Test Out for Employment Qualification, 2001; Department of Health, Environmental Health Division, Minnesota's Lead Poisoning Prevention Programs, 2001; Department of Health, Title V Maternal and Child Health Block Grant Funds, 2001; Minnesota Racing Commission, 2000 Annual Report, 2001; Department of Finance, Debt Capacity Forecast, 2001; Minnesota HomeCare Association and the Department of Human Services, Staff Transportation Costs and Reimbursement for Home Care and Personal Care Service Providers, 2001; Pollution Control Agency, Analysis of Disposal Methods for Do-It-Yourself Used Oil Filters, 2001; Pollution Control Agency, Dump Assessment Study, 2001; Minnesota Supreme Court, State Assumption of Trial Court Administration Costs, 2001; Department of Health, Proposals for Improving the Nursing Home Regulatory Process, 2001; Trade and Economic Development, Urban Initiative Board, 2001; Department of Human Services, Demonstration Project for Persons with Disabilities, 2001; University of Minnesota, Center for Transportation Studies, Annual Report, 2000; Department of Corrections, County Reports on Juvenile Treatment Grants and Usage, 2001; State Court Administration, All Warrants and Orders Authorizing the Interception of Communications, 2001; Department of Revenue, Availability of Taxpayer Assistance Services, 2001; Department of Health, Teens and Tobacco in Minnesota, 2000; Department of Human Services, Prescription Drug Program, 2001; Department of Human Services, Governor's Report on Compulsive Gambling, 2001; Minnesota Supreme Court, Task Force on Court Appointed Civil Counsel, 2001; Council on Asian-Pacific Minnesotans, Biennial Report, 1999-2000; Department of Corrections, Interstate Compact for the Supervision of Parolees and Probationers, 2001; Metropolitan Council, Regional Report, Metropolitan Livable Communities Fund, 2001; Department of Health, Community Health Services, 1999 Activities and Expenditures, 2001; Department of Health, Building a Solid Foundation for Health: Public Health System Development, 2001.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 5, 2001

The Honorable Don Samuelson
President of the Senate

Dear President Samuelson:

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. 509, 63, 346 and 647.

Sincerely,
Jesse Ventura, Governor

April 6, 2001

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

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

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2001	Date Filed 2001
509		13	10:14 a.m. April 6	April 6
63		14	10:14 a.m. April 6	April 6

32ND DAY]

MONDAY, APRIL 9, 2001

1333

346
647

15
Res. No. 2

10:15 a.m. April 6
10:14 a.m. April 6

April 6
April 6

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 Files, herewith returned: S.F. Nos. 9, 991, 327, 971, 972 and 570.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 2001

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. 249: A bill for an act relating to state government; health and human services; repealing obsolete rules; amending Minnesota Statutes 2000, section 144.99, subdivision 1; repealing Minnesota Statutes 2000, section 144.495; Minnesota Rules, parts 2500.2050; 2500.2060; 2500.2070; 4620.1800; 4635.0100; 4635.0200; and 4761.1230.

Senate File No. 249 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 2001

Senator Ring moved that S.F. No. 249 be laid on the table. The motion prevailed.

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. 480: A bill for an act relating to traffic regulations; abolishing statutes that define trackless trolley car, that regulate driving through rough country, and that prohibit employment by passenger carriers of persons addicted to liquor; repealing Minnesota Statutes 2000, sections 169.01, subdivision 18; 169.38; and 169.901.

Senate File No. 480 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 2001

CONCURRENCE AND REPASSAGE

Senator Johnson, Dean moved that the Senate concur in the amendments by the House to S.F. No. 480 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 480: A bill for an act relating to traffic regulations; abolishing statutes that define

trackless trolley car, that regulate driving through rough country, and that prohibit employment by passenger carriers of persons addicted to liquor; making conforming changes; amending Minnesota Statutes 2000, sections 169.03, subdivision 7; 169.20, subdivision 5; 169.46; and 169.80, subdivision 2; repealing Minnesota Statutes 2000, sections 169.01, subdivision 18; 169.38; and 169.901.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Ourada	Scheevel
Bachmann	Higgins	Larson	Pariseau	Scheid
Belanger	Hottinger	Lesewski	Pogemiller	Schwab
Berg	Johnson, Dave	Limmer	Price	Stevens
Berglin	Johnson, Dean	Lourey	Ranum	Stumpf
Betzold	Johnson, Doug	Marty	Reiter	Terwilliger
Chaudhary	Kelley, S.P.	Metzen	Rest	Tomassoni
Cohen	Kelly, R.C.	Moe, R.D.	Ring	Vickerman
Day	Kierlin	Murphy	Robertson	Wiener
Dille	Kinkel	Neuville	Robling	Wiger
Fischbach	Kiscaden	Oliver	Sabo	
Foley	Kleis	Olson	Sams	
Fowler	Krentz	Orfield	Samuelson	

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 has adopted the recommendation and report of the Conference Committee on House File No. 57, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 57 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 5, 2001

CONFERENCE COMMITTEE REPORT ON H.F. NO. 57

A bill for an act relating to drivers' licenses; including certain crimes against children as disqualifying offenses for purposes of school bus endorsements on drivers' licenses; amending Minnesota Statutes 2000, section 171.3215, subdivision 1.

April 2, 2001

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

We, the undersigned conferees for H.F. No. 57, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 57 be further amended as follows:

Page 2, line 8, before the period, insert ", and applies to offenses committed before, on, or after that date"

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

House Conferees: (Signed) Carol L. Molnau, Matt Entenza, Tony Kielkucki

Senate Conferees: (Signed) Claire A. Robling, Grace S. Schwab, Dean E. Johnson

Senator Robling moved that the foregoing recommendations and Conference Committee Report on H.F. No. 57 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.

H.F. No. 57 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langsteh	Ourada	Scheevel
Bachmann	Higgins	Larson	Pappas	Scheid
Belanger	Hottinger	Lesewski	Pogemiller	Schwab
Berg	Johnson, Dave	Limmer	Price	Stevens
Berglin	Johnson, Dean	Lourey	Ranum	Stumpf
Betzold	Johnson, Doug	Marty	Reiter	Terwilliger
Chaudhary	Kelley, S.P.	Metzen	Rest	Tomassoni
Cohen	Kelly, R.C.	Moe, R.D.	Ring	Vickerman
Day	Kierlin	Murphy	Robertson	Wiener
Dille	Kinkel	Neuville	Robling	Wiger
Fischbach	Kiscaden	Oliver	Sabo	
Foley	Kleis	Olson	Sams	
Fowler	Krentz	Orfield	Samuelson	

So the bill, as amended by the Conference Committee, 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 House Files, herewith transmitted: H.F. Nos. 553, 903, 1383, 1616 and 1637.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 5, 2001

FIRST READING OF HOUSE BILLS

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

H.F. No. 553: A bill for an act relating to transportation; repealing obsolete or duplicative laws providing for payment of costs for transportation building, placement of slow-moving vehicle emblems on motorized golf carts, requiring driver's license revocation for criminal negligence, authorizing municipal vehicle inspection stations, and regulating addition of routes to certain federal-aid highway systems; repealing Minnesota Statutes 2000, sections 167.45; 169.045, subdivision 4; 169.11; 169.78; and 169.835.

Referred to the Committee on Transportation.

H.F. No. 903: A bill for an act relating to motor vehicles; repealing restrictions on the sale of wagon covers and similar items; repealing Minnesota Statutes 2000, section 325F.38.

Referred to the Committee on Commerce.

H.F. No. 1383: A bill for an act relating to motor vehicles; repealing restrictions on handlebar height for motorcycles and motorized bicycles; amending Minnesota Statutes 2000, section 169.974, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1598, now on General Orders.

H.F. No. 1616: A bill for an act relating to public safety; repealing obsolete rules of the commissioner of public safety prescribing standards for sirens on emergency vehicles; repealing Minnesota Rules, parts 7420.0200; 7420.0300; 7420.0400; 7420.9910; 7420.9920; 7420.9930.

Referred to the Committee on Transportation.

H.F. No. 1637: A bill for an act relating to counties; repealing provisions requiring licensing of hawkers and peddlers by counties; repealing Minnesota Statutes 2000, sections 329.02; 329.03; 329.04; 329.05; 329.06; 329.07; 329.08; 329.09.

Referred to the Committee on State and Local Government Operations.

REPORTS OF COMMITTEES

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

Senator Ranum from the Committee on Crime Prevention, to which was re-referred

S.F. No. 1374: A bill for an act relating to taxation; classifying data; providing procedures for issuance of warrant for certain tax return information; changing procedures for disposition of seized contraband; defining certain property as contraband; changing and providing civil penalties; providing for a criminal penalty; appropriating money; amending Minnesota Statutes 2000, sections 16D.08, subdivision 2; 270A.11; 270B.02, subdivisions 2 and 3; 270B.03, subdivision 6; 289A.55, subdivision 9; 289A.60, subdivisions 1, 2, 7, and by adding a subdivision; 296A.24, subdivisions 1 and 2; 297A.91; 297E.16, subdivisions 1 and 2; 297F.20, subdivision 3; 297F.21, subdivisions 1, 2, and 3; 297G.20, subdivisions 3 and 4; and 626.11; repealing Minnesota Statutes 2000, sections 289A.60, subdivision 3; 296A.24, subdivision 3; 297E.16, subdivision 3; 297F.21, subdivision 4; and 297G.20, subdivision 5.

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

Page 4, line 12, delete "reasonable" and insert "probable"

Page 4, line 15, delete "reasonable" and insert "probable" and delete "return or"

Page 4, line 18, delete "return or"

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

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

S.F. No. 1274: A bill for an act relating to crime prevention; providing for an aggressive and integrated initiative against prostitution and other crimes; increasing criminal penalties and imposing mandatory minimum and consecutive sentences for prostitution crimes in certain instances; requiring presentence investigations for all offenses involving prostitution, a firearm, or

a controlled substance; creating a pilot project prostitution prosecution unit; appropriating money; amending Minnesota Statutes 2000, sections 609.115, subdivision 1; 609.153, subdivision 3; 609.324, subdivision 2, and by adding a subdivision; and 609.3242.

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

Page 4, line 26, after "includes" insert "an area within one city block of"

Page 4, line 28, delete everything after "dwelling"

Page 4, line 29, delete everything before the semicolon

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

Senator Ranum from the Committee on Crime Prevention, to which was re-referred

S.F. No. 1944: A bill for an act relating to support; clarifying and modifying the crime of nonsupport of a spouse or child; specifying spousal liability for medical necessities; imposing criminal penalties; amending Minnesota Statutes 2000, sections 519.05; 609.375, subdivisions 1, 2, 2a, by adding subdivisions.

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

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 2000, section 518.68, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The required notices must be substantially as follows:

IMPORTANT NOTICE

1. PAYMENTS TO PUBLIC AGENCY

According to Minnesota Statutes, section 518.551, subdivision 1, payments ordered for maintenance and support must be paid to the public agency responsible for child support enforcement as long as the person entitled to receive the payments is receiving or has applied for public assistance or has applied for support and maintenance collection services. MAIL PAYMENTS TO:

2. DEPRIVING ANOTHER OF CUSTODIAL OR PARENTAL RIGHTS -- A FELONY

A person may be charged with a felony who conceals a minor child or takes, obtains, retains, or fails to return a minor child from or to the child's parent (or person with custodial or visitation rights), according to Minnesota Statutes, section 609.26. A copy of that section is available from any district court clerk.

3. NONSUPPORT OF A SPOUSE OR CHILD -- CRIMINAL PENALTIES

A person who fails to pay court-ordered child support or maintenance may be charged with a crime, which may include misdemeanor, gross misdemeanor, or felony charges, according to Minnesota Statutes, section 609.375. A copy of that section is available from any district court clerk.

3. 4. RULES OF SUPPORT, MAINTENANCE, PARENTING TIME

(a) Payment of support or spousal maintenance is to be as ordered, and the giving of gifts or making purchases of food, clothing, and the like will not fulfill the obligation.

(b) Payment of support must be made as it becomes due, and failure to secure or denial of parenting time is NOT an excuse for nonpayment, but the aggrieved party must seek relief through a proper motion filed with the court.

(c) Nonpayment of support is not grounds to deny parenting time. The party entitled to receive

support may apply for support and collection services, file a contempt motion, or obtain a judgment as provided in Minnesota Statutes, section 548.091.

(d) The payment of support or spousal maintenance takes priority over payment of debts and other obligations.

(e) A party who accepts additional obligations of support does so with the full knowledge of the party's prior obligation under this proceeding.

(f) Child support or maintenance is based on annual income, and it is the responsibility of a person with seasonal employment to budget income so that payments are made throughout the year as ordered.

(g) If the obligor is laid off from employment or receives a pay reduction, support may be reduced, but only if a motion to reduce the support is served and filed with the court. Any reduction will take effect only if ordered by the court and may only relate back to the time that the motion is filed. If a motion is not filed, the support obligation will continue at the current level. The court is not permitted to reduce support retroactively, except as provided in Minnesota Statutes, section 518.64, subdivision 2, paragraph (c).

(h) Reasonable parenting time guidelines are contained in Appendix B, which is available from the court administrator.

(i) The nonpayment of support may be enforced through the denial of student grants; interception of state and federal tax refunds; suspension of driver's, recreational, and occupational licenses; referral to the department of revenue or private collection agencies; seizure of assets, including bank accounts and other assets held by financial institutions; reporting to credit bureaus; interest charging, income withholding, and contempt proceedings; and other enforcement methods allowed by law.

4. 5. PARENTAL RIGHTS FROM MINNESOTA STATUTES, SECTION 518.17, SUBDIVISION 3

Unless otherwise provided by the Court:

(a) Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Each party has the right of access to information regarding health or dental insurance available to the minor children. Presentation of a copy of this order to the custodian of a record or other information about the minor children constitutes sufficient authorization for the release of the record or information to the requesting party.

(b) Each party shall keep the other informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress and status, and to attend school and parent teacher conferences. The school is not required to hold a separate conference for each party.

(c) In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

(d) Each party has the right of reasonable access and telephone contact with the minor children.

5. 6. WAGE AND INCOME DEDUCTION OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be withheld from income, with or without notice to the person obligated to pay, when the conditions of Minnesota Statutes, section 518.6111 have been met. A copy of those sections is available from any district court clerk.

6. 7. CHANGE OF ADDRESS OR RESIDENCE

Unless otherwise ordered, each party shall notify the other party, the court, and the public authority responsible for collection, if applicable, of the following information within ten days

of any change: the residential and mailing address, telephone number, driver's license number, social security number, and name, address, and telephone number of the employer.

~~7.~~ 8. COST OF LIVING INCREASE OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be adjusted every two years based upon a change in the cost of living (using Department of Labor Consumer Price Index, unless otherwise specified in this order) when the conditions of Minnesota Statutes, section 518.641, are met. Cost of living increases are compounded. A copy of Minnesota Statutes, section 518.641, and forms necessary to request or contest a cost of living increase are available from any district court clerk.

~~8.~~ 9. JUDGMENTS FOR UNPAID SUPPORT

If a person fails to make a child support payment, the payment owed becomes a judgment against the person responsible to make the payment by operation of law on or after the date the payment is due, and the person entitled to receive the payment or the public agency may obtain entry and docketing of the judgment WITHOUT NOTICE to the person responsible to make the payment under Minnesota Statutes, section 548.091. Interest begins to accrue on a payment or installment of child support whenever the unpaid amount due is greater than the current support due, according to Minnesota Statutes, section 548.091, subdivision 1a.

~~9.~~ 10. JUDGMENTS FOR UNPAID MAINTENANCE

A judgment for unpaid spousal maintenance may be entered when the conditions of Minnesota Statutes, section 548.091, are met. A copy of that section is available from any district court clerk.

~~10.~~ 11. ATTORNEY FEES AND COLLECTION COSTS FOR ENFORCEMENT OF CHILD SUPPORT

A judgment for attorney fees and other collection costs incurred in enforcing a child support order will be entered against the person responsible to pay support when the conditions of section 518.14, subdivision 2, are met. A copy of section 518.14 and forms necessary to request or contest these attorney fees and collection costs are available from any district court clerk.

~~11.~~ 12. PARENTING TIME EXPEDITOR PROCESS

On request of either party or on its own motion, the court may appoint a parenting time expeditor to resolve parenting time disputes under Minnesota Statutes, section 518.1751. A copy of that section and a description of the expeditor process is available from any district court clerk.

~~12.~~ 13. PARENTING TIME REMEDIES AND PENALTIES

Remedies and penalties for the wrongful denial of parenting time are available under Minnesota Statutes, section 518.175, subdivision 6. These include compensatory parenting time; civil penalties; bond requirements; contempt; and reversal of custody. A copy of that subdivision and forms for requesting relief are available from any district court clerk."

Page 1, after line 22, insert:

"Sec. 3. Minnesota Statutes 2000, section 609.095, is amended to read:

609.095 [LIMITS OF SENTENCES.]

(a) The legislature has the exclusive authority to define crimes and offenses and the range of the sentences or punishments for their violation. No other or different sentence or punishment shall be imposed for the commission of a crime than is authorized by this chapter or other applicable law.

(b) Except as provided in section 152.18 or 609.375, or upon agreement of the parties, a court may not refuse to adjudicate the guilt of a defendant who tenders a guilty plea in accordance with

Minnesota Rules of Criminal Procedure, rule 15, or who has been found guilty by a court or jury following a trial.

(c) Paragraph (b) does not supersede Minnesota Rules of Criminal Procedure, rule 26.04."

Page 2, after line 33, insert:

"Sec. 7. Minnesota Statutes 2000, section 609.375, is amended by adding a subdivision to read:

Subd. 2b. [ATTEMPT TO OBTAIN CONTEMPT ORDER AS PREREQUISITE TO PROSECUTION.] A person may not be charged with violating this section unless there has been an attempt to obtain a court order holding the person in contempt for failing to pay support or maintenance under chapter 518. This requirement is satisfied by a showing that reasonable attempts have been made at service of the order."

Pages 3 and 4, delete sections 6 to 10 and insert:

"Sec. 9. [609.3751] [DISCHARGE AND DISMISSAL.]

Subdivision 1. [APPLICABILITY.] A person is eligible for a discharge and dismissal under this section, if the person:

- (1) has not been previously convicted of a felony under the laws of this state or elsewhere;
- (2) has not been previously convicted of a violation of section 609.375 or of a similar offense in this state or elsewhere;
- (3) has not previously participated in or completed a diversion program relating to a charge of violating section 609.375; and
- (4) has not previously been placed on probation without a judgment of guilty for violation of section 609.375.

Subd. 2. [PROCEDURE.] For a person eligible under subdivision 1 who is charged with violating section 609.375, the court may after trial or upon a plea of guilty, without entering a judgment of guilty and with the consent of the person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period not to exceed the maximum sentence provided for the violation. At a minimum, the conditions must require the defendant to:

(1) provide the public authority responsible for child support enforcement with an affidavit attesting to the defendant's present address, occupation, employer, current income, assets, and account information, as defined in section 13B.06; and

(2) execute a written payment agreement regarding both current support and arrearages that is approved by the court.

In determining whether to approve a payment agreement under clause (2), the court shall apply the provisions of chapter 518 consistent with the obligor's ability to pay.

Subd. 3. [VIOLATION.] Upon violation of a condition of the probation, including a failure to comply with the written payment agreement approved by the court under subdivision 2, clause (2), the court may enter an adjudication of guilt and proceed as otherwise provided in law.

Subd. 4. [EARLY DISMISSAL.] The court may, in its discretion, dismiss the proceedings against the person and discharge the person from probation before the expiration of the maximum period prescribed for the person's probation but may do so only if the full amount of any arrearages has been brought current.

Subd. 5. [DISMISSAL; RECORD.] (a) For purposes of this subdivision, "not public" has the meaning given in section 13.02, subdivision 8a.

(b) If during the period of probation the person does not violate any of the conditions of the probation, then upon expiration of the period the court shall discharge the person and dismiss the proceedings against that person. Discharge and dismissal under this subdivision shall be without court adjudication of guilt, but a not public record of it shall be retained by the bureau of criminal apprehension for the purpose of use by the courts in determining the merits of subsequent proceedings against the person. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the bureau shall notify the requesting party of the existence of the not public record and the right to seek a court order to open it pursuant to this section. The court shall forward a record of any discharge and dismissal under this section to the bureau which shall make and maintain the not public record of it as provided under this section. The discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

Sec. 10. [EFFECTIVE DATE.]

Sections 3 to 9 are effective August 1, 2001, and apply to all crimes committed on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing notice of criminal penalties for nonsupport of a spouse or child;"

Page 1, line 6, after "sections" insert "518.68, subdivision 2;" and after "519.05;" insert "609.095;"

Page 1, line 7, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 609"

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

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

S.F. No. 2133: A bill for an act relating to crime; establishing the sexual violence justice institute; advisory councils; requiring the institute to coordinate research on sexual assault topics and a plan to reduce the crime; providing for sexual assault multidisciplinary assistance and resource teams (SMART); providing for technical support and legal assistance; providing for a policy center; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 611A.

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

Delete everything after the enacting clause and insert:

"Section 1. [MINNESOTA COALITION AGAINST SEXUAL ASSAULT; GRANT.]

Subdivision 1. [GRANT AUTHORIZED.] The department of public safety, through the center for crime victim services, shall make a grant to the Minnesota coalition against sexual assault. The Minnesota coalition against sexual assault shall:

(1) provide staff and technical support for existing sexual assault multidisciplinary assistance and resource teams around the state and development of new teams;

(2) provide a staff attorney and legal technical assistance regarding sexual assault issues to law enforcement and service providers; and

(3) coordinate research on topics related to sexual assault.

Subd. 2. [SEXUAL ASSAULT MULTIDISCIPLINARY ASSISTANCE AND RESOURCE TEAMS TECHNICAL SUPPORT.] Minnesota coalition against sexual assault staff members shall provide technical support and assistance, including sharing of best practices, to existing team protocol projects. Each multidisciplinary team must coordinate a locally established protocol that fits local communities and local resources. The protocols must ensure a victim-centered and collaborative response to sexual assault cases for purposes of enhancing investigation and prosecution, providing sensitive and constructive victim assistance, and providing appropriate accountability for offenders. The core services at each site must include law enforcement, prosecution, medical responder, and victim advocacy. Staff shall also develop materials and training seminars to introduce the protocol process to new communities.

Subd. 3. [LEGAL TECHNICAL ASSISTANCE.] The staff attorney shall provide and coordinate legal technical assistance on sexual assault to law enforcement and service providers. The staff attorney may provide professional training and develop and collect resources to be disseminated to law enforcement and service providers. The staff attorney may establish a resource center and information clearinghouse for legal issues and processing of sexual assault cases.

Subd. 4. [RESEARCH.] Minnesota coalition against sexual assault staff shall coordinate research on topics related to sexual assault. Staff shall work with the teams to determine needed research and disseminate national research on sexual assault and related issues.

Subd. 5. [MULTIDISCIPLINARY FORUM.] The Minnesota coalition against sexual assault shall utilize a multidisciplinary forum to identify needs and issues related to sexual assault. The forum shall provide problem-solving information and identify resource needs around these issues and advise the interagency task force on domestic violence and sexual assault, service providers, law enforcement, and others regarding recommendations to address the issues in this subdivision.

Sec. 2. [APPROPRIATION.]

\$225,000 is appropriated for the fiscal year ending June 30, 2002, and \$225,000 is appropriated for the fiscal year ending June 30, 2003, from the general fund to the commissioner of public safety for a grant to the Minnesota coalition against sexual assault for the purposes of section 1."

Delete the title and insert:

"A bill for an act relating to crime; Minnesota coalition against sexual assault grant; providing for sexual assault multidisciplinary assistance and resource teams (SMART); providing for technical support and legal assistance; providing for a multidisciplinary forum; appropriating money."

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

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

S.F. No. 846: A bill for an act relating to public safety; authorizing use of the criminal justice data communications network for determining if civil commitment petitions of proposed patient as sexual psychopathic or sexually dangerous person should be filed; amending Minnesota Statutes 2000, section 299C.46, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

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

S.F. No. 1551: A bill for an act relating to crime prevention; extending the operations of the arson strike force; amending Minnesota Statutes 2000, section 299F.058, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations. Report adopted.

Senator Solon from the Committee on Commerce, to which was referred

H.F. No. 323: A bill for an act relating to motor vehicle fuel franchises; extending an expiration date; amending Minnesota Statutes 2000, section 80C.147.

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

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1022: A bill for an act relating to commerce; regulating securities; modifying certain fees for securities issued by open-end management companies and unit investment trusts; amending Minnesota Statutes 2000, section 80A.28, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was referred

S.F. No. 895: A bill for an act relating to the agricultural utilization resource institute; providing for an additional member on the board of directors; amending Minnesota Statutes 2000, section 116O.09, subdivision 1a.

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

Page 1, line 11, strike "agriculture and rural"

Page 1, line 12, strike "development committee" and after "representatives" insert "committees with jurisdiction over"

Page 1, line 13, delete "and rural development" and strike "committee" and insert "policy"

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

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was re-referred

S.F. No. 1495: A bill for an act relating to agriculture; eliminating the late fee for renewal of a license to use the Minnesota grown logo or labeling; clarifying a term related to the Minnesota grown matching account; amending Minnesota Statutes 2000, sections 17.102, subdivision 3; and 17.109, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 17.101, subdivision 5, is amended to read:

Subd. 5. [VALUE-ADDED AGRICULTURAL PRODUCT PROCESSING AND MARKETING GRANT PROGRAM.] (a) For purposes of this section:

(1) "agricultural commodity" means a material produced for use in or as food, feed, seed, or fiber and includes crops for fiber, food, oilseeds, seeds, livestock, livestock products, dairy, dairy products, poultry, poultry products, and other products or by-products of the farm produced for the same or similar use, except ethanol; and

(2) "agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agricultural commodities produced in Minnesota.

(b) The commissioner shall establish and implement a value-added agricultural product processing and marketing grant program to help farmers finance new cooperatives that organize for the purposes of operating agricultural product processing facilities, forming marketing cooperatives, and for marketing activities related to the sale and distribution of processed agricultural products.

(c) To be eligible for this program a grantee must:

(1) be a cooperative organized under chapter 308A;

(2) certify that all of the control and equity in the cooperative is from farmers, family farm partnerships, family farm limited liability companies, or family farm corporations as defined in section 500.24, subdivision 2, who are actively engaged in agricultural commodity production;

(3) be operated primarily for the processing of agricultural commodities produced in Minnesota;

(4) receive agricultural commodities produced primarily by shareholders or members of the cooperative; and

(5) have no direct or indirect involvement in the production of agricultural commodities.

(d) The commissioner may receive applications from and make grants up to \$50,000 for feasibility, marketing analysis, assistance with organizational development, financing and managing new cooperatives, product development, development of business and marketing plans, and predesign of facilities including site analysis, development of bid specifications, preliminary blueprints and schematics, and completion of purchase agreements and other necessary legal documents to eligible cooperatives. The commissioner shall give priority to applicants who use the grants for planning costs related to an application for financial assistance from the United States Department of Agriculture, Rural Business - Cooperative Service.

Sec. 2. Minnesota Statutes 2000, section 17.102, subdivision 3, is amended to read:

Subd. 3. [LICENSE.] A person may not use the Minnesota grown logo or labeling without an annual license from the commissioner. The commissioner shall issue licenses for a fee of \$5. ~~The commissioner shall charge a late fee of \$10 for renewal of a license that has expired.~~

Sec. 3. Minnesota Statutes 2000, section 17.109, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] Appropriations to the Minnesota grown matching account may be expended only to the extent that they are matched with contributions to the account from private sources on a basis of \$4 of the appropriation to each \$1 of private contributions. Matching funds are not available after the appropriation is encumbered. For the purposes of this subdivision, "private contributions" includes, but is not limited to, advertising revenue, listing fees, and revenues from the development and sale of promotional materials.

Sec. 4. Minnesota Statutes 2000, section 17.115, is amended to read:

17.115 [SHARED SAVINGS LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish a shared savings loan program to provide loans that enable farmers to adopt best management practices that emphasize sufficiency and self-sufficiency in agricultural inputs, including energy efficiency, reduction or improved management of petroleum and chemical inputs, and increasing the energy self-sufficiency of production by agricultural producers, and environmental improvements.

Subd. 2. [LOAN CRITERIA.] (a) The shared savings loan program must provide loans for purchase of new or used machinery, and installation of equipment, and for projects that ~~reduce or make more efficient farm energy use~~ make environmental improvements or enhance farm profitability. Eligible loan uses do not include seed, fertilizer, or fuel.

(b) Loans may not exceed ~~\$15,000~~ \$25,000 per individual applying for a loan and may not exceed ~~\$75,000~~ \$100,000 for loans to ~~five~~ four or more individuals on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest on the loans is six percent.

(c) Loans may only be made to residents of this state engaged in farming.

Subd. 3. [AWARDING OF LOANS.] (a) Applications for loans must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a loan review panel appointed by the commissioner. The loan review panel shall consist of two lenders with agricultural experience, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, a farm management specialist, a representative from a post-secondary education institution, and a chair from the department.

(c) The loan review panel shall rank applications according to the following criteria:

(1) realize savings to the cost of agricultural production ~~and project savings to repay the cost of the loan;~~

(2) reduce or make more efficient use of energy or inputs; ~~and~~

(3) ~~reduce production costs~~ increase overall farm profitability; and

(4) result in environmental benefits.

(d) A loan application must show that the loan can be repaid by the applicant.

(e) The commissioner must consider the recommendations of the loan review panel and may make loans for eligible projects. ~~Priority must be given based on the amount of savings realized by adopting the practice implemented by the loan.~~

Subd. 4. [ADMINISTRATION; INFORMATION DISSEMINATION.] The amount in the revolving loan account is appropriated to the commissioner to make loans under this section and administer the loan program. The interest on the money in the revolving loan account and the interest on loans repaid to the state may be spent by the commissioner for administrative expenses. The commissioner shall collect and disseminate information relating to projects for which loans are given under this section.

Subd. 5. [FARM MANURE DIGESTER TECHNOLOGY.] Appropriations in Laws 1998, chapter 401, section 6, must be used for revolving loans for demonstration projects of farm manure digester technology. Notwithstanding the limitations of subdivision 2, paragraphs (b) and (c), loans under this subdivision are no-interest loans in principal amounts not to exceed \$200,000 and may be made to any resident of this state. Loans for one or more projects must be made only after the commissioner seeks applications. Loans under this program may be used as a match for federal loans or grants. Money repaid from loans must be returned to the revolving fund for future projects.

Sec. 5. Minnesota Statutes 2000, section 17.116, is amended to read:

17.116 [SUSTAINABLE AGRICULTURE DEMONSTRATION GRANTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of agriculture shall establish a grant program for sustainable agriculture methods that demonstrates best management practices, including farm input reduction or management, enterprise diversification including new crops and livestock, farm energy efficiency, or usable on-farm energy production, or the transfer of technologies that enhance the environment and farm profitability. The commissioner shall use the program to demonstrate and publicize the energy efficiency, environmental benefit, and profitability of sustainable agriculture techniques or systems from production through marketing. The grants must fund research or demonstrations on farms of external input reduction techniques or farm-scale energy production methods consistent with the program objectives.

Subd. 2. [ELIGIBILITY.] (a) Grants may only be made to farmers, educational institutions, individuals at educational institutions, or nonprofit organizations residing or located in the state for research or demonstrations on farms in the state.

(b) Grants may only be made for projects that show:

(1) the ability to maximize direct or indirect energy savings or production;

(2) a positive effect or reduced adverse effect on the environment; and

(3) increased profitability for the individual farm by reducing costs or improving marketing opportunities.

Subd. 3. [AWARDING OF GRANTS.] (a) Applications for grants must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a technical review panel appointed by the commissioner. The technical review panel shall consist of a soil scientist, an agronomist, a representative from a post-secondary educational institution, an agricultural marketing specialist, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, and a chair from the department.

(c) The technical review panel shall rank applications according to the following criteria:

(1) direct or indirect energy savings or production;

(2) environmental benefit;

(3) farm profitability;

(4) the number of farms able to apply the techniques or the technology proposed;

(5) the effectiveness of the project as a demonstration;

(6) the immediate transferability of the project to farms; and

(7) the ability of the project to accomplish its goals.

(d) The commissioner shall consider the recommendations of the technical review panel and may award grants for eligible projects. Priority must be given to applicants who are farmers or groups of farmers.

(e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000 is matched on an equal basis by the applicant's cash or in-kind land use contribution. Grant funding of projects may not exceed \$50,000 under this section, but applicants may utilize other funding sources. A portion of each grant must be targeted for public information activities of the project.

(f) A project may continue for up to three years. Multiyear projects must be reevaluated by the technical review panel and the commissioner before second or third year funding is approved. A project is limited to one grant for its funding.

Sec. 6. Minnesota Statutes 2000, section 17.117, is amended to read:

17.117 [AGRICULTURE BEST MANAGEMENT PRACTICES LOAN PROGRAM.]

Subdivision 1. [PURPOSE.] The purpose of the agriculture best management practices loan program is to provide low or no interest financing to farmers, agriculture supply businesses, and rural landowners for the implementation of agriculture and other best management practices that reduce environmental pollution.

Subd. 2. [AUTHORITY.] The commissioner ~~shall~~ may develop administrative guidelines specifying criteria, standards, and procedures for making loans and establish, adopt rules for, and implement a program to make loans or otherwise provide funds to local units of government,

federal authorities, lending institutions, and other appropriate organizations who will in turn provide loans to landowners and businesses for facilities, fixtures, equipment, or other sustainable best management practices that prevent or mitigate sources of nonpoint source water pollution or other adverse environmental impacts. The commissioner shall establish pilot projects to develop procedures for implementing the program. The commissioner shall develop administrative guidelines to implement the pilot projects specifying criteria, standards, and procedures for making loans. The agriculture best management practices loan program must provide a consistent programmatic framework for the disbursement and administration of funds available to the commissioner designated to the program for protection of environmental quality or remediation or mitigation of adverse environmental impacts. The distribution of loans or funds through the program must comply with all limitations, provisions, or requirements of the respective funding sources. Unless otherwise limited by the funding source, the commissioner shall manage the program using perpetual revolving fund accounts.

Subd. 3. [APPROPRIATIONS.] Up to \$140,000,000 of the balance in the water pollution control revolving fund in section 446A.07, as determined by the public facilities authority, is appropriated to the commissioner for the establishment of this program. In addition, the commissioner may receive appropriations from the legislature and grants or funds from other sources for implementation of the program.

Subd. 4. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Agricultural and environmental revolving accounts" means accounts in the state treasury, controlled by the commissioner, which hold funds available to the program.

(b) "Agriculture supply business" means a person, partnership, joint venture, corporation, limited liability company, association, firm, public service company, or cooperative that provides materials, equipment, or services to farmers or agriculture-related enterprises.

(c) "Allocation" means the funds awarded to an applicant for implementation of best management practices through a competitive or noncompetitive application process.

(a) (d) "Applicant" means a county or a local government unit designated by a county under subdivision 8, paragraph (a) local unit of government eligible to participate in this program that requests an allocation of funds as provided in subdivision 6b.

(b) "Authority" means the Minnesota public facilities authority as established in section 446A.03.

(e) (e) "Best management practices" has the meaning given in sections 103F.711, subdivision 3, and 103H.151, subdivision 2 or other practices, techniques, and measures that have been demonstrated to the satisfaction of the commissioner to prevent or reduce adverse environmental impacts by using the most effective and practicable means of achieving environmental goals.

(d) "Chair" means the chair of the board of water and soil resources or the designee of the chair.

(e) (f) "Borrower" means an individual a farmer, an agriculture supply business, or a rural landowner applying for a low-interest loan.

(f) (g) "Commissioner" means the commissioner of agriculture, including when the commissioner is acting in the capacity of chair of the rural finance authority, or the designee of the commissioner.

(h) "Committed project" means an eligible project scheduled to be implemented at a future date:

(1) that has been approved and certified by the local government unit; and

(2) for which a local lender has obligated itself to offer a loan.

~~(g)~~ (i) "Comprehensive water management plan" means a state approved and locally adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331, 103D.401, or 103D.405.

~~(h)~~ "Local allocation request" means a loan allocation request from an applicant to implement agriculturally related best management practices defined in paragraph (e).

(j) "Cost incurred" means expenses for implementation of a project accrued because the borrower has agreed to purchase equipment or is obligated to pay for services or materials already provided as a result of implementing a prior approved eligible project.

(k) "Farmer" means a person, partnership, joint venture, corporation, limited liability company, association, firm, public service company, or cooperative who regularly participates in physical labor or operations management of farming and files a Schedule F as part of filing United States Internal Revenue Service Form 1040 or indicates farming as the primary business activity under Schedule C, K, or S, or any other applicable report to the United States Internal Revenue Service.

~~(i)~~ (l) "Lender agreement" means a loan agreement entered into between the commissioner, a local lender, and the applicant, if different from the local lender. The agreement will contain terms and conditions of the loan that will include but need not be limited to general loan provisions, loan management requirements, application of payments, loan term limits, allowable expenses, and fee limitations an agreement entered into between the commissioner and a local lender which contains terms and conditions of participation in the program.

~~(j)~~ (m) "Local government unit" means a county, soil and water conservation district, or an organization formed for the joint exercise of powers under section 471.59 with the authority to participate in the program.

~~(k)~~ (n) "Local lender" means a local government unit as defined in paragraph ~~(j)~~ (m), a state or federally chartered bank, a savings association, a state or federal credit union, Agribank and its affiliated organizations, or a nonprofit economic development organization or other financial lending institution approved by the commissioner, or Farm Credit Services.

(o) "Local revolving loan account" means the account held by a local government unit and a local lender into which principal repayments from borrowers are deposited and new loans are issued in accordance with the requirements of the program and lender agreements.

~~(l)~~ (p) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

(q) "Program" means the agriculture best management practices loan program in this section.

(r) "Project" means one or more components or activities located within Minnesota that are required by the local government unit to be implemented for satisfactory completion of an eligible best management practice.

(s) "Rural landowner" means the owner of record of Minnesota real estate located in an area determined by the local government unit to be rural after consideration of local land use patterns, zoning regulations, jurisdictional boundaries, local community definitions, historical uses, and other pertinent local factors.

Subd. 5. [USES OF FUNDS.] Use of funds under this section must be in compliance with the rules and regulations of the funding source or appropriation. Use of funds from the public facilities authority must comply with the federal Water Pollution Control Act, section 446A.07, and eligible activities listed in the intended use plan authorized in section 446A.07, subdivision 4.

Subd. 5a. [AGRICULTURAL AND ENVIRONMENTAL REVOLVING ACCOUNTS.] (a) There shall be established in the state treasury revolving accounts eligible to receive appropriations, allocations from the public facilities authority, and money from other sources. All repayments of loans granted under this section, including principal and interest, must be deposited into the appropriate revolving account. Interest earned in an account accrues to that account.

(b) The money in these accounts is appropriated and allocated to the commissioner for the

purposes of this section, provided the source of funds within the accounts allow for those expenditures.

Subd. 6. [APPLICATION.] (a) Only the following local government units may apply for funds under this program:

- (1) counties or their designees;
- (2) soil and water conservation districts; and
- (3) joint power organizations consisting of counties or their designees or soil and water conservation districts.

(b) A county may submit an application for an allocation. A county or a group of counties may designate another local government unit to submit a local allocation request on their behalf. If a county does not submit an application, and does not designate another local government unit, a soil and water conservation district may submit an application for an allocation. If the local soil and water conservation district does not submit an application, then an eligible joint powers organization may submit an application for an allocation. In all instances, there may be only one application representing any geographic area. The applicant must coordinate and submit requests on behalf of other units of government within the geographic jurisdiction of the applicant.

~~(a) (c) The commissioner must prescribe forms and establish an application process for applicants to apply for a local an allocation request of funds. The application must include but need not be limited to (1) the geographic area served; (2) the type and estimated cost of activities or projects for which they are seeking a loan an allocation; and (3) a ranking prioritization or targeting of proposed activities or projects; and (4) the designation of the local lender and lending practices the local lender intends to use to issue the loans to the borrowers, if a local lender other than the applicant is to be used.~~

~~(b) (d) If a local allocation request an application is rejected, the applicant must be notified in writing as to the reasons for the rejection and given 30 days to submit a revised application. The revised application shall be reviewed according to the same procedure used to review the initial application. Failure of an applicant to be awarded funds does not constitute a rejection of the application.~~

Subd. 6a. [REVIEW AND RANKING OF APPLICATIONS.] (a) The commissioner shall chair the subcommittee established in section 103F.761, subdivision 2, paragraph (b), for purposes of reviewing and ranking applications and recommending to the commissioner allocation amounts. The subcommittee consists of representatives of the departments of agriculture, natural resources, and health; the pollution control agency; the board of water and soil resources; the Farm Service Agency and the Natural Resource Conservation Service of the United States Department of Agriculture; the Association of Minnesota Counties; the Minnesota Association of Soil and Water Conservation Districts; and other agencies or associations the commissioner determines are appropriate.

(b) The subcommittee must use the criteria in clauses (1) to (9) as well as other criteria it determines appropriate in carrying out the review and ranking:

- (1) whether the proposed activities are identified in a comprehensive water management plan or other appropriate local planning documents as priorities;
- (2) the potential that the proposed activities have for improving or protecting environmental quality;
- (3) the extent that the proposed activities support areawide or multijurisdictional approaches to protecting environmental quality based on defined watershed or similar geographic areas;
- (4) whether the activities are needed for compliance with existing environmental laws or rules;
- (5) whether the proposed activities demonstrate participation, coordination, and cooperation between local units of government and other public agencies;

(6) whether there is coordination with other public and private funding sources and programs;

(7) whether the applicant has targeted specific best management practices to resolve specific environmental problems;

(8) past performance of the applicant in completing projects identified in prior applications and allocation agreements; and

(9) whether there are off-site public benefits.

Subd. 6b. [ALLOCATION AMOUNT.] (a) The subcommittee created in subdivision 6a shall recommend to the commissioner the amount of allocation for each applicant. This allocation must include:

(1) the amount of repayments received by the commissioner during the previous year from prior completed projects approved by the local government unit; and

(2) the amount of funds previously designated to committed projects.

(b) Within the limits of the funds available to the commissioner, the subcommittee may recommend an increased allocation award to the applicant based on:

(1) the ranking of the local government unit application under subdivision 6a; and

(2) the amount of unallocated or uncommitted funds in, or that will be received by, the agricultural and environmental revolving accounts within one year.

(c) Notwithstanding paragraphs (a) and (b), the commissioner may reserve up to two percent of all funds appropriated to the agricultural and environmental revolving accounts to be allocated to applicants that disburse or commit all of their current allocations or to local lenders who wish to provide financial assistance.

The commissioner may add, for the purposes of calculating future allocations under paragraphs (a) and (b), the loan amount for projects financed from these reserved funds to the allocation for the respective local government units in which jurisdiction the project was completed.

Subd. 7. [PAYMENTS TO LOCAL LENDERS.] (a) Payments made from the water-pollution control revolving fund commissioner to the local lender must be made in accordance with applicable state and federal laws and rules governing the payments and the lender agreement.

(b) Payments from the commissioner to the local lender must be disbursed on a cost-incurred basis. Local lenders shall submit payment requests at least quarterly but not more than monthly. Payment requests must be reviewed and approved by the commissioner. The payment request form must itemize all costs by major elements and show eligible and ineligible costs. The request must be made in accordance with requirements and procedures established by the commissioner. Payment requests must be reviewed and approved by the commissioner.

(c) The commissioner may initiate rescision of an allocation granted in a lender agreement as provided in subdivision 11, paragraph (d), if the local lender fails to enter into loans with borrowers equaling the total allocation granted within one year from the date of the lender agreement or fails to have the total amount of allocated funds drawn down through payment requests within two years. An additional year to draw down the undisbursed portion of an allocation may be granted by the commissioner under extenuating circumstances.

Subd. 8. [APPLICANT; BORROWERS ALLOCATION AGREEMENT.] (a) A county may submit a local allocation request. A county or a group of counties may designate another local government unit to submit a local allocation request.

(b) If a county does not submit a local allocation request, and does not designate another local government unit, a soil and water conservation district may submit a local allocation request. In all instances, there may be only one request from a county. The applicant must coordinate and submit requests on behalf of other units of government within the geographic jurisdiction of the applicant.

(a) Eligible local government units with an allocation award may enter into an allocation agreement with the commissioner and participate in this program.

(b) The allocation agreement must contain terms and conditions for participation in this program and providing of funds through this program, including, but not limited to: program requirements, reporting requirements, project eligibility and limitations, allowable expenses, limitations, rescission and cancellation provisions, and the responsibilities of the commissioner, local government unit, and local lender.

(c) If the commissioner determines that a local government unit is not in compliance with the terms of the allocation agreement, the commissioner may rescind all or part of any allocation awarded through this program.

~~Subd. 9. [REVIEW AND RANKING OF ALLOCATION REQUESTS ALLOCATION RESCISSION.] (a) The commissioner shall chair the subcommittee established in section 103F.761, subdivision 2, paragraph (b), for purposes of reviewing and ranking local allocation requests. The rankings must be in order of priority and shall provide financial assistance within the limits of the funds available. In carrying out the review and ranking, the subcommittee must consist of, at a minimum, the chair, representatives of the pollution control agency, United States Department of Agricultural Stabilization and Conservation Service, United States Department of Agriculture Soil Conservation Service, Association of Minnesota Counties, and other agencies or associations as the commissioner, the chair, and agency determine are appropriate. The review and ranking shall take into consideration other related state or federal programs.~~

~~(b) The subcommittee shall use the criteria listed below in carrying out the review and ranking:~~

~~(1) whether the proposed activities are identified in a comprehensive water management plan as priorities;~~

~~(2) whether the applicant intends to establish a revolving loan program under subdivision 10, paragraph (b);~~

~~(3) the potential that the proposed activities have for improving or protecting surface and groundwater quality;~~

~~(4) the extent that the proposed activities support areawide or multijurisdictional approaches to protecting water quality based on defined watershed;~~

~~(5) whether the activities are needed for compliance with existing water related laws or rules;~~

~~(6) whether the proposed activities demonstrate participation, coordination, and cooperation between local units of government and other public agencies;~~

~~(7) whether there is coordination with other public and private funding sources and programs;~~

~~(8) whether there are off-site public benefits such as preventing downstream degradation and siltation; and~~

~~(9) the proposed interest rate. (a) Continued availability of allocations granted to a local government unit is contingent upon the commissioner's approval of the local government unit's annual report. The commissioner shall review this annual report to ensure that the past and future uses of the funds are consistent with the comprehensive water management plan, other local planning documents, the requirements of the funding source, and compliance to program requirements. If the commissioner concludes the past or intended uses of the money are not consistent with these requirements, the commissioner shall rescind all or part of the allocation awarded to a local government unit.~~

(b) The commissioner may rescind funds allocated to the local government unit that are not designated to committed projects or disbursed within one year from the date of the allocation agreement.

(c) An additional year to use the undisbursed portion of an allocation may be granted by the commissioner under extenuating circumstances.

Subd. 9a. [AUTHORITY AND RESPONSIBILITIES OF APPLICANTS THE LOCAL GOVERNMENT UNITS.] Applicants may enter into a lender agreement designating a local lender. Applicants designating themselves as the local lender may enter into contracts for loan review, processing, and servicing. (a) A local government unit that enters into an allocation agreement with the commissioner:

(1) is responsible for the local administration and implementation of the program in accordance with this section;

(2) may submit applications for allocations to the commissioner;

(3) shall identify, develop, determine eligibility, define and approve projects, designate maximum loan amounts for projects, and certify completion of projects implemented under this program. In areas where no local government unit has applied for funds under this program, the commissioner may appoint a local government unit to review and certify projects or the commissioner may assume the authority and responsibility of the local government unit;

(4) shall certify as eligible only projects that are within its geographic jurisdiction or within the geographic area identified in its local comprehensive water management plans or other local planning documents;

(5) may require withholding by the local lender of all or a portion of the loan to the borrower until satisfactory completion of all required components of a certified project;

(6) must identify which account is used to finance an approved project if the local government unit has allocations from multiple accounts in the agricultural and environmental revolving accounts;

(7) shall report to the commissioner annually the past and intended uses of allocations awarded; and

(8) may request additional funds in excess of their allocation when funds are available in the agricultural and environmental revolving accounts, as long as all other allocation awards to the local government unit have been used or committed.

(b) If a local government unit withdraws from participation in this program, the local government unit, or the commissioner in accordance with the priorities established under subdivision 6a, may designate another local government unit that is eligible under subdivision 6, as the new local government unit responsible for local administration of this program. This designated local government unit may accept responsibility and administration of allocations awarded to the former responsible local government unit.

Subd. 9b. [LENDER AGREEMENT.] (a) Any local lender entering into a lender agreement with the commissioner may participate in this program.

(b) The lender agreement will contain terms and conditions for participation in this program and providing funds to the local lenders, including but not limited to, program requirements, loan and account management requirements, payments, repayments, term limits, allowable expenses, fee limitations, rescission and cancellation provisions, collateral and security requirements, reporting requirements, review and appeal procedure for cancellation of the loan agreement or disqualification as a local lender, and the responsibilities of the commissioner, local government unit, and local lender.

(c) If the commissioner determines that a local lender is not in compliance with the terms of the lender agreement, the commissioner may take the following actions:

(1) disqualifying the local lender as a participating lender in this program for a period of up to five years from the date that the commissioner determines noncompliance to the lender agreement; and

(2) requiring immediate or accelerated repayment of all or part of all funds provided to the local lender.

(d) Existing lender agreements, executed prior to July 1, 2001, may be amended by mutual consent of all signatory parties, to comply with this section, to establish a single allocation agreement that includes the amount of prior allocation awards and defines the terms and conditions required under subdivision 8, or to modify the amount of allocation awarded.

Subd. 10. [AUTHORITY AND RESPONSIBILITIES OF LOCAL LENDERS.] (a) Local lenders may enter into lender agreements with the commissioner.

(b) Local lenders may enter into loan agreements with borrowers to finance eligible projects under this section.

~~(c) Local lenders may establish revolving loan programs to finance projects under this section~~
The local lender shall notify the local government unit of the loan amount issued to the borrower after the closing of each loan.

(d) Local lenders with local revolving loan accounts created before July 1, 2001, may continue to retain and use those accounts in accordance with their lending agreements for the full term of those agreements.

(e) Local lenders, including applicants local government units designating themselves as the local lender, may enter into participation agreements with other lenders.

(f) Local lenders may also enter into contracts with other lenders for the limited purposes of loan review, processing and servicing, or to enter into loan agreements with borrowers to finance projects under this section. Other lenders entering into contracts with local lenders under this section must meet the definition of local lender in subdivision 4, must comply with all provisions of the lender agreement and this section, and must guarantee repayment of the loan funds to the local lender. In no case may there be more than one local lender per county or more than one revolving fund per county.

(g) When required by the local government unit, a local lender must withhold all or a portion of the loan disbursement for a project until notified by the local government unit that the project has been satisfactorily completed.

(h) The local lender is responsible for repaying all funds provided by the commissioner to the local lender.

(i) The local lender is responsible for collecting repayments from borrowers. If a borrower defaults on a loan issued by the local lender, it is the responsibility of the local lender to obtain repayment from the borrower. Default on the part of borrowers shall have no effect on the local lender's responsibility to repay its obligations to the commissioner whether or not the local lender fully recovers defaulted amounts from borrowers.

(j) The local lender shall provide sufficient collateral or protection to the commissioner for the funds provided to the local lender. The commissioner must approve the collateral or protection provided.

Subd. 11. [LOANS ISSUED TO BORROWER ELIGIBILITY; TERMS; REPAYMENT; RECISION.] (a) Local lenders ~~shall use the following criteria in addition to other criteria they deem necessary in determining the eligibility of borrowers for loans:~~

(1) whether the activity is certified by a local unit of government may issue loans only for projects that are approved and certified by the local government unit as meeting priority needs identified in a comprehensive water management plan and is or other local planning documents, are in compliance with accepted practices, standards, specifications, or criteria;

(2) whether the activity is certified as, and are eligible for financing under Environmental Protection Agency or other applicable guidelines; and

(3) whether the repayment is assured from the borrower.

(b) The local lender may use any additional criteria considered necessary to determine the eligibility of borrowers for loans.

(c) Local lenders shall set the terms and conditions of loans to borrowers, except that:

(1) no loan to an individual a borrower may exceed \$50,000;

(2) no loan for a project may exceed \$50,000; and

(3) no borrower shall, at any time, have multiple loans from this program with a total outstanding loan balance of more than \$50,000. In all instances, local lenders must provide for sufficient collateral or protection for the loan principal. They are responsible for collecting repayments by borrowers.

(e) The local lender is responsible for repaying the principal of a loan to the commissioner. The terms of repayment will be identified in the lender agreement. If defaults occur, it is the responsibility of the local lender to obtain repayment from the borrower. Default on the part of individual borrowers shall have no effect on the local lender's responsibility to repay its loan from the commissioner whether or not the local lender fully recovers defaulted amounts from individual borrowers. For revolving loan programs established under subdivision 10, paragraph (c), the lender agreement must provide that:

(1) repayment of principal to the commissioner must begin no later than ten years after the date of the lender agreement and must be repaid in full no later than 20 years after the date of the lender agreement;

(2) after the initial ten-year period, the local lender shall not write any additional loans, and any existing principal balance held by the local lender shall be immediately repaid to the commissioner;

(3) after the initial ten-year period, all principal received by the local lender from borrowers shall be repaid to the commissioner as it is received; and

(4) the applicant shall report to the commissioner annually regarding the past and intended uses of the money in the revolving loan program.

(d) Continued availability of the allocation granted in the lender agreement is contingent upon commissioner approval of the annual report. The commissioner shall review the annual report to ensure the past and future uses of the funds are consistent with the comprehensive water management plan and the lender agreement. If the commissioner concludes the past or intended uses of the money are not consistent with the comprehensive water management plan or the lender agreement, the commissioner shall rescind the allocation granted under the lender agreement. Such rescision shall result in termination of available allocation, the immediate repayment of any unencumbered funds held by the local lender in a revolving loan fund, and the repayment of the principal portion of loan repayments to the commissioner as they are received. The lender agreement shall reflect the commissioner's rights under this paragraph.

(e) A local lender shall receive certification from local government unit staff that a project has been satisfactorily completed prior to releasing the final loan disbursement.

(d) The maximum term length for conservation tillage and individual sewage treatment system projects is five years. The maximum term length for other projects in this paragraph is ten years.

(e) Fees charged at the time of closing must:

(1) be in compliance with normal and customary practices of the local lender;

(2) be in accordance with published fee schedules issued by the local lender;

(3) not be based on participation program; and

(4) be consistent with fees charged other similar types of loans offered by the local lender.

(f) The interest rate assessed to outstanding loan balance by the local lender must not exceed three percent per year.

Subd. 11a. [ELIGIBLE PROJECTS.] All projects that remediate or mitigate adverse environmental impacts are eligible if:

(1) the project is eligible under the allocation agreement and provisions of the originating appropriation or funding sources designated by the local government unit to finance the project; and

(2) manure management projects remediate or mitigate impacts from facilities with less than 1,000 animal units as defined in Minnesota Rules, chapter 7020.

Subd. 12. [DATA PRIVACY.] The following data on applicants local government units, local lenders, or borrowers collected by the commissioner under this section are private for data on individuals as provided in section 13.02, subdivision 12, or nonpublic for data not on individuals as provided in section 13.02, subdivision 9: financial information, including, but not limited to, credit reports, financial statements, tax returns and net worth calculations received or prepared by the commissioner.

Subd. 13. [ESTABLISHMENT OF ACCOUNT.] The authority shall establish an account called the agriculture best management practices revolving fund to provide loans and other forms of financial assistance authorized under section 446A.07. The fund must be credited with repayments.

Subd. 14. [FEES AND INTEREST.] (a) Origination fees charged directly to borrowers by local lenders upon executing a loan shall not exceed one-half of one percent of the loan amount. Interest assessed to loan repayments by the local lender must not exceed three percent.

(b) The local lender shall create a principal account to which the principal portions of individual borrower loan repayments will be credited.

(c) Any interest earned on outstanding loan balances not separated as repayments are received and before the principal amounts are deposited in the principal account shall be added to the principal portion of the loan to the local lender and must be paid to the commissioner when the principal is due under the lender agreement.

(d) Any interest earned on the principal account must be added to the principal portion of the loan to the local lender and must be paid to the commissioner when the principal is due under the lender agreement.

Subd. 15. [COMMISSIONER'S REPORT.] (a) The commissioner and chair shall prepare and submit a report to the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture by October 15 of each odd-numbered year.

(b) The report shall include, but need not be limited to, matters such as loan allocations and uses, the extent to which the financial assistance is helping implement local water and other environmental planning priorities, the integration or coordination that has occurred with related programs, and other matters deemed pertinent to the implementation of the program.

Subd. 16. [LIENS AGAINST PROPERTY.] (a) Unless a county determines otherwise, at the time of the disbursement of funds on a loan to a borrower under this section, the principal balance due plus accrued interest on the principal balance as provided by this section becomes a lien in favor of the county making the loan upon the real property on which the project is located. The lien must be first and prior to all other liens against the property, including state tax liens, whether filed before or after the placing of a lien under this subdivision, except liens for special assessments by the county under applicable special assessments laws, which liens shall be of equal rank with the lien created under this subdivision. A lien in favor of the county shall be first and prior as provided in this subdivision only if the county making the loan gives written notice of the

~~intent to make the loan under this subdivision to all other persons having a recorded interest in the real property subject to the lien, no less than 30 days prior to the disbursement of the funds, and receives an agreement to subordinate superior lien positions held by all other lenders having a recorded interest in the real property subject to the lien. This lien and subordination agreement must be recorded against the real estate in the county recorder's office or filed with the registrar of titles for the county or counties in which the property is located. The county may bill amounts due on the loan on the tax statement for the property. Enforcement of the lien created by this subdivision shall, at the county's option, be in the manner set forth in chapter 580 or 581. When the amount due plus interest has been paid, the county shall file a satisfaction of the lien created under this subdivision. The amount of loans and accruing interest made by counties acting as local lenders under this section is a lien against the real property for which the improvement was made and must be assessed against the property or properties benefited unless the amount is prepaid. An amount loaned under the program and its accruing interest assessed against the property is a priority lien only against subsequent liens.~~

(b) The county may bill amounts due on the loan on the tax statement for the property. Enforcement of the lien created by this subdivision must, at the county's option, be in the manner set forth in chapter 580 or 581. When the amount due and all interest has been paid, the county shall file a satisfaction of the lien created under this subdivision.

~~(b) (c) A county may also secure amounts due on a loan under this section by taking a purchase money security interest in equipment in accordance with chapter 336, article 9, and may enforce the purchase money security interest in accordance with chapters 336, article 9, and 565.~~

Subd. 17. [REFERENDUM EXEMPTION.] For the purpose of obtaining a loan from the commissioner, a local government unit acting as a local lender may provide to the commissioner its general obligation note. All obligations incurred by a local government unit in obtaining a loan from the commissioner must be in accordance with chapter 475, except that so long as the obligations are issued to evidence a loan from the commissioner to the local government unit, an election is not required to authorize the obligations issued, and the amount of the obligations shall not be included in determining the net indebtedness of the local government unit under the provisions of any law or chapter limiting the indebtedness.

Sec. 7. Minnesota Statutes 2000, section 18B.01, is amended by adding a subdivision to read:

Subd. 26a. [SCHOOL PEST MANAGEMENT COORDINATOR.] "School pest management coordinator" means a person employed by a school district, private other than home-schooled, or parochial school who is responsible for the planning, training, coordination, communication, and implementation of a school's integrated pest management program, including the application of pesticides to the inside or outdoor property of the school as part of that program.

Sec. 8. [18B.095] [PESTICIDE APPLICATION IN SCHOOLS.]

Subdivision 1. [AUTHORIZED APPLICATORS.] Application of a pesticide to the inside or outdoor property of a school district, private other than home-schooled, or parochial school must be performed by:

- (1) a structural pest control applicator;
- (2) a commercial or noncommercial pesticide applicator with appropriate use category certification; or
- (3) a registered school pest management coordinator or a school employee under the direction of a registered school pest management coordinator.

Subd. 2. [EXEMPTION.] Pesticides determined by the commissioner to be sanitizers or disinfectants are exempt from subdivision 1.

Subd. 3. [REGISTRY AND INFORMATION.] The commissioner, in consultation with the departments of health; administration; and children, families, and learning; the University of Minnesota Extension Service; the Minnesota School Boards Association; and other persons as necessary and appropriate, must:

- (1) establish and maintain a registry of school pest management coordinators; and
- (2) provide information on a regular and periodic basis to registered school pest management coordinators on integrated pest management techniques and programs, including model school policies; proper pesticide use, storage, handling, and disposal; and other relevant pesticide and pest management information.

Sec. 9. Minnesota Statutes 2000, section 31A.21, subdivision 2, is amended to read:

Subd. 2. [FEDERAL ASSISTANCE.] In its cooperative efforts, the Minnesota department of agriculture may accept from the United States Secretary of Agriculture (1) advisory assistance in planning and otherwise developing the state program, (2) technical and laboratory assistance and training, including necessary curricular and instructional materials and equipment, and (3) financial and other aid for the administration of the program. ~~The Minnesota department of agriculture may spend a sum for administration of this chapter equal to 50 percent of the estimated total cost of the cooperative program.~~

Sec. 10. [37.27] [FAIR FOUNDATION.]

The state agricultural society may establish a nonprofit corporation to be operated exclusively for charitable purposes as contemplated by sections 170(c)(2) and 501(c)(3) of the United States Internal Revenue Code. Subject to those sections, the corporation must be organized and operated exclusively for the benefit and to carry out the purposes of the state agricultural society for so long as the state agricultural society is and remains an organization as described in section 509(a)(1) or 509(a)(2) of the Internal Revenue Code. The corporation shall solicit, receive, hold, invest, and contribute funds and property for the use and benefit of the state agricultural society in a manner consistent with the public good and primarily for capital expenditures and other needs not funded by other means. The corporation may be known as the Minnesota state fair foundation.

Sec. 11. Minnesota Statutes 2000, section 41B.025, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] There is created a public body corporate and politic to be known as the "Minnesota rural finance authority," which shall perform the governmental functions and exercise the sovereign powers delegated to it in sections 41B.01 to 41B.23 and chapter 41C in furtherance of the public policies and purposes declared in section 41B.01. The board of the authority consists of the commissioners of agriculture, commerce, trade and economic development, and finance, the state auditor, and six public members appointed by the governor with the advice and consent of the senate. The state auditor may designate one staff member to serve in the auditor's place. No public member may reside within the metropolitan area, as defined in section 473.121, subdivision 2. Each member shall hold office until a successor has been appointed and has qualified. A certificate of appointment or reappointment of any member is conclusive evidence of the proper appointment of the member.

Sec. 12. Minnesota Statutes 2000, section 41B.03, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR RESTRUCTURED LOAN.] In addition to the eligibility requirements of subdivision 1, a prospective borrower for a restructured loan must:

- (1) have received at least 50 percent of average annual gross income from farming for the past three years or, for homesteaded property, received at least 40 percent of average gross income from farming in the past three years, and farming must be the principal occupation of the borrower;
- ~~(2) have a debt to asset ratio equal to or greater than 50 percent and in determining this ratio, the assets must be valued at their current market value;~~
- ~~(3) have projected annual expenses, including operating expenses, family living, and interest expenses after the restructuring, that do not exceed 95 percent of the borrower's projected annual income considering prior production history and projected prices for farm production, except that the authority may reduce the 95 percent requirement if it finds that other significant factors in the loan application support the making of the loan;~~

(4) ~~(3)~~ demonstrate substantial difficulty in meeting projected annual expenses without restructuring the loan; and

~~(5)~~ (4) must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$400,000 in 1999 and an amount in subsequent years which is adjusted for inflation by multiplying \$400,000 by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 13. Minnesota Statutes 2000, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. [LOAN PARTICIPATION.] The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$100,000~~ \$125,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 14. Minnesota Statutes 2000, section 41B.043, subdivision 2, is amended to read:

Subd. 2. [SPECIFICATIONS.] No direct loan may exceed \$35,000 or \$125,000 for a loan participation ~~or be made to refinance an existing debt~~. Each direct loan and participation must be secured by a mortgage on real property and such other security as the authority may require.

Sec. 15. Minnesota Statutes 2000, section 41B.046, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT.] The authority shall establish and implement a value-added agricultural product loan program to help farmers finance the purchase of stock in a cooperative that is proposing to build or purchase and operate an agricultural product processing facility or already owns and operates an agricultural product processing facility.

Sec. 16. Minnesota Statutes 2000, section 41D.01, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] (a) The Minnesota agriculture education leadership council is established. The council is composed of 16 members as follows:

- (1) the chair of the University of Minnesota agricultural education program;
- (2) a representative of the commissioner of children, families, and learning;
- (3) a representative of the Minnesota state colleges and universities recommended by the chancellor;
- (4) the president and the president-elect of the Minnesota ~~vocational agriculture instructors association~~ Association of Agriculture Educators;
- (5) a representative of the Future Farmers of America Foundation;
- (6) a representative of the commissioner of agriculture;
- (7) the dean of the college of agriculture, food, and environmental sciences at the University of Minnesota;
- (8) two members representing agriculture education and agriculture business appointed by the governor;
- (9) the chair of the senate committee on agriculture ~~and rural development~~, general legislation and veterans affairs;
- (10) the chair of the house committee on agriculture;
- (11) the ranking minority member of the senate committee on agriculture ~~and rural development, general legislation and veterans affairs~~, and a member of the senate ~~committee on children, families and learning~~ education committee designated by the subcommittee on committees of the committee on rules and administration; and

(12) the ranking minority member of the house agriculture committee, and a member of the house education committee designated by the speaker.

(b) An ex officio member of the council under paragraph (a), clause (1), (4), (7), (9), (10), (11), or (12), may designate a permanent or temporary replacement member representing the same constituency.

Sec. 17. Minnesota Statutes 2000, section 41D.01, subdivision 3, is amended to read:

Subd. 3. [COUNCIL OFFICERS; TERMS AND COMPENSATION OF APPOINTEES; STAFF.] (a) The chair of the senate agriculture and rural development, general legislation and veterans affairs committee and the chair of the house agriculture committee, or their designees, are the cochaIRS of the council.

(b) The council's membership terms, compensation, filling of vacancies, and removal of members are as provided in section 15.0575.

(c) The council may employ an executive director and any other staff to carry out its functions.

Sec. 18. Minnesota Statutes 2000, section 41D.01, subdivision 4, is amended to read:

Subd. 4. [EXPIRATION.] This section expires on June 30, ~~2002~~ 2003.

Sec. 19. Minnesota Statutes 2000, section 97B.001, subdivision 1, is amended to read:

Subdivision 1. [AGRICULTURAL LAND DEFINITION.] For purposes of this section, "agricultural land" means land:

(1) that is plowed or tilled;

(2) that has standing crops or crop residues; ~~or~~

(3) within a maintained fence for enclosing domestic livestock;

(4) that is planted and maintained as hayland or grassland outside of the city limits of a home rule charter or statutory city; or

(5) that is planted in a row pattern to short rotation woody crops, as defined in section 41B.048, subdivision 4.

Sec. 20. Minnesota Statutes 2000, section 116O.09, subdivision 1a, is amended to read:

Subd. 1a. [BOARD OF DIRECTORS.] The board of directors of the agricultural utilization research institute is comprised of:

(1) the chairs of the senate ~~agriculture and rural development committee~~ and the house of representatives committees with jurisdiction over agriculture committee policy;

(2) two representatives of statewide farm organizations;

(3) two representatives of agribusiness, one of whom is a member of the Minnesota Technology, Inc. board representing agribusiness; ~~and~~

(4) three representatives of the commodity promotion councils; and

(5) the commissioner of agriculture.

A member of the board of directors under clauses (1) to ~~(4)~~ (5) may designate a permanent or temporary replacement member representing the same constituency.

Sec. 21. Minnesota Statutes 2000, section 296A.01, subdivision 19, is amended to read:

Subd. 19. [E85.] "E85" means a petroleum product that is a blend of agriculturally derived

denatured ethanol and gasoline or natural gasoline that typically contains 85 percent ethanol by volume, but at a minimum must contain 60 percent ethanol by volume. For the purposes of this chapter, the energy content of E85 will be considered to be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles as defined in ~~section 296A.01, subdivision 5,~~ must comply with ASTM specification D 5798-96.

Sec. 22. Minnesota Statutes 2000, section 514.19, is amended to read:

514.19 [RIGHT OF DETAINER.]

A lien and right of detainer exists for:

(1) ~~transporting property, other than harvested crops or livestock, from one place to another but not as a carrier under article 7 of the Uniform Commercial Code;~~

(2) ~~keeping or storing property, other than harvested crops or livestock, as a bailee but not as a warehouse operator under article 7 of the Uniform Commercial Code;~~

~~(3) Keeping, feeding, pasturing, or otherwise caring for domestic animals or other beasts, including medical or surgical treatment and shoeing;~~

(4) the use and storage of molds and patterns in the possession of the fabricator belonging to the customer for the balance due from the customer for fabrication work;

~~(5)~~ (4) making, altering or repairing any article, other than livestock, or expending any labor, skill or material on it;

~~(6)~~ (5) reasonable charges for a vehicle rented as a replacement for a vehicle serviced or repaired and being retained as provided by this section.

The liens embrace all lawful charges against the property paid to any other person by the person claiming the lien, and the price or value of the care, storage or contribution and all reasonable disbursements occasioned by the detention or sale of the property.

Sec. 23. [514.963] [CROP LIEN DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of this section and section 514.964, the terms defined in subdivisions 2 to 12 have the meanings given them.

Subd. 2. [AGRICULTURAL CHEMICAL.] "Agricultural chemical" means fertilizers or agricultural chemicals that are applied to crops or to land used for raising crops, including fertilizer material, plant amendment, and plant food. The term includes a soil amendment as defined in section 18C.005, and a pesticide and a plant regulator as defined in section 18B.01.

Subd. 3. [AGRICULTURAL LIEN.] "Agricultural lien" means an agricultural lien as defined by section 336.9-102(a)(5), and includes a landlord's lien, harvester's lien, and crop production input lien under this section.

Subd. 4. [AGRICULTURAL LIENHOLDER.] "Agricultural lienholder" means a person holding an agricultural lien.

Subd. 5. [CROP PRODUCTION INPUT.] "Crop production input" means agricultural chemicals, seeds, petroleum products, the custom application of agricultural chemicals and seeds, and labor used in preparing the land for planting, cultivating, growing, producing, harvesting, drying, and storing crops or crop products.

Subd. 6. [FARM PRODUCTS.] "Farm products" means farm products as defined in section 336.9-102(a)(34).

Subd. 7. [LENDER.] "Lender" means a secured party as defined in section 336.9-102(a)(72), holding a perfected security interest in the farm products of the obligor.

Subd. 8. [OBLIGOR.] "Obligor" means obligor as defined in section 336.9-102(a)(59).

Subd. 9. [PERSON.] "Person" means an individual or an organization as defined in section 336.1-201(30).

Subd. 10. [PETROLEUM PRODUCTS.] "Petroleum products" means motor fuels and special fuels used in the production of crops and livestock, including petroleum products as defined in section 296A.01, and alcohol fuels, propane, lubes, and oils.

Subd. 11. [SEED.] "Seed" means agricultural seeds used to produce crops, including agricultural seeds defined in section 21.72.

Subd. 12. [SUPPLIER.] "Supplier" means a person furnishing crop production inputs.

Sec. 24. [514.964] [AGRICULTURAL LIEN ON CROPS.]

Subdivision 1. [LANDLORD'S LIEN.] A person leasing real property for agricultural production has a lien for unpaid rent on the crops produced on the real property in the crop year that is the subject of the lease. A landlord's lien becomes effective when the crops become growing crops.

Subd. 2. [HARVESTER'S LIEN.] (a) A person providing combining, picking, harvesting, hauling, baling, drying, or storing services in the ordinary course of business has a lien upon the crops combined, picked, harvested, hauled, baled, dried, or stored, as the case may be, for the reasonable amount and kind of service provided.

(b) A harvester's lien becomes effective upon the services being provided the obligor by the harvester.

(c) A person asserting a harvester's lien may not assert a crop production input lien for the same goods or services provided the obligor.

Subd. 3. [CROP PRODUCTION INPUT LIEN.] (a) A supplier furnishing crop production inputs in the ordinary course of business has an agricultural lien for the unpaid retail cost of the crop production inputs. The lien attaches to:

(1) the existing crops upon the land where a furnished agricultural chemical was applied, or if crops are not planted, to the next production crop within 16 months following the last date on which the agricultural chemical was applied;

(2) the crops produced from furnished seed; or

(3) the crops produced, harvested, or processed using a furnished petroleum product.

If the crops are grown on leased land and the lease provides for payment in crops, the lien does not attach to the lessor's portion of the crops. A crop production input lien becomes effective when the crop production inputs are furnished by the supplier to the purchaser.

(b) A supplier shall notify a lender of a crop production input lien by providing a lien-notification statement to the lender in an envelope marked "IMPORTANT - LEGAL NOTICE." Delivery of the notice must be made by certified mail or another verifiable method.

(c) The lien-notification statement must disclose the following:

(1) the name and address of the lender that is to receive notification;

(2) the name and address of the supplier claiming the lien;

(3) a description and the date or anticipated date or dates of the transaction and the retail cost or anticipated costs of the crop production input;

(4) the name and address of the person to whom the crop production input was furnished; and

(5) the name and address of the owner.

(d) Within ten calendar days after receiving a lien-notification statement, the lender must respond to the supplier with either:

(1) a letter of commitment for part or all of the retail cost or anticipated costs of the crop production input as set forth in the lien-notification statement; or

(2) a written refusal to issue a letter of commitment.

A copy of the lender's response must be provided to the person for whom the financing was requested.

(e) If a lender responds with a letter of commitment for part or all of the amount in the lien-notification statement, the supplier may not obtain a lien for the amount stated in the letter of commitment. If a lender responds with a refusal to provide a letter of commitment, the rights of the lender and the supplier are not affected.

(f) If a lender does not respond under paragraph (d) to the supplier within ten calendar days after receiving the lien-notification statement, a perfected crop production input lien corresponding to the lien-notification statement has priority over any security interest of the lender in the same crops or their proceeds for the lesser of:

(1) the amount stated in the lien-notification statement; or

(2) the unpaid retail cost of the crop production input identified in the lien-notification statement.

Subd. 4. [SCOPE.] A landlord's lien, harvester's lien, or crop production input lien attaches to the crops serviced, produced, or harvested by the agricultural lienholder, and the products and proceeds thereof to the extent of the price or value of the goods or services provided.

Subd. 5. [PERFECTION.] (a) A landlord's lien, harvester's lien, or crop production input lien under this section is perfected if a financing statement is filed pursuant to sections 336.9-501 to 336.9-530 and within the time periods set forth in paragraphs (b) to (d).

(b) A landlord's lien must be perfected on or before 30 days after the crops become growing crops.

(c) A harvester's lien must be perfected on or before 15 days after the last date that harvesting services are provided the obligor.

(d) A crop production input lien must be perfected by six months after the last date that crop production inputs are furnished the obligor.

Subd. 6. [GOVERNING LAW.] Except as otherwise provided in this section, an agricultural lien is subject to the provisions of the Uniform Commercial Code - Secured Transactions, sections 336.9-101 to 336.9-709.

Subd. 7. [PRIORITY.] (a) A perfected landlord's lien under this section has priority over all competing security interests and all agricultural liens in crops and the products or proceeds thereof.

(b) Except as provided in paragraph (c), a perfected harvester's lien under this section has priority over all competing security interests and all agricultural liens except a perfected landlord's lien in crops and the products or proceeds thereof, and except for a perfected crop production input lien for the reasonable cost of the seed in crops and products and the proceeds thereof.

(c) If more than one harvester's lien is perfected under this section, the conflicting perfected harvester's liens rank equally in proportion to the value of the service provided.

(d) Except as provided in paragraph (e), a perfected crop production lien under this section has

priority against all competing agricultural liens except a perfected landlord's lien and a perfected harvester's lien in the crops and products or proceeds thereof.

(e) If more than one crop production input lien is perfected under this section, conflicting perfected crop production input liens have priority in order of the effectiveness of the liens.

(f) Except as provided in paragraph (g), a perfected crop production input lien under this section has priority against all competing security interest as provided in subdivision 3 in crops and the products and proceeds thereof.

(g) A perfected crop production input lien has priority over a competing security interest in the crops and proceeds and products thereof if the crop production input lien is effective before the secured party has given value to the debtor.

Subd. 8. [DEFAULT.] Default occurs when an obligor fails to perform any obligation, whether written or oral, owed to the agricultural lienholder.

Subd. 9. [ENFORCEMENT.] The holder of an agricultural lien under this section may enforce the lien in the manner provided in sections 336.9-601 to 336.9-628.

Sec. 25. [514.965] [LIVESTOCK LIEN DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of this section and section 514.966, the terms defined in subdivisions 2 to 11 have the meanings given them.

Subd. 2. [AGRICULTURAL LIEN.] "Agricultural lien" means an agricultural lien as defined in section 336.9-102(a)(5) and includes a veterinarian's lien, breeder's lien, livestock production input lien, and feeder's lien under this section.

Subd. 3. [AGRICULTURAL LIENHOLDER.] "Agricultural lienholder" means a person holding an agricultural lien.

Subd. 4. [EMERGENCY VETERINARY SERVICES.] "Emergency veterinary services" includes surgical procedures, administering vaccines, antisera, and antibiotics, and other veterinary medicines, treatments, and services performed primarily to protect human health, prevent the spread of animal diseases, or preserve the health of the animal or animals treated.

Subd. 5. [FARM PRODUCTS.] "Farm products" means farm products as defined in section 336.9-102(a)(34).

Subd. 6. [FEED.] "Feed" means commercial feeds, feed ingredients, mineral feeds, drugs, animal health products, or customer-formula feeds used for feeding livestock, including commercial feed as defined in section 25.33.

Subd. 7. [LENDER.] "Lender" means a secured party as defined in section 336.9-102(a)(72) holding a perfected security interest in the farm products of the obligor.

Subd. 8. [LIVESTOCK PRODUCTION INPUT.] "Livestock production input" means feed and labor used in raising livestock.

Subd. 9. [OBLIGOR.] "Obligor" means an obligor as defined in section 336.9-102(a)(59).

Subd. 10. [PERSON.] "Person" means an individual or an organization as defined in section 336.1-201(30).

Subd. 11. [SUPPLIER.] "Supplier" means a person furnishing agricultural production inputs.

Sec. 26. [514.966] [AGRICULTURAL LIEN ON LIVESTOCK.]

Subdivision 1. [VETERINARIAN'S LIEN.] A licensed veterinarian performing emergency veterinary services in the ordinary course of business that cost more than \$25 for animals at the request of the owner or a person in possession of the animals has a lien on the animals for the

value of the services. A lien under this section does not secure any veterinary services performed more than one year before the date on which the last item of the veterinary service is performed. A veterinarian's lien becomes effective upon the services being provided the obligor by the veterinarian.

Subd. 2. [BREEDER'S LIEN.] The owner of any livestock used for breeding services in the ordinary course of business, or any provider, in the ordinary course of business, of semen or ova used in fertilizer, artificial insemination, or any other artificial means of impregnating livestock, has a lien upon the livestock bred and any resulting offspring for the price or value of the service provided. A breeder's lien becomes effective when the services are provided the obligor by the breeder.

Subd. 3. [LIVESTOCK PRODUCTION INPUT LIEN.] (a) A supplier furnishing livestock production inputs in the ordinary course of business has a livestock production input lien for the unpaid retail cost of the livestock production input. A perfected livestock production input lien that attaches to livestock may not exceed the amount, if any, that the sales price of the livestock exceeds the greater of the fair market value of the livestock at the time the lien attaches or the acquisition price of the livestock. A livestock production input lien becomes effective when the agricultural production inputs are furnished by the supplier to the purchaser.

(b) A supplier shall notify a lender of a livestock production input lien by providing a lien-notification statement to the lender in an envelope marked "IMPORTANT - LEGAL NOTICE." Delivery of the notice must be made by certified mail or another verifiable method.

(c) The lien-notification statement must be in a form approved by the secretary of state and disclose the following:

- (1) the name and business address of the lender that is to receive notification;
- (2) the name and address of the supplier claiming the lien;
- (3) a description and the date or anticipated date or dates of the transaction and the retail cost or anticipated costs of the livestock production input;
- (4) the name, residential address, and signature of the person to whom the livestock production input was furnished;
- (5) the name and residential address of the owner of the livestock, the location where the livestock will be raised, and a description of the livestock; and
- (6) a statement that products and proceeds of the livestock are covered by the livestock input lien.

(d) Within ten calendar days after receiving a lien-notification statement, the lender must respond to the supplier with either:

- (1) a letter of commitment for part or all of the amount in the lien-notification statement; or
- (2) a written refusal to issue a letter of commitment.

A copy of the response must be mailed to the person for whom the financing was requested.

(e) If a lender responds with a letter of commitment for part or all of the amount in the lien-notification statement, the supplier may not obtain a lien for the amount stated in the letter of commitment. If a lender responds with a refusal to provide a letter of commitment, the rights of the lender and the supplier are not affected.

(f) If a lender does not respond under paragraph (d) to the supplier within ten calendar days after receiving the lien-notification statement, a perfected livestock production input lien corresponding to the lien-notification statement has priority over any security interest of the lender in the same livestock or their proceeds for the lesser of:

(1) the amount stated in the lien-notification statement; or

(2) the unpaid retail cost of the livestock production input identified in the lien-notification statement, subject to any limitation in paragraph (a).

Subd. 4. [FEEDER'S LIEN.] (a) A person has a feeder's lien on livestock if the person (1) stores, cares for, or contributes to the keeping, feeding, pasturing, or other care of livestock, including medical or surgical treatment and shoeing, and (2) does so in the ordinary course of business, at the request of the owner or legal possessor of the livestock.

(b) A feeder's lien is a lien upon the livestock for the price or value of the storage, care, or contribution, and for any legal charges against the same paid by the person to any other person.

(c) A feeder's lien becomes effective when the services or contributions are provided the obligor.

Subd. 5. [SCOPE.] A veterinarian's lien, breeder's lien, livestock production input lien, or feeder's lien attaches to the livestock serviced by the agricultural lienholder, and products and proceeds thereof to the extent of the price or value of the service provided.

Subd. 6. [PERFECTION.] (a) An agricultural lien under this section is perfected if a financing statement is filed pursuant to sections 336.9-501 to 336.9-530 and within the time periods set forth in paragraphs (b) to (e).

(b) A veterinarian's lien must be perfected on or before 180 days after the last item of the veterinary service is performed.

(c) A breeder's lien must be perfected by six months after the last date that breeding services are provided the obligor.

(d) A livestock production input lien must be perfected by six months after the last date that livestock production inputs are furnished the obligor.

(e) A feeder's lien must be perfected on or before 60 days after the last date that feeding services are furnished the obligor.

Subd. 7. [GOVERNING LAW.] Except as otherwise provided in this section, an agricultural lien is subject to the provisions of the Uniform Commercial Code - Secured Transactions, sections 336.9-101 to 336.9-709.

Subd. 8. [PRIORITY.] (a) Except as provided in paragraph (b), a perfected veterinarian's lien under this section has priority over all competing security interests and all agricultural liens on the same animals.

(b) If more than one veterinarian's lien is perfected under this section, the conflicting perfected veterinarian's liens have priority in order of the effectiveness of the liens.

(c) Except as provided in paragraph (d), a perfected feeder's lien under this section has priority over all competing security interests and all agricultural liens except a perfected veterinarian's lien in the livestock and the products or proceeds thereof.

(d) If more than one feeder's lien is perfected under this section, the conflicting perfected feeder's liens have priority in order of the effectiveness of the liens.

(e) A perfected breeder's lien under this section has priority over all competing security interests and all agricultural liens except a perfected veterinarian's lien and a perfected feeder's lien in the livestock and the products and proceeds thereof.

(f) Except as provided in paragraph (g), a perfected livestock production input lien under this section has priority against all agricultural liens except a perfected veterinarian's lien, feeder's lien, and breeder's lien in the livestock and the products or proceeds thereof.

(g) If more than one livestock production input lien is perfected under this section, conflicting perfected livestock production input liens have priority in order of the effectiveness of the liens.

(h) Except as provided in paragraph (i), a perfected livestock production input lien under this section has priority against all competing security interests as provided in subdivision 3 in livestock and the products and proceeds thereof.

(i) A perfected livestock production input lien has priority over a competing security interest in the livestock and proceeds and products thereof if the livestock production input lien is effective before the secured party has given value to the debtor.

Subd. 9. [DEFAULT.] Default occurs when an obligor fails to perform any obligation, whether written or oral, owed to the agricultural lienholder.

Subd. 10. [ENFORCEMENT.] The holder of an agricultural lien under this section may enforce the lien in the manner provided in sections 336.9-601 to 336.9-628.

Sec. 27. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; Laws 1991, chapter 208, section 2; Laws 1993, First Special Session chapter 2, article 6, section 2; Laws 1995, chapter 212, article 2, section 11; Laws 1997, chapter 183, article 3, section 29; Laws 1998, chapter 395, section 7; Laws 1998, chapter 402, section 6; and Laws 1999, chapter 214, article 2, section 19, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, ~~2001~~ 2003.

Sec. 28. [TRANSITION RULE FOR LIVESTOCK AND CROP STATUTES.]

(a) Agricultural liens in crops or livestock or the products or proceeds thereof created before July 1, 2001, based on statutes repealed by this act, or based on Minnesota Statutes, section 514.19, prior to its amendment by this act, remain in effect for the duration provided by the law in effect before July 1, 2001.

(b) Lien statements properly filed prior to July 1, 2001, under statutes repealed by this act remain effective for the period of time allowed under those statutes.

(c) Records of agricultural liens based upon statutes repealed by this act will exist in the central filing system operated by the office of the secretary of state.

Sec. 29. [TEMPORARY WAIVER OF RULE.]

The application of Minnesota Rules, part 1720.0620, is temporarily waived from January 1, 2001, to June 1, 2002, for products used exclusively for poultry.

Sec. 30. [REPEALER.]

(a) Minnesota Statutes 2000, sections 17.76; 17.987; 24.001; 24.002; 24.12; 24.131; 24.135; 24.141; 24.145; 24.151; 24.155; 24.161; 24.171; 24.175; 24.18; 24.181; 33.09; and 33.111, are repealed.

(b) Minnesota Statutes 2000, sections 514.23; 514.24; 514.25; 514.26; 514.27; 514.28; 514.29; 514.30; 514.31; 514.32; 514.33; 514.34; 514.62; 514.63; 514.65; 514.66; 514.92; 514.950; 514.952; 514.954; 514.956; 514.958; 514.959; 514.960; 557.12; and 559.2091, are repealed.

(c) Minnesota Rules, parts 8271.0010; 8271.0020; 8271.0030; 8271.0040; 8271.0050; 8271.0060; 8271.0070; 8271.0080; 8271.0090; 8271.0100; 8271.0200; 8271.0300; and 8271.0350, are repealed.

Sec. 31. [EFFECTIVE DATE.]

Sections 11 to 18, 27, and 29 are effective the day following final enactment. Sections 22 to 26, 28, and 30, paragraphs (b) and (c), are effective July 1, 2001. Section 8 is effective August 1, 2002."

Delete the title and insert:

"A bill for an act relating to agriculture; modifying provisions of the value-added agricultural product processing and marketing grant program; eliminating the late fee for the license to use the Minnesota grown label; clarifying the term "private contributions" for the Minnesota grown matching account; modifying provisions of the shared savings loan program and the sustainable agriculture demonstration grant program; modifying provisions of the agriculture best management practices loan program; regulating pesticide application in certain schools; modifying financing limitations for the administration of the state meat inspection program; authorizing the state agricultural society to establish a nonprofit corporation for charitable purposes; modifying provisions relating to the rural finance authority; extending the sunset date and providing for designation of replacement members of the Minnesota agriculture education leadership council; modifying the definition of "agricultural land" for the purpose of recreational trespass; providing an additional member of the board of directors of the agricultural utilization research institute; allowing natural gasoline as a petroleum component in E85 fuel; revising and consolidating crop liens and agricultural liens on livestock; extending the sunset date for the farmer-lender mediation program; providing a temporary waiver of board of animal health rules for use of biological products on poultry; repealing obsolete agricultural statutes; amending Minnesota Statutes 2000, sections 17.101, subdivision 5; 17.102, subdivision 3; 17.109, subdivision 3; 17.115; 17.116; 17.117; 18B.01, by adding a subdivision; 31A.21, subdivision 2; 41B.025, subdivision 1; 41B.03, subdivision 2; 41B.043, subdivisions 1b, 2; 41B.046, subdivision 2; 41D.01, subdivisions 1, 3, 4; 97B.001, subdivision 1; 116O.09, subdivision 1a; 296A.01, subdivision 19; 514.19; Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapters 18B; 37; 514; repealing Minnesota Statutes 2000, sections 17.76; 17.987; 24.001; 24.002; 24.12; 24.131; 24.135; 24.141; 24.145; 24.151; 24.155; 24.161; 24.171; 24.175; 24.18; 24.181; 33.09; 33.111; 514.23; 514.24; 514.25; 514.26; 514.27; 514.28; 514.29; 514.30; 514.31; 514.32; 514.33; 514.34; 514.62; 514.63; 514.65; 514.66; 514.92; 514.950; 514.952; 514.954; 514.956; 514.958; 514.959; 514.960; 557.12; 559.2091; Minnesota Rules, parts 8271.0010; 8271.0020; 8271.0030; 8271.0040; 8271.0050; 8271.0060; 8271.0070; 8271.0080; 8271.0090; 8271.0100; 8271.0200; 8271.0300; 8271.0350."

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

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

S.F. No. 1279: A bill for an act relating to human services; providing medical assistance and alternative care reimbursement for certain employee travel costs in conjunction with services provided in the recipient's home; appropriating money; amending Minnesota Statutes 2000, sections 256B.0625, by adding a subdivision; and 256B.0913, subdivision 5.

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

Page 1, line 14, after "2001," insert "and upon federal approval,"

Page 1, line 22, after the comma, insert "a board and lodging facility, a supervised living facility,"

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

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 1986: A bill for an act relating to transportation; providing for expenditures from the transit assistance fund; proposing an amendment to the Minnesota Constitution, article XIV, to dedicate revenue from the motor vehicle sales tax to the highway user tax distribution fund and

transit assistance fund; amending Minnesota Statutes 2000, sections 174.32, subdivision 5; 297B.09, subdivision 1; repealing Minnesota Statutes 2000, section 174.32, subdivisions 2, 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 16A.127, is amended by adding a subdivision to read:

Subd. 10. [HIGHWAY FUNDS.] Statewide indirect cost liabilities may not be accrued to the highway user tax distribution fund, trunk highway fund, county state-aid highway fund, municipal state-aid street fund, or multimodal transportation fund with respect to expenditures from those funds. These liabilities must be accrued to another source of state funds.

Sec. 2. Minnesota Statutes 2000, section 167.51, subdivision 2, is amended to read:

Subd. 2. [TRANSFERS.] All money transferred from the trunk highway fund or from any other source to the Minnesota trunk highway bond account and all income from the investment thereof shall be available for the payment of outstanding state trunk highway bonds and interest thereon, whether or not issued pursuant to section 167.50, in the same manner as the proceeds of taxes paid into the trunk highway fund, and so much thereof as may be necessary is appropriated for such payments. The legislature may appropriate and transfer to the Minnesota trunk highway bond account, for the payment of such trunk highway bonds and interest thereon, any other moneys in the state treasury not otherwise appropriated. The commissioner of finance and the state treasurer are directed to make the appropriate entries in the accounts of the respective funds.

Sec. 3. Minnesota Statutes 2000, section 174.32, subdivision 5, is amended to read:

Subd. 5. [~~ELIGIBLE ACTIVITY EXPENDITURES FROM FUND.~~] ~~Activities eligible for assistance under the program include but are not limited to:~~

- ~~(1) planning and engineering design for transit services;~~
- ~~(2) capital assistance to purchase or refurbish transit vehicles, purchase rail lines and associated facilities for light rail transit, purchase rights-of-way, and other capital expenditures necessary to provide a transit service; and~~
- ~~(3) other assistance for public transit services. Money in the transit assistance fund may be spent by law only for operating assistance.~~

Sec. 4. [174.40] [MULTIMODAL TRANSPORTATION FUND.]

Subdivision 1. [CREATION AND PURPOSE; ACCOUNTS.] (a) A multimodal transportation fund is created in the state treasury. The fund consists of 21 percent of the net proceeds of the tax imposed under chapter 297B and other money as provided by law. A transit account and a statewide surface transportation account are created within the fund.

(b) Twenty-five percent of the revenue in the fund must be deposited to the transit account to be available for appropriation to the metropolitan council for transit capital, operating, and associated development purposes.

(c) Seventy-five percent of the revenue in the fund must be deposited to the statewide surface transportation account to be available for appropriation to the commissioner of transportation for statewide surface transportation purposes including, but not limited to, trunk highway construction and reconstruction, transit capital and service expansion needs outside the metropolitan area, commuter rail capital and operating expenses, and right-of-way preservation. These funds are intended to augment, not supplant, existing funds appropriated for the same purposes.

Subd. 2. [INVESTMENT OF FUND.] Money in the multimodal transportation fund must be invested by the state board of investment. All earnings from investments must be credited to the respective accounts within the multimodal transportation fund in proportion to their account balances.

Sec. 5. [174.41] [USE OF MULTIMODAL TRANSPORTATION FUND.]

Subdivision 1. [STATEWIDE SURFACE TRANSPORTATION ACCOUNT.] For expenditures of funds from the statewide surface transportation account, the commissioner shall give priority to projects that are on the interregional corridor system as described in the state transportation plan, are bottlenecks, or provide advantages to transit and can be delivered in a timely manner.

Subd. 2. [TRANSIT ACCOUNT.] For expenditures of funds from the transit account, the metropolitan council shall give priority to transit service expansion and transit capital projects that are consistent with the regional master transit plan, sector studies, and the transit capital improvement program.

Sec. 6. [270.081] [TAXES CREDITED TO MINNESOTA TRUNK HIGHWAY BOND ACCOUNT.]

The revenue credited to the trunk highway fund from a tax rate adjustment imposed under section 296A.07, subdivision 5, must be credited to the bond proceeds account in the trunk highway fund.

Sec. 7. Minnesota Statutes 2000, section 296A.07, subdivision 3, is amended to read:

Subd. 3. [RATE OF TAX.] The gasoline excise tax is imposed at the following rates:

- (1) E85 is taxed at the rate of ~~14.2~~ 16.3 cents per gallon;
- (2) M85 is taxed at the rate of ~~11.4~~ 13.1 cents per gallon; and
- (3) all other gasoline is taxed at the rate of ~~20~~ 23 cents per gallon.

Sec. 8. Minnesota Statutes 2000, section 296A.07, is amended by adding a subdivision to read:

Subd. 5. [ANNUAL GASOLINE TAX RATE ADJUSTMENT.] (a) Before April 1 of each year, the commissioner of revenue shall recompute and publish the rate of the gasoline excise tax. The new rate per gallon must be calculated by multiplying the rate in effect at the time of the calculation by an amount obtained under paragraph (b). The new rate must be rounded to the nearest 0.1 cent and is effective on April 1 of each year.

(b) Divide the annual average United States Consumer Price Index for all urban consumers, United States city average, as determined by the United States Department of Labor for the previous year by that annual average for the year before the previous year.

Sec. 9. Minnesota Statutes 2000, section 296A.08, subdivision 2, is amended to read:

Subd. 2. [RATE OF TAX.] The special fuel excise tax is imposed at the following rates:

- (1) Liquefied petroleum gas or propane is taxed at the rate of ~~15~~ 17.3 cents per gallon.
- (2) Liquefied natural gas is taxed at the rate of ~~12~~ 13.8 cents per gallon.
- (3) Compressed natural gas is taxed at the rate of ~~\$1.739~~ \$2 per thousand cubic feet; or ~~20~~ 23 cents per gasoline equivalent, as defined by the National Conference on Weights and Measures, which is 5.66 pounds of natural gas.

(4) All other special fuel is taxed at the same rate as the gasoline excise tax as specified in section 296A.07, subdivision 2. The tax is payable in the form and manner prescribed by the commissioner.

Sec. 10. Minnesota Statutes 2000, section 296A.08, is amended by adding a subdivision to read:

Subd. 7. [ANNUAL SPECIAL FUEL TAX RATE ADJUSTMENT.] (a) Before April 1 of each year, the commissioner of revenue shall recompute and publish the rate of the special fuel

tax. The new rate must be calculated by multiplying the rate in effect at the time of the calculation by an amount obtained under paragraph (b). The new rate must be rounded to the nearest 0.1 cent and is effective on April 1 of each year.

(b) Divide the annual average United States Consumer Price Index for all urban consumers, United States city average, as determined by the United States Department of Labor for the previous year by that annual average for the year before the previous year.

Sec. 11. Minnesota Statutes 2000, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] Money collected and received under this chapter must be deposited as provided in this subdivision.

Thirty-two percent of the money collected and received must be deposited in the highway user tax distribution fund, 22 percent of the money collected and received must be deposited in the transit assistance fund, 21 percent of the money collected and received must be deposited in the multimodal transportation fund, and the remaining 68 25 percent of the money must be deposited in the general fund.

Sec. 12. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment is proposed to the Minnesota Constitution, article XIV. If the amendment is adopted, article XIV will be amended by adding a section to read:

Sec. 12. Of the net proceeds from any tax imposed by the state on the sale of new and used motor vehicles, not less than 32 percent must be deposited in the highway user tax distribution fund exclusively for highway purposes, not less than 22 percent must be deposited in a fund for operating assistance to public transit systems in the state, and not less than 21 percent must be deposited in a fund for multimodal surface transportation purposes.

Sec. 13. [SUBMISSION TO VOTERS.]

The constitutional amendment proposed in section 12 must be submitted to the people at the 2002 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to require that of the proceeds from the state sales tax on motor vehicles at least:

- (1) 32 percent be deposited in the highway user tax distribution fund for highway purposes;
- (2) 22 percent be deposited in a fund for operating assistance to public transit systems; and
- (3) 21 percent be deposited in a fund for multimodal surface transportation purposes?

Yes.....
No....."

Sec. 14. [TRUNK HIGHWAY BONDS; ISSUANCE.]

The commissioner of finance is authorized and directed, on recommendation of the commissioner of transportation, to issue and sell Minnesota trunk highway bonds under Minnesota Statutes, sections 167.50 to 167.52, and the Minnesota Constitution, article XI, sections 4 to 7, and article XIV, section 11, at such times and in such amounts as are determined by the commissioner of transportation. Bonds issued under this section are authorized in an aggregate principal amount of \$900,000,000. Not more than \$90,000,000 of the bonds authorized under this section may be sold in any fiscal year.

Sec. 15. [APPROPRIATIONS.]

\$90,000,000 is appropriated to the commissioner of transportation in fiscal year 2004 and in each fiscal year through the fiscal year ending June 30, 2013, or until a total of \$900,000,000 in trunk highway bond proceeds has been received by the commissioner of transportation. This

appropriation is from the separate bond proceeds account in the trunk highway fund. This appropriation is for reconstructing and replacing key bridges on the state trunk highway system; for constructing, improving, and maintaining the interregional corridor system as identified by the commissioner; for improving highways classified as bottlenecks by the commissioner; and for acquiring properties necessary to locate, construct, reconstruct, improve, and maintain the trunk highway system. Before this appropriation may be used for the interregional corridor system, improvement of bottleneck areas, or right-of-way acquisition, the commissioner of transportation must demonstrate to the commissioner of finance that the proposed use of debt financing to accelerate the project is a cost-effective investment of state funds.

Sec. 16. [REPEALER.]

Minnesota Statutes 2000, section 174.32, subdivisions 2 and 4, are repealed.

Sec. 17. [EFFECTIVE DATE.]

Section 1 is effective July 1, 2001. Sections 2 to 6, 8, and 10 to 14 are effective July 1, 2003, except that if the constitutional amendment proposed in section 12 is not adopted at the 2002 general election, sections 3 to 5 and section 10 shall not take effect. Sections 7 and 9 are effective January 1, 2003."

Delete the title and insert:

"A bill for an act relating to transportation; prohibiting payment of statewide indirect costs from dedicated highway funds; establishing a multimodal transportation fund with statewide surface transportation account and transit account; indexing gasoline and special fuels tax and dedicating revenues to trunk highway bond account; increasing gasoline and special fuels tax; proposing constitutional amendment to dedicate 75 percent of motor vehicle sales tax to transportation and transit; authorizing issuance of trunk highway bonds; appropriating money; amending Minnesota Statutes 2000, sections 16A.127, by adding a subdivision; 167.51, subdivision 2; 174.32, subdivision 5; 296A.07, subdivision 3, by adding a subdivision; 296A.08, subdivision 2, by adding a subdivision; 297B.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 174; 270; repealing Minnesota Statutes 2000, section 174.32, subdivisions 2, 4."

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the motion that S.F. No. 1986 be recommended to pass.

There were yeas 11 and nays 5, as follows:

Those who voted in the affirmative were:

Senators Kelly, R.C.; Belanger; Johnson, Dave; Johnson, Dean; Langseth; Metzen; Ourada; Pappas; Robling; Sabo and Terwilliger.

Those who voted in the negative were:

Senators Chaudhary; Day; Johnson, Debbie; Reiter and Schwab.

The bill was recommended to pass.

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 875: A bill for an act relating to traffic regulations; allowing gross weight seasonal increase for transporting sweet corn and peas; amending Minnesota Statutes 2000, section 169.825, subdivision 11.

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

Page 1, line 25, delete "peas,"

Amend the title as follows:

Page 1, lines 3 and 4, delete "and peas"

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

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

S.F. No. 795: A bill for an act relating to natural resources; requiring the continuation of grant-in-aid snowmobile trail access when the commissioner of natural resources acquires land; amending Minnesota Statutes 2000, section 84.83, by adding a subdivision.

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

Page 1, after line 20, insert:

"Sec. 2. [TRAILS IN MILLE LACS AND PINE COUNTIES.]

Notwithstanding the restrictions on vehicle travel in rules adopted under Minnesota Statutes, section 103F.321, all-terrain vehicles or vehicles of a similar nature may be operated on existing public multipurpose trails that cross wild, scenic, or recreational land use districts in Mille Lacs and Pine counties. This section expires four years from the effective date of this section or on the effective date of amendments to rules adopted under Minnesota Statutes, section 103F.321, whichever is earlier.

Sec. 3. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "permitting all-terrain vehicles to be operated on certain recreational land trails in Mille Lacs and Pine counties;"

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

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

S.F. No. 1332: A bill for an act relating to family law; neutralizing certain terminology; amending Minnesota Statutes 2000, sections 518.131, subdivision 2; 518.155; 518.171, subdivisions 1, 4, 5, 6, and 8; 518.175; 518.1751, subdivision 1b; 518.176, subdivision 1; 518.18; 518.55, subdivision 1; 518.551, subdivisions 5 and 5e; 518.612; and 518.64, subdivision 2.

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

Page 9, line 21, strike "custodial" and after "parent" insert "with whom the child resides"

Page 10, line 36, strike "person" and insert "parent"

Page 13, line 5, strike "CUSTODIAN'S" and insert "PARENT'S"

Page 13, line 7, strike "custodian" and insert "parent with whom the child resides"

Page 13, line 11, strike "custodian's" and after "authority" insert "of the parent with whom the child resides"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 1265: A bill for an act relating to child protection; adding violations from other states to the list of offenses that constitute child abuse; amending Minnesota Statutes 2000, section 260C.007, subdivision 25.

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

Page 1, line 13, delete the new language and insert ", or an act committed in another state that would constitute a violation of one of the sections if committed in the state"

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

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

S.F. No. 1215: A bill for an act relating to human rights; changing provisions pertaining to business discrimination disability, and inquiry into a charge; permitting discretionary disclosure during investigation; amending Minnesota Statutes 2000, sections 363.01, subdivisions 21, 41, and by adding a subdivision; 363.02, subdivision 5; 363.03, subdivision 8a; 363.06, subdivision 4; and 363.061, subdivisions 2 and 3.

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

Pages 1 and 2, delete sections 1 and 2

Pages 2 and 3, delete section 4

Page 7, lines 5 and 6, delete the new language

Page 7, line 24, delete everything after the comma

Page 7, delete lines 25 to 27 and insert "it must be stipulated that section 13.03, subdivision 4, applies to the classification of the data."

Pages 7 and 8, delete section 8

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "disability,"

Page 1, line 6, delete "subdivisions 21, 41," and insert "subdivision 41;"

Page 1, delete line 7

Page 1, line 8, delete "and"

Page 1, line 9, delete "subdivisions 2 and 3" and insert "subdivision 2"

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

Senator Marty from the Committee on Judiciary, to which was re-referred

S.F. No. 222: A bill for an act relating to natural resources; establishing penalties for gross overlimit violations of fish and game laws; setting certain restitution values; providing criminal penalties; requiring fish and game license seizure for gross overlimits violations; establishing possession criteria for commercial fishing operations; modifying commercial license reinstatement provisions; amending Minnesota Statutes 2000, sections 97A.015, by adding subdivisions; 97A.225, subdivision 1; 97A.255, by adding a subdivision; 97A.341, subdivision 1; 97A.345; 97A.421, subdivision 5, by adding a subdivision; 97C.505, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 97A; 97C.

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

Page 2, line 5, delete "and is" and insert a colon

Page 2, delete lines 6 and 7

Page 9, line 13, delete "have an effect upon the availability of" and insert "preclude"

Page 10, line 1, delete "The hearing must be recorded."

Page 10, line 7, delete "the officer had" and insert "there is"

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

Senator Marty from the Committee on Judiciary, to which was re-referred

S.F. No. 1394: A bill for an act relating to human services; changing child placement provisions; amending Minnesota Statutes 2000, sections 256.01, subdivision 2; 260C.007, subdivisions 4, 14, and by adding subdivisions; 260C.141, subdivision 2; 260C.151, subdivision 6; 260C.178, subdivisions 1 and 7; 260C.193, subdivision 3; 260C.201, subdivisions 1, 2, 5, 6, 7, 10, 11, and by adding a subdivision; 260C.205; 260C.212, subdivisions 1, 2, 4, 5, 7, 8, and 9; 260C.215, subdivision 6; 260C.301, subdivisions 1, 4, and 8; 260C.312; 260C.317, subdivision 3; and 260C.325, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 256F; repealing Minnesota Statutes 2000, sections 260C.325, subdivision 2; and 626.5565.

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

Page 1, after line 16, insert:

"ARTICLE 1
CHILD PLACEMENT"

Page 38, line 21, reinstate the stricken "12" and delete "14"

Page 66, line 2, before "If" insert "When adoption is not the intended disposition, and"

Page 66, lines 5 and 8, delete "out-of-home placement" and insert "foster care"

Page 66, line 10, delete "out-of-home" and insert "foster care."

Page 66, delete lines 11 to 23

Page 68, after line 6, insert:

"ARTICLE 2
DATA PRACTICES AND CHILD MALTREATMENT"

Section 1. Minnesota Statutes 2000, section 13.319, is amended by adding a subdivision to read:

Subd. 7. [CHILD CARE ASSISTANCE PROGRAM.] Data collected for purposes of administering the child care assistance program are classified under section 119B.02, subdivision 6.

Sec. 2. Minnesota Statutes 2000, section 13.32, subdivision 3, is amended to read:

Subd. 3. [PRIVATE DATA; WHEN DISCLOSURE IS PERMITTED.] Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

(a) Pursuant to section 13.05;

- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To disclose information in health and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 34, section 99.36;
- (e) Pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3) and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, and 99.35;
- (f) To appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;
- (g) When disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, chapter 1092;
- (h) To the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a post-secondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;
- (i) To appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student and the request and a record of the release are maintained in the student's file;
- (j) To volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;
- (k) To provide student recruiting information, from educational data held by colleges and universities, as required by and subject to Code of Federal Regulations, title 32, section 216; or
- (l) To the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals.
- (m) With respect to social security numbers of students in the adult basic education system, to Minnesota state colleges and universities and the department of economic security for the purpose and in the manner described in section 124D.52, subdivision 7.
- (n) To the commissioner of children, families, and learning for purposes of an assessment or investigation of a report of alleged maltreatment of a student as mandated by section 626.556. Upon request by the commissioner of children, families, and learning, data from charter school and school district investigations of alleged maltreatment of a student must be disclosed to the commissioner, including, but not limited to, the following:
 - (1) information regarding the student alleged to have been maltreated;
 - (2) information regarding student and employee witnesses;
 - (3) information regarding the alleged perpetrator; and
 - (4) what corrective or protective action was taken, if any, by the school facility in response to a report of maltreatment by an employee or agent of the school or school district.

Sec. 3. Minnesota Statutes 2000, section 13.43, is amended by adding a subdivision to read:

Subd. 14. [MALTREATMENT DATA.] When a report of alleged maltreatment of a student in a school facility, as defined in section 626.556, subdivision 2, paragraph (f), is made to the commissioner of children, families, and learning under section 626.556, data collected by the school facility about the person alleged to have committed maltreatment must be provided to the commissioner of children, families, and learning upon request for purposes of an assessment or investigation of the maltreatment report. Data received by the commissioner of children, families, and learning pursuant to these assessments or investigations are classified under section 626.556.

Sec. 4. Minnesota Statutes 2000, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names, social security numbers, income, addresses, and other data as required, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, early refund of refundable tax credits, and the income tax. "Refundable tax credits" means the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and, if the required federal waiver or waivers are granted, the federal earned income tax credit under section 32 of the Internal Revenue Code;
- (9) between the department of human services, the department of children, families, and learning, and the department of economic security for the purpose of monitoring the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the Minnesota family investment program by exchanging data on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;
- (10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;
- (11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education services office to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, social security number, and, if available, photograph of any member of a household receiving food stamps shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, general assistance medical care, or food stamps may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518.575;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) to the department of children, families, and learning for the purpose of matching department of children, families, and learning student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the departments of human services and children, families, and learning, on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L; ~~or~~

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the department of human services, department of revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), department of health, department of economic security, and other state agencies as is reasonably necessary to perform these functions; or

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of children, families, and learning.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

Sec. 5. Minnesota Statutes 2000, section 119B.02, is amended by adding a subdivision to read:

Subd. 6. [DATA.] Data on individuals collected by the commissioner for purposes of administering this chapter are private data on individuals as defined in section 13.02.

Sec. 6. Minnesota Statutes 2000, section 256.045, subdivision 3b, is amended to read:

Subd. 3b. [STANDARD OF EVIDENCE FOR MALTREATMENT HEARINGS.] The state human services referee shall determine that maltreatment has occurred if a preponderance of evidence exists to support the final disposition under sections 626.556 and 626.557.

The state human services referee shall recommend an order to the commissioner of health, children, families, and learning, or human services, as applicable, who shall issue a final order. The commissioner shall affirm, reverse, or modify the final disposition. Any order of the commissioner issued in accordance with this subdivision is conclusive upon the parties unless appeal is taken in the manner provided in subdivision 7. In any licensing appeal under chapter 245A and sections 144.50 to 144.58 and 144A.02 to 144A.46, the commissioner's determination as to maltreatment is conclusive.

Sec. 7. Minnesota Statutes 2000, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any act which involves a minor which constitutes a violation of prostitution offenses under sections 609.321 to 609.324 or 617.246. Sexual abuse includes threatened sexual abuse.

(b) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, other school employees or agents, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(c) "Neglect" means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11;

(5) nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and

depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of medical care may cause serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

(6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance;

(7) "medical neglect" as defined in section 260C.007, subdivision 4, clause (5);

(8) chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or

(9) emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(d) "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive and deprivation procedures that have not been authorized under section 245.825. Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Abuse does not include the use of reasonable force by a teacher, principal, or school employee as allowed by section 121A.582. Actions which are not reasonable and moderate include, but are not limited to, any of the following that are done in anger or without regard to the safety of the child:

(1) throwing, kicking, burning, biting, or cutting a child;

(2) striking a child with a closed fist;

(3) shaking a child under age three;

(4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age;

(5) unreasonable interference with a child's breathing;

(6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

(7) striking a child under age one on the face or head;

(8) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child; or other substances that substantially affect the child's behavior, motor coordination, or judgment or that results in sickness or internal injury, or subjects the child to medical procedures that would be unnecessary if the child were not exposed to the substances; or

(9) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining; or

(10) in a school facility or school zone, an act by a person responsible for the child's care that is a violation under section 121A.58.

(e) "Report" means any report received by the local welfare agency, police department, or county sheriff, or agency responsible for assessing or investigating maltreatment pursuant to this section.

(f) "Facility" means a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245B; or a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

(g) "Operator" means an operator or agency as defined in section 245A.02.

(h) "Commissioner" means the commissioner of human services.

(i) "Assessment" includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.

(j) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem and parenting time expeditor services.

(k) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(l) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury.

(m) Persons who conduct assessments or investigations under this section shall take into account accepted child-rearing practices of the culture in which a child participates and accepted teacher discipline practices, which are not injurious to the child's health, welfare, and safety.

Sec. 8. Minnesota Statutes 2000, section 626.556, subdivision 3, is amended to read:

Subd. 3. [PERSONS MANDATED TO REPORT.] (a) A person who knows or has reason to believe a child is being neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, or law enforcement; or

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c).

The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency, or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency, agency responsible for assessing or investigating reports, and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency.

(b) Any person may voluntarily report to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall

immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or 245B, or a school as defined in sections ~~120A.05, subdivisions 9, 11, and 13; and 124D.10~~; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16; and 256B.0625, subdivision 19. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b. A board or other entity whose licensees perform work within a school facility, upon receiving a complaint that indicates potential maltreatment, shall provide information about the circumstances of the alleged maltreatment to the commissioner of children, families, and learning. Section 13.03, subdivision 4, applies to data received by the commissioner of children, families, and learning from a licensing entity.

(d) Any person mandated to report shall receive a summary of the disposition of any report made by that reporter, including whether the case has been opened for child protection or other services, or if a referral has been made to a community organization, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours.

Sec. 9. Minnesota Statutes 2000, section 626.556, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] (a) The following persons are immune from any civil or criminal liability that otherwise might result from their actions, if they are acting in good faith:

(1) any person making a voluntary or mandated report under subdivision 3 or under section 626.5561 or assisting in an assessment under this section or under section 626.5561;

(2) any person with responsibility for performing duties under this section or supervisor employed by a local welfare agency, the commissioner of an agency responsible for operating or supervising a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or 245B, or a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16; and 256B.0625, subdivision 19a, complying with subdivision 10d; and

(3) any public or private school, facility as defined in subdivision 2, or the employee of any public or private school or facility who permits access by a local welfare agency, the department of children, families, and learning, or a local law enforcement agency and assists in an investigation or assessment pursuant to subdivision 10 or under section 626.5561.

(b) A person who is a supervisor or person with responsibility for performing duties under this section employed by a local welfare agency, the commissioner of human services, or the commissioner of children, families, and learning complying with subdivisions 10 and 11 or section 626.5561 or any related rule or provision of law is immune from any civil or criminal liability that might otherwise result from the person's actions, if the person is (1) acting in good faith and exercising due care, or (2) acting in good faith and following the information collection procedures established under subdivision 10, paragraphs (h), (i), and (j).

(c) This subdivision does not provide immunity to any person for failure to make a required report or for committing neglect, physical abuse, or sexual abuse of a child.

(d) If a person who makes a voluntary or mandatory report under subdivision 3 prevails in a civil action from which the person has been granted immunity under this subdivision, the court may award the person attorney fees and costs.

Sec. 10. Minnesota Statutes 2000, section 626.556, subdivision 7, is amended to read:

Subd. 7. [REPORT.] An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under subdivision 3 to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency, unless the appropriate agency has informed the reporter that the oral information does not constitute a report under subdivision 10. Any report shall be of sufficient content to identify the child, any person believed to be responsible for the abuse or neglect of the child if the person is known, the nature and extent of the abuse or neglect and the name and address of the reporter. If requested, the local welfare agency or the agency responsible for assessing or investigating the report shall inform the reporter within ten days after the report is made, either orally or in writing, whether the report was accepted for assessment or investigation. Written reports received by a police department or the county sheriff shall be forwarded immediately to the local welfare agency or the agency responsible for assessing or investigating the report. The police department or the county sheriff may keep copies of reports received by them. Copies of written reports received by a local welfare department or the agency responsible for assessing or investigating the report shall be forwarded immediately to the local police department or the county sheriff.

A written copy of a report maintained by personnel of agencies, other than welfare or law enforcement agencies, which are subject to chapter 13 shall be confidential. An individual subject of the report may obtain access to the original report as provided by subdivision 11.

Sec. 11. Minnesota Statutes 2000, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY UPON RECEIPT OF A REPORT.] (a) If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment including gathering information on the existence of substance abuse and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. If the report alleges a violation of a criminal statute involving sexual abuse, physical abuse, or neglect or endangerment, under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation. In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

If the assessment indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency shall conduct a chemical use assessment pursuant to Minnesota Rules, part 9530.6615. The local welfare agency shall report the determination of the chemical use assessment, and the recommendations and referrals for alcohol and other drug treatment services to the state authority on alcohol and drug abuse.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse, sexual abuse, or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97. The commissioner of children, families, and learning shall inform the

ombudsman established under sections 245.91 to 245.97 of reports regarding a child defined as a client in section 245.91 that maltreatment occurred at a school as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10.

(c) Authority of the local welfare agency responsible for assessing the child abuse or neglect report, the agency responsible for assessing or investigating the report, and of the local law enforcement agency for investigating the alleged abuse or neglect includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged offender. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found or the child may be transported to, and the interview conducted at, a place appropriate for the interview of a child designated by the local welfare agency or law enforcement agency. The interview may take place outside the presence of the alleged offender or parent, legal custodian, guardian, or school official. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota rules of procedure for juvenile courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(d) When the local welfare or, local law enforcement agency, or the agency responsible for assessing or investigating a report of maltreatment determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the local social services agency or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded, unless a school employee or agent is alleged to have maltreated the child. Until that time, the local welfare or law enforcement agency or the agency responsible for assessing or investigating a report of maltreatment shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged offender is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(e) Where the alleged offender or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the alleged offender or any person responsible for the child's care at reasonable places and times as specified by court order.

(f) Before making an order under paragraph (e), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(g) The commissioner of human services, the ombudsman for mental health and mental retardation, the local welfare agencies responsible for investigating reports, the commissioner of children, families, and learning, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

(h) The local welfare agency or the agency responsible for assessing or investigating the report shall collect available and relevant information to ascertain whether maltreatment occurred and whether protective services are needed. Information collected includes, when relevant, information with regard to the person reporting the alleged maltreatment, including the nature of the reporter's relationship to the child and to the alleged offender, and the basis of the reporter's knowledge for the report; the child allegedly being maltreated; the alleged offender; the child's caretaker; and other collateral sources having relevant information related to the alleged maltreatment. The local welfare agency or the agency responsible for assessing or investigating the report may make a determination of no maltreatment early in an assessment, and close the case and retain immunity, if the collected information shows no basis for a full assessment or investigation.

Information relevant to the assessment or investigation must be asked for, and may include:

(1) the child's sex and age, prior reports of maltreatment, information relating to developmental functioning, credibility of the child's statement, and whether the information provided under this clause is consistent with other information collected during the course of the assessment or investigation;

(2) the alleged offender's age, a record check for prior reports of maltreatment, and criminal charges and convictions. The local welfare agency or the agency responsible for assessing or investigating the report must provide the alleged offender with an opportunity to make a statement. The alleged offender may submit supporting documentation relevant to the assessment or investigation;

(3) collateral source information regarding the alleged maltreatment and care of the child. Collateral information includes, when relevant: (i) a medical examination of the child; (ii) prior medical records relating to the alleged maltreatment or the care of the child and an interview with the treating professionals; and (iii) interviews with the child's caretakers, including the child's parent, guardian, foster parent, child care provider, teachers, counselors, family members, relatives, and other persons who may have knowledge regarding the alleged maltreatment and the care of the child; and

(4) information on the existence of domestic abuse and violence in the home of the child, and substance abuse.

Nothing in this paragraph precludes the local welfare agency, the local law enforcement agency, or the agency responsible for assessing or investigating the report from collecting other relevant information necessary to conduct the assessment or investigation. Notwithstanding the data's classification in the possession of any other agency, data acquired by the local welfare agency or the agency responsible for assessing or investigating the report during the course of the assessment or investigation are private data on individuals and must be maintained in accordance with subdivision 11. Data of the commissioner of children, families, and learning collected or

maintained during and for the purpose of an investigation of alleged maltreatment in a school are governed by this section, notwithstanding the data's classification as educational, licensing, or personnel data under chapter 13.

In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (f), the commissioner of children, families, and learning shall collect investigative reports and data from local law enforcement and the school facility.

(i) In the initial stages of an assessment or investigation, the local welfare agency shall conduct a face-to-face observation of the child reported to be maltreated and a face-to-face interview of the alleged offender. The interview with the alleged offender may be postponed if it would jeopardize an active law enforcement investigation.

(j) The local welfare agency shall use a question and answer interviewing format with questioning as nondirective as possible to elicit spontaneous responses. The following interviewing methods and procedures must be used whenever possible when collecting information:

(1) audio recordings of all interviews with witnesses and collateral sources; and

(2) in cases of alleged sexual abuse, audio-video recordings of each interview with the alleged victim and child witnesses.

(k) In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (f), the commissioner of children, families, and learning shall collect available and relevant information and use the procedures in paragraphs (h), (i), and (j), provided that the commissioner may also base the assessment or investigation on investigative reports and data received from the school facility and local law enforcement, to the extent those investigations satisfy the requirements of paragraphs (h), (i), and (j).

Sec. 12. Minnesota Statutes 2000, section 626.556, subdivision 10b, is amended to read:

Subd. 10b. [DUTIES OF COMMISSIONER; NEGLECT OR ABUSE IN FACILITY.] (a) This section applies to the commissioners of human services, health, and children, families, and learning. The commissioner of the agency responsible for assessing or investigating the report shall immediately assess or investigate if the report alleges that:

(1) a child who is in the care of a facility as defined in subdivision 2 is neglected, physically abused, or sexually abused by an individual in that facility, or has been so neglected or abused by an individual in that facility within the three years preceding the report; or

(2) a child was neglected, physically abused, or sexually abused by an individual in a facility defined in subdivision 2, while in the care of that facility within the three years preceding the report.

The commissioner of the agency responsible for assessing or investigating the report shall arrange for the transmittal to the commissioner of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. In conducting an investigation under this section, the commissioner has the powers and duties specified for local welfare agencies under this section. The commissioner of the agency responsible for assessing or investigating the report or local welfare agency may interview any children who are or have been in the care of a facility under investigation and their parents, guardians, or legal custodians.

(b) Prior to any interview, the commissioner of the agency responsible for assessing or investigating the report or local welfare agency shall notify the parent, guardian, or legal custodian of a child who will be interviewed in the manner provided for in subdivision 10d, paragraph (a). If reasonable efforts to reach the parent, guardian, or legal custodian of a child in an out-of-home placement have failed, the child may be interviewed if there is reason to believe the interview is necessary to protect the child or other children in the facility. The commissioner of the agency responsible for assessing or investigating the report or local agency must provide the information required in this subdivision to the parent, guardian, or legal custodian of a child interviewed

without parental notification as soon as possible after the interview. When the investigation is completed, any parent, guardian, or legal custodian notified under this subdivision shall receive the written memorandum provided for in subdivision 10d, paragraph (c).

(c) In conducting investigations under this subdivision the commissioner or local welfare agency shall obtain access to information consistent with subdivision 10, paragraphs (h), (i), and (j). In conducting assessments or investigations under this subdivision, the commissioner of children, families, and learning shall obtain access to reports and investigative data in the possession of a school facility as defined in subdivision 2, paragraph (f), notwithstanding the classification of the data as educational or personnel data under chapter 13. This includes, but is not limited to, school investigative reports, information concerning the conduct of school personnel alleged to have committed maltreatment of students, information about witnesses, and any protective or corrective action taken by the school facility regarding the school personnel alleged to have committed maltreatment.

~~(d) Except for foster care and family child care, the commissioner has the primary responsibility for the investigations and notifications required under subdivisions 10d and 10f for reports that allege maltreatment related to the care provided by or in facilities licensed by the commissioner. The commissioner may request assistance from the local social services agency.~~

Sec. 13. Minnesota Statutes 2000, section 626.556, subdivision 10d, is amended to read:

Subd. 10d. [NOTIFICATION OF NEGLECT OR ABUSE IN FACILITY.] (a) When a report is received that alleges neglect, physical abuse, or sexual abuse of a child while in the care of a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed according to sections 144.50 to 144.58; 241.021; or 245A.01 to 245A.16; or chapter 245B, or a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or a nonlicensed personal care provider organization as defined in section 256B.04, subdivision 16, and 256B.0625, subdivision 19a, the commissioner of the agency responsible for assessing or investigating the report or local welfare agency investigating the report shall provide the following information to the parent, guardian, or legal custodian of a child alleged to have been neglected, physically abused, or sexually abused: the name of the facility; the fact that a report alleging neglect, physical abuse, or sexual abuse of a child in the facility has been received; the nature of the alleged neglect, physical abuse, or sexual abuse; that the agency is conducting an assessment or investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed.

(b) The commissioner of the agency responsible for assessing or investigating the report or local welfare agency may also provide the information in paragraph (a) to the parent, guardian, or legal custodian of any other child in the facility if the investigative agency knows or has reason to believe the alleged neglect, physical abuse, or sexual abuse has occurred. In determining whether to exercise this authority, the commissioner of the agency responsible for assessing or investigating the report or local welfare agency shall consider the seriousness of the alleged neglect, physical abuse, or sexual abuse; the number of children allegedly neglected, physically abused, or sexually abused; the number of alleged perpetrators; and the length of the investigation. The facility shall be notified whenever this discretion is exercised.

(c) When the commissioner of the agency responsible for assessing or investigating the report or local welfare agency has completed its investigation, every parent, guardian, or legal custodian previously notified of the investigation by the commissioner or local welfare agency shall be provided with the following information in a written memorandum: the name of the facility investigated; the nature of the alleged neglect, physical abuse, or sexual abuse; the investigator's name; a summary of the investigation findings; a statement whether maltreatment was found; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the child and shall not contain the name, or to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation. The commissioner or local welfare agency shall also provide the written memorandum to the parent, guardian, or legal custodian of each child in the facility if

maltreatment is determined to exist. In the case of maltreatment within a school facility, as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10, the commissioner of children, families, and learning need not provide notification to parents, guardians, or legal custodians of each child in the facility, but may provide notification as is in the best interests of the safety and welfare of other students in the school facility.

Sec. 14. Minnesota Statutes 2000, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. [DETERMINATIONS.] Upon the conclusion of every assessment or investigation it conducts, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed. Upon the conclusion of an assessment or investigation by the commissioner of children, families, and learning, the commissioner shall determine whether maltreatment occurred and what corrective or protective action was taken by the school facility. The commissioner shall report to the employer, the school board, and any appropriate licensing entity the determination regarding whether maltreatment occurred and what corrective or protective action was taken by the school facility. When maltreatment is determined in an investigation involving a facility, the investigating agency shall also determine whether the facility or individual was responsible, or whether both the facility and the individual were responsible for the maltreatment using the mitigating factors in paragraph (d). Determinations under this subdivision must be made based on a preponderance of the evidence.

(a) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions committed by a person responsible for the child's care:

- (1) physical abuse as defined in subdivision 2, paragraph (d);
- (2) neglect as defined in subdivision 2, paragraph (c);
- (3) sexual abuse as defined in subdivision 2, paragraph (a); or
- (4) mental injury as defined in subdivision 2, paragraph (k).

(b) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

(c) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child.

(d) When determining whether the facility or individual is the responsible party for determined maltreatment in a facility, the investigating agency shall consider at least the following mitigating factors:

(1) whether the actions of the facility or the individual caregivers were according to, and followed the terms of, an erroneous physician order, prescription, individual care plan, or directive; however, this is not a mitigating factor when the facility or caregiver was responsible for the issuance of the erroneous order, prescription, individual care plan, or directive or knew or should have known of the errors and took no reasonable measures to correct the defect before administering care;

(2) comparative responsibility between the facility, other caregivers, and requirements placed upon an employee, including the facility's compliance with related regulatory standards and the adequacy of facility policies and procedures, facility training, an individual's participation in the training, the caregiver's supervision, and facility staffing levels and the scope of the individual employee's authority and discretion; and

(3) whether the facility or individual followed professional standards in exercising professional judgment.

Individual counties may implement more detailed definitions or criteria that indicate which allegations to investigate, as long as a county's policies are consistent with the definitions in the statutes and rules and are approved by the county board. Each local welfare agency shall periodically inform mandated reporters under subdivision 3 who work in the county of the definitions of maltreatment in the statutes and rules and any additional definitions or criteria that have been approved by the county board.

Sec. 15. Minnesota Statutes 2000, section 626.556, subdivision 10i, is amended to read:

Subd. 10i. [ADMINISTRATIVE RECONSIDERATION OF FINAL DETERMINATION OF MALTREATMENT.] (a) An individual or facility that the commissioner ~~or~~ of human services, a local social service agency, or the commissioner of children, families, and learning determines has maltreated a child, or the child's designee, regardless of the determination, who contests the investigating agency's final determination regarding maltreatment, may request the investigating agency to reconsider its final determination regarding maltreatment. The request for reconsideration must be submitted in writing to the investigating agency within 15 calendar days after receipt of notice of the final determination regarding maltreatment.

(b) If the investigating agency denies the request or fails to act upon the request within 15 calendar days after receiving the request for reconsideration, the person or facility entitled to a fair hearing under section 256.045 may submit to the commissioner of human services or the commissioner of children, families, and learning a written request for a hearing under that section. Section 256.045 also governs hearings requested to contest a final determination of the commissioner of children, families, and learning.

(c) If, as a result of the reconsideration, the investigating agency changes the final determination of maltreatment, that agency shall notify the parties specified in subdivisions 10b, 10d, and 10f.

(d) If an individual or facility contests the investigating agency's final determination regarding maltreatment by requesting a fair hearing under section 256.045, the commissioner of human services shall assure that the hearing is conducted and a decision is reached within 90 days of receipt of the request for a hearing. The time for action on the decision may be extended for as many days as the hearing is postponed or the record is held open for the benefit of either party.

Sec. 16. Minnesota Statutes 2000, section 626.556, subdivision 10j, is amended to read:

Subd. 10j. [RELEASE OF DATA TO MANDATED REPORTERS.] A local social services or child protection agency, or the agency responsible for assessing or investigating the report of maltreatment, may provide relevant private data on individuals obtained under this section to mandated reporters who have an ongoing responsibility for the health, education, or welfare of a child affected by the data, in the best interests of the child. Mandated reporters with ongoing responsibility for the health, education, or welfare of a child affected by the data include the child's teachers or other appropriate school personnel, foster parents, health care providers, respite care workers, therapists, social workers, child care providers, residential care staff, crisis nursery staff, probation officers, and court services personnel. Under this section, a mandated reporter need not have made the report to be considered a person with ongoing responsibility for the health, education, or welfare of a child affected by the data. Data provided under this section must be limited to data pertinent to the individual's responsibility for caring for the child.

Sec. 17. Minnesota Statutes 2000, section 626.556, subdivision 11, is amended to read:

Subd. 11. [RECORDS.] (a) Except as provided in paragraph (b) and subdivisions 10b, 10d, 10g, and 11b, all records concerning individuals maintained by a local welfare agency or agency responsible for assessing or investigating the report under this section, including any written reports filed under subdivision 7, shall be private data on individuals, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff.

All records concerning determinations of maltreatment by a facility shall be nonpublic data as maintained by the department of children, families, and learning, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff. Reports maintained by any police department or the county sheriff shall be private data on individuals except the reports shall be made available to the investigating, petitioning, or prosecuting authority, including county medical examiners or county coroners. Section 13.82, subdivisions 7, 5a, and 5b, apply to law enforcement data other than the reports. The local social services agency or agency responsible for assessing or investigating the report shall make available to the investigating, petitioning, or prosecuting authority, including county medical examiners or county coroners or their professional delegates, any records which contain information relating to a specific incident of neglect or abuse which is under investigation, petition, or prosecution and information relating to any prior incidents of neglect or abuse involving any of the same persons. The records shall be collected and maintained in accordance with the provisions of chapter 13. In conducting investigations and assessments pursuant to this section, the notice required by section 13.04, subdivision 2, need not be provided to a minor under the age of ten who is the alleged victim of abuse or neglect. An individual subject of a record shall have access to the record in accordance with those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation except as otherwise permitted by this subdivision. Any person conducting an investigation or assessment under this section who intentionally discloses the identity of a reporter prior to the completion of the investigation or assessment is guilty of a misdemeanor. After the assessment or investigation is completed, the name of the reporter shall be confidential. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure.

(b) Upon request of the legislative auditor, data on individuals maintained under this section must be released to the legislative auditor in order for the auditor to fulfill the auditor's duties under section 3.971. The auditor shall maintain the data in accordance with chapter 13.

(c) The commissioner of children, families, and learning must be provided with all requested data in possession of a school facility as defined in subdivision 2, paragraph (f), when the data is requested pursuant to an assessment or investigation of a maltreatment report of a student in a school. If the commissioner of children, families, and learning makes a determination of maltreatment involving an individual performing work within a school facility who is licensed by a board or other agency, the commissioner shall provide necessary and relevant information to the licensing entity to enable the entity to fulfill its statutory duties. Notwithstanding section 13.03, subdivision 4, data received by a licensing entity under this paragraph are governed by section 13.41 or other applicable law governing data of the receiving entity, except that this section applies to the classification of and access to data on the reporter of the maltreatment."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "modifying provisions governing child maltreatment investigations; classifying data and authorizing data sharing;"

Page 1, line 4, before "256.01" insert "13.319, by adding a subdivision; 13.32, subdivision 3; 13.43, by adding a subdivision; 13.46, subdivision 2; 119B.02, by adding a subdivision;" and before "260C.007" insert "256.045, subdivision 3b;"

Page 1, line 12, after the semicolon, insert "626.556, subdivisions 2, 3, 4, 7, 10, 10b, 10d, 10e, 10i, 10j, 11;"

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

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1472: A bill for an act relating to economic development; modifying the capital access program; amending Minnesota Statutes 2000, sections 116J.876, by adding a subdivision; 116J.8761; and 116J.8762, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1899: A bill for an act relating to economic development; clarifying provisions in the job skills partnership program; amending Minnesota Statutes 2000, sections 116L.02; 116L.04, subdivision 1a; and 116L.06, subdivision 5.

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

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1090: A bill for an act relating to employment; adding an alternative form for minor age certification; amending Minnesota Statutes 2000, section 181A.06, subdivision 1.

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

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 612: A bill for an act relating to appropriations; appropriating money for a pilot project for the River Bend Rural Advanced Business Facilitation Program.

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

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

\$375,000 is appropriated for the biennium ending June 30, 2003, to the commissioner of trade and economic development for grants of \$125,000 each to the counties of Blue Earth, Martin, and St. Louis for a pilot project incubated by the county with the Rural Advanced Business Facilitation Program. A grant must be matched with nonstate money for up to the first \$50,000 of a grant."

Delete the title and insert:

"A bill for an act relating to appropriations; appropriating money for pilot projects for the River Bend Rural Advanced Business Facilitation Program."

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

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

S.F. No. 1064: A bill for an act relating to public contracts; specifying procedures to be followed for certain professional service contracts; proposing coding for new law in Minnesota Statutes, chapter 16C.

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

Page 1, line 13, after the period, insert "This section does not apply to an agency contract that is subject to section 16B.33."

Page 1, line 15, delete "select" and insert "rank"

Page 1, line 16, after "qualifications" insert ", as described in subdivision 3,"

Page 1, lines 19 and 20, delete "selected a contractor under subdivision 3" and insert "ranked prospective contractors based on the factors the agency specifies in accordance with subdivisions 3 and 4"

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

Senator Vickerman from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 1614: A bill for an act relating to civil law; providing for civil actions against the state under the federal Age Discrimination in Employment Act, the federal Fair Labor Standards Act, the federal Family and Medical Leave Act, and the federal Americans With Disabilities Act; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Senator Vickerman from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 1678: A bill for an act relating to insurance; removing certain state involvement with the state fund mutual insurance company; repealing Minnesota Statutes 2000, sections 79.371; 176A.01; 176A.02; 176A.03; 176A.04; 176A.05; 176A.06; 176A.07; 176A.08; 176A.09; 176A.10; 176A.11; and 176A.12.

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

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

S.F. No. 1481: A bill for an act relating to state government; appropriating money for development and operation of a shooting sports program.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 1685: A bill for an act relating to Goodhue county; permitting the appointment of the auditor-treasurer.

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

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

S.F. No. 1312: A bill for an act relating to state government; directing the department of administration to decentralize state agencies and departments.

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

Page 1, line 8, after "government" insert "services"

Page 1, delete lines 11 to 17 and insert:

"The office of strategic and long-range planning shall make recommendations identifying methods for immediate and long-term planning to locate state employment opportunities and facilities outside the metropolitan area. The office shall report its recommendations to the senate finance committee and the house of representatives ways and means committee by January 15, 2002."

Amend the title as follows:

Page 1, line 2, after "the" insert "office of strategic and long-range planning and the"

Page 1, line 3, before "decentralize" insert "recommend ways to"

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

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 1078: A bill for an act relating to transit; appropriating money for transit improvements in the University Avenue corridor in St. Paul.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Metzen from the Committee on Telecommunications, Energy and Utilities, to which was referred

S.F. No. 1306: A bill for an act relating to energy; allowing owner-occupied residential housing to be served by an existing energy loan program.

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

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

S.F. No. 1387: A bill for an act relating to natural resources; modifying provisions of the youth corps program; modifying provisions for decorative forest products; delaying repeal of sustainable forest resources provisions; requiring a study; providing civil penalties; appropriating money; amending Minnesota Statutes 2000, sections 84.0887, subdivisions 1, 2, 4, 5, 6, and 9; 88.641, subdivision 2, and by adding subdivisions; 88.642; 88.645; 88.647; 88.648; and 256J.20, subdivision 3; Laws 1995, chapter 220, section 142, as amended; proposing coding for new law in Minnesota Statutes, chapter 88; repealing Minnesota Statutes 2000, sections 88.641, subdivisions 4 and 5; and 88.644.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 84.0887, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM CONTENT.] The commissioner shall operate youth Minnesota Conservation Corps programs which may include summer youth programs and year-round young adult programs. The commissioner shall insure that youths in all parts of the state have an equal opportunity for employment and that equal numbers of male and female youth are selected for the summer programs. Youth corps members must be 15 to 18 years old and young adult corps members must be 18 to 26 years old. Minnesota Conservation Corps members are not public employees under chapter 43A or 179A. Youth Minnesota Conservation Corps programs may provide services that include but are not limited to the following:

(1) conservation, rehabilitation, and the improvement of wildlife habitat, prairie, parks, and recreational areas;

(2) urban and rural revitalization, historical and cultural site preservation, and reforestation of both urban and rural areas;

(3) fish culture, wildlife habitat maintenance and improvement, and other fishery assistance;

(4) road and trail development, maintenance, and improvement;

(5) erosion, flood, drought, and storm damage assistance and controls;

(6) stream, lake, waterfront harbor, and port improvement;

(7) wetlands protection and pollution control;

(8) insect, disease, rodent, and fire prevention and control;

(9) the improvement of abandoned railroad beds and rights-of-way;

(10) energy conservation projects, renewable resource enhancement, and recovery of biomass;

(11) reclamation and improvement of strip-mined land; and

(12) forestry, nursery, and cultural operations.

Sec. 2. Minnesota Statutes 2000, section 84.0887, subdivision 2, is amended to read:

Subd. 2. [~~ADDITIONAL SERVICES; CORPS TO CAREER COMMUNITY SERVICE.~~] (a) In addition to services under subdivision 1, youth Minnesota Conservation Corps programs may coordinate with or provide services to:

(1) making public facilities accessible to individuals with disabilities;

(2) federal, state, local, and regional governmental agencies;

(3) nursing homes, hospices, senior centers, hospitals, local libraries, parks, recreational facilities, child and adult day care centers, programs servicing individuals with disabilities, and schools;

(4) law enforcement agencies, and penal and probation systems;

(5) private nonprofit organizations that primarily focus on social service such as community action agencies;

(6) activities that focus on the rehabilitation or improvement of public facilities, neighborhood improvements, literacy training that benefits educationally disadvantaged individuals, weatherization of and basic repairs to low-income housing including housing occupied by older adults, activities that focus on drug and alcohol abuse education, prevention, and treatment; and

(7) any other nonpartisan civic activities and services that the commissioner determines to be of a substantial social benefit in meeting unmet human, educational, or environmental needs, particularly needs related to poverty, or in the community where volunteer service is to be performed.

(b) ~~Youth and young adults may provide full-time or part-time youth community service in a program known as "corps to career" if the individual:~~

(1) ~~is an unemployed high school dropout and is a parent of a minor member of an assistance unit under the AFDC, MFIP, or MFIP-R programs under chapter 256 or under the MFIP-S program under chapter 256J, or is a person who is a member of an assistance unit under the AFDC, MFIP, or MFIP-R programs under chapter 256 or under the MFIP-S program under chapter 256J;~~

(2) ~~agrees to only use the individual's postservice benefit under the federal Americorps Act to complete a customized job training program that requires 20 percent of the individual's time to be~~

~~spent in the corps to career program and that is consistent with the work requirements of the employment and training services component of the MFIP-S program under chapter 256J or, if a customized job training program is unavailable, agrees to use the postservice benefit consistent with the federal education award; and~~

~~(3) during the entire time the individual completes the individual's job training program, resides within an enterprise zone as defined in section 469.303.~~

~~To be eligible under this paragraph, any individual who receives assistance under clause (1) after MFIP-S has been implemented in the individual's county of financial responsibility, and who meets the requirements in clauses (2) and (3), also must meet the requirements of the employment and training services component of the MFIP-S program under chapter 256J.~~

~~(e) The commissioner of natural resources shall ensure that the corps to career program will not decrease employment opportunities that would be available without the program; will not displace current employees including any partial displacement in the form of reduced hours of work other than overtime, wages, employment benefits, or regular seasonal work; will not impair existing labor agreements; and will not result in the substitution of project funding for preexisting funds or sources of funds for ongoing work.~~

Sec. 3. Minnesota Statutes 2000, section 84.0887, subdivision 4, is amended to read:

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall establish a youth Minnesota Conservation Corps advisory committee with broad state representation including youth. The committee expires June 30, 2001.

Sec. 4. Minnesota Statutes 2000, section 84.0887, subdivision 5, is amended to read:

Subd. 5. [OLDER MEMBERS.] Youth Minnesota Conservation Corps programs may enroll a limited number of special corps members over age 26 so that the corps may draw on their unique knowledge, skills, or abilities to fulfill the purposes of the programs.

Sec. 5. Minnesota Statutes 2000, section 84.0887, subdivision 6, is amended to read:

Subd. 6. [EXPENDITURES FROM SPECIAL FUNDS.] An appropriation from a special revenue fund or account to the commissioner for youth Minnesota Conservation Corps programs must be spent for projects that are consistent with the purposes of the fund or account from which the appropriation was made.

Sec. 6. Minnesota Statutes 2000, section 84.0887, subdivision 9, is amended to read:

Subd. 9. [CONTRACTS; GRANTS.] The commissioner of natural resources may contract with and make grants to nonprofit agencies to assist in carrying out the purposes, plans, and programs of the ~~office of youth programs~~, Minnesota Conservation Corps.

Sec. 7. Minnesota Statutes 2000, section 88.641, is amended by adding a subdivision to read:

Subd. 1a. [DECORATIVE BOUGHS.] "Decorative boughs" mean decorative materials that are side branches or slashings that have been cut from any growing coniferous or deciduous trees, bushes, saplings, seedlings, or shrubs and that are intended to be sold or used for decorative purposes.

Sec. 8. Minnesota Statutes 2000, section 88.641, is amended by adding a subdivision to read:

Subd. 1b. [DECORATIVE MATERIALS.] "Decorative materials" mean forest products that are collected or harvested from growing coniferous or deciduous trees, bushes, saplings, seedlings, shrubs, or herbaceous plants, including the tops, branches, or other parts cut from any of the foregoing, untrimmed or in their natural condition, intended to be sold or used for decorative purposes. Nursery stock is not included in this definition.

Sec. 9. Minnesota Statutes 2000, section 88.641, subdivision 2, is amended to read:

Subd. 2. [DECORATIVE TREES.] "Decorative trees" means mean decorative materials that are growing pines, spruce, balsam, cedar, evergreen or coniferous or deciduous trees, bushes, saplings, seedlings, or shrubs, boughs or branches, including the tops cut from any of the foregoing, untrimmed or in their natural condition, intended to be sold or used for decorative purposes. Nursery stock shall not be included in this definition.

Sec. 10. Minnesota Statutes 2000, section 88.641, is amended by adding a subdivision to read:

Subd. 4a. [OFFICER.] "Officer" means a forest officer, conservation officer, or other peace officer.

Sec. 11. Minnesota Statutes 2000, section 88.641, is amended by adding a subdivision to read:

Subd. 6. [WRITTEN CONSENT.] "Written consent" means written permission, a bill of sale, or a governmental or reservation permit.

Sec. 12. Minnesota Statutes 2000, section 88.642, is amended to read:

88.642 [DECORATIVE TREES; CUTTING, REMOVAL OF; TRANSPORTATION; PROHIBITIONS; EXCEPTIONS MATERIALS.]

Subdivision 1. [WRITTEN CONSENT.] No person shall cut, harvest, remove, or transport, or possess for decorative purposes or for sale in natural condition and untrimmed, more than three decorative trees as defined herein, more than 100 pounds of decorative boughs, or more than 100 pounds of any other decorative materials without the written consent of or a bill of sale provided by the owner or authorized agent of the private or public land on which the same are grown and whether such land be publicly or privately owned decorative materials were cut or harvested. The written consent shall be on a form furnished and or otherwise approved by the department commissioner of natural resources, and shall contain the legal description of the land where the decorative trees materials were cut or harvested, as well as the name of the legal owner, of the land or a duly the owner's authorized agent or agents, thereof. The written consent or bill of sale, or a copy thereof certified as a true copy by the person to whom the consent was given or sale made, or by the county recorder of the county in which the land is situated, if recorded, shall must be carried by every person cutting, harvesting, removing, possessing, or transporting any decorative trees, untrimmed or in their natural condition materials, or in any way aiding therein, and shall must be exhibited to any officer of the law, forest ranger, forest patrol officer, conservation officer, or other officer of the department of natural resources, at the officer's request at any time.

Subd. 2. [INSPECTION AND INVESTIGATION.] Any officer shall have power to inspect any decorative trees materials when being transported in any vehicle or other means of conveyance or by common carrier, to make an investigation with reference thereto as may be necessary to determine whether or not the provisions of sections 88.641 to 88.648 have been complied with, to stop any vehicle or other means of conveyance found carrying decorative trees materials upon any public highways of this state, for the purpose of making an inspection and investigation, and to seize and hold subject to the order of the court any decorative trees materials found being cut, removed, or transported in violation of any provision of sections 88.641 to 88.648. Failure to comply with the requirements of sections 88.641 to 88.648 subjects the decorative materials to seizure and confiscation as contraband in addition to other penalties provided by law.

Subd. 3. [TRANSPORTATION REQUIREMENTS.] No person, common carrier, bough buyer, or authorized agent thereof shall purchase or otherwise receive for shipment or transportation any decorative trees unless materials without recording the consignor, whose seller's or consignor's name and address shall be recorded, exhibits at the time of consignment and the written consent, bill of sale, or certified copy thereof herein provided for on a form furnished or otherwise approved by the commissioner of natural resources.

Subd. 4. [NO WRITTEN CONSENT.] Failure to so possess or exhibit a written consent or bill of sale shall be prima facie evidence that no consent was given or exists.

Subd. 5. [EXCEPTIONS.] (a) This section does not apply to decorative materials in the

possession of or being transported by a federal, state, or local government official for a legitimate public purpose.

(b) This section does not apply to a person cutting, harvesting, possessing, or transporting decorative materials cut from the person's own property if the person produces documentation that the person owns the property where the decorative materials were cut.

Sec. 13. [88.6435] [BOUGH BUYERS.]

Subdivision 1. [PERMITS.] A person may not buy more than 100 pounds of decorative boughs in any calendar year without a bough buyer's permit issued by the commissioner of natural resources. The annual fee for a permit for a resident or nonresident to buy decorative boughs is \$25. The annual fee may be reduced to \$10 if the buyer attends an approved annual workshop or other orientation session for balsam bough harvesters and buyers.

Subd. 2. [BUYING AND RECORD REQUIREMENTS.] (a) When buying or otherwise receiving decorative boughs, a person permitted under this section must record:

(1) the seller's name and address;

(2) the form of written consent; and

(3) the government permit number or legal description or property tax identification number of the land from which the boughs were obtained.

The information must be provided on a form furnished or otherwise approved by the commissioner of natural resources in consultation with the balsam bough industry groups.

(b) Boughs may not be purchased if the seller fails to exhibit the written consent required under section 88.642, subdivision 1, or if the boughs do not conform to the standards specified on the consent. Decorative boughs cut from public lands must conform to standards specified in the written consent.

(c) Records shall be maintained from July 1 until June 30 of the following calendar year and shall be open to inspection to an officer during reasonable hours.

(d) Customer name and address records created and maintained by permittees under this section are classified as private or nonpublic government data.

Subd. 3. [REVOCATION OF PERMITS.] (a) The commissioner may deny, modify, suspend, or revoke a permit issued under this section for cause, including falsification of records required under this section or violation of any other provision of sections 88.641 to 88.648.

(b) A person convicted of two or more violations of sections 88.641 to 88.648 within three years may not obtain a bough buyer's permit for three years from the date of the last conviction.

Subd. 4. [DISPOSITION OF PERMIT FEES AND PENALTIES.] Fees for permits issued under this section shall be deposited in the state treasury and credited to the special revenue fund and are annually appropriated to the commissioner of natural resources for costs associated with balsam bough educational programs for harvesters and buyers.

Sec. 14. Minnesota Statutes 2000, section 88.645, is amended to read:

88.645 [ENFORCEMENT.]

Subdivision 1. [SEARCH WARRANTS.] Any A court having authority to issue warrants in criminal cases may issue a search warrant, in the manner provided by law for issuing search warrants for stolen property, to search for and seize any trees alleged upon sufficient grounds to have been decorative materials affected by or involved in any an offense under sections 88.641 to 88.647 88.648. The warrant may be directed to and executed by any officer authorized to make arrests and seizures by sections 88.641 to 88.647 88.648.

Subd. 2. [COMPLAINT.] ~~Any~~ An officer having knowledge of ~~any~~ an offense under sections 88.641 to 88.647 ~~88.648~~ shall ~~forthwith~~ make a complaint against the offender before a court having jurisdiction of the offense and request the court to issue a warrant of arrest in the case.

Sec. 15. Minnesota Statutes 2000, section 88.647, is amended to read:

88.647 [RELATION TO EXISTING LAWS.]

Sections 88.641 to 88.647 ~~shall~~ 88.6435 ~~do not be deemed to supersede~~ any existing provision of law relating to any matter within the scope thereof but shall be construed as supplementary thereto.

Sec. 16. Minnesota Statutes 2000, section 88.648, is amended to read:

88.648 [~~FALSE STATEMENT; CRIMINAL PENALTIES; MISDEMEANOR.~~]

~~Any~~ (a) A person who makes ~~any~~ a false statement in any application, form, or other statement ~~for the purpose of obtaining any written consent or bill of sale as described in sections 88.641 to 88.644~~ 88.6435 is guilty of a misdemeanor.

(b) Except as otherwise provided in this ~~subdivision~~ section, ~~any~~ a person who violates ~~any~~ a provision of sections 88.641 to 88.647; 88.6435 is guilty of a misdemeanor.

Sec. 17. Minnesota Statutes 2000, section 93.22, is amended to read:

93.22 [DISPOSITION OF PAYMENTS.]

Subdivision 1. [GENERALLY.] (a) All payments under sections 93.14 to 93.285 shall be made to the department of natural resources and shall be credited ~~as follows:~~ according to this section.

~~(1)~~ (a) If the lands or minerals and mineral rights covered by a lease are held by the state by virtue of an act of Congress, payments made under the lease shall be credited to the permanent fund of the class of land to which the leased premises belong;

~~(2)~~ (b) If a lease covers the bed of navigable waters, payments made under the lease shall be credited to the permanent school fund of the state; ~~and.~~

~~(3)~~ (c) If the lands or minerals and mineral rights covered by a lease are held by the state in trust for the taxing districts, payments made under the lease shall be distributed annually on the first day of September as follows:

(i) 20 percent to the general fund; and

(ii) 80 percent to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town or city, two-ninths; and school district, four-ninths.

~~(b)~~ (d) Except as provided under ~~paragraph (a)~~ this section and except where the disposition of payments may be otherwise directed by law, all payments shall be paid into the general fund of the state.

Subd. 2. [TACONITE LEASE REVENUE.] Notwithstanding subdivision 1, from July 1, 2001, to June 30, 2006, payments made under state taconite leases shall be distributed as follows:

(a) If the lands or minerals and mineral rights covered by a lease are held by the state by virtue of a school, swamp, or internal improvement land grant of Congress, payments made under the lease shall be distributed annually on September 1 to the school fund mineral lease suspense account created under section 93.223, subdivision 1.

(b) If the lands or minerals and mineral rights covered by a lease are held by the state by virtue of a university land grant of Congress, payments made under the lease shall be distributed annually on September 1 to the university mineral lease suspense account created under section 93.223, subdivision 3.

(c) If the lands or minerals and mineral rights covered by a lease are held by the state in trust for the taxing districts, payments made under the lease shall be distributed annually on September 1 to the tax-forfeited land mineral lease account created under section 93.223, subdivision 2.

Sec. 18. [93.223] [MINERAL LEASE SUSPENSE ACCOUNTS.]

Subdivision 1. [SCHOOL FUND MINERAL LEASE SUSPENSE ACCOUNT.] The school fund mineral lease suspense account is created as an account in the state treasury for mineral lease money deposited according to section 93.22, subdivision 2, paragraph (a). Interest earned on money in the account accrues to the account. After money is annually deposited in the account under section 93.22, subdivision 2, paragraph (a), the commissioner of finance shall certify 20 percent of the payments made during the preceding fiscal year as costs for the administration and management of mineral leases on permanent school fund lands. The commissioner of finance shall transfer the certified amount from the school fund mineral lease suspense account to the general fund. The balance remaining in the account after the certification is annually transferred to the permanent school fund.

Subd. 2. [TAX-FORFEITED LAND MINERAL LEASE SUSPENSE ACCOUNT.] The tax-forfeited land mineral lease suspense account is created as an account in the state treasury for mineral lease money deposited according to section 93.22, subdivision 2, paragraph (c). Interest earned on money in the account accrues to the account. After money is annually deposited in the account under section 93.22, subdivision 2, paragraph (c), the commissioner of finance shall certify 20 percent of the payments made during the preceding fiscal year as costs for the administration and management of mineral leases on lands held in trust for taxing districts. The commissioner of finance shall transfer the certified amount from the tax-forfeited land mineral lease suspense account to the general fund. The balance remaining in the account is annually appropriated to the respective counties where the lands are located, to be apportioned among the taxing districts with interests in the lands as follows: county, three-ninths; town or city, two-ninths; and school district, four-ninths.

Subd. 3. [UNIVERSITY FUND MINERAL LEASE SUSPENSE ACCOUNT.] The university fund mineral lease suspense account is created as an account in the state treasury for mineral lease money deposited according to section 93.22, subdivision 2, paragraph (b). Interest earned on money in the account accrues to the account. After money is annually deposited in the account under section 93.22, subdivision 2, paragraph (b), the commissioner of finance shall certify 20 percent of the payments made during the preceding fiscal year as costs for the administration and management of mineral leases on permanent university fund lands. The commissioner of finance shall transfer the certified amount from the university fund mineral lease account to the general fund. The balance remaining in the account is annually transferred to the permanent university fund.

Sec. 19. [93.2235] [TACONITE MINING GRANTS; APPROPRIATIONS.]

Subdivision 1. The commissioner shall establish a program to award grants to taconite mining companies for:

- (1) product improvements;
- (2) value-added production; or
- (3) cost-savings improvements.

An amount equal to the sum of money transferred to the general fund under section 93.223, subdivisions 1 and 2, is annually appropriated from the general fund to the commissioner for the purposes of this section.

Subd. 2. The director of the Coleraine laboratory shall establish a program to award grants to taconite mining companies for:

- (1) product improvements;

(2) value-added production; or

(3) cost-savings improvements.

An amount equal to the sum of money transferred to the general fund under section 92.223, subdivision 3, is annually appropriated from the general fund to the director of the Coleraine laboratory for the purposes of this section.

Sec. 20. Minnesota Statutes 2000, section 256J.20, subdivision 3, is amended to read:

Subd. 3. [OTHER PROPERTY LIMITATIONS.] To be eligible for MFIP, the equity value of all nonexcluded real and personal property of the assistance unit must not exceed \$2,000 for applicants and \$5,000 for ongoing participants. The value of assets in clauses (1) to (20) must be excluded when determining the equity value of real and personal property:

(1) a licensed vehicle up to a loan value of less than or equal to \$7,500. The county agency shall apply any excess loan value as if it were equity value to the asset limit described in this section. If the assistance unit owns more than one licensed vehicle, the county agency shall determine the vehicle with the highest loan value and count only the loan value over \$7,500, excluding: (i) the value of one vehicle per physically disabled person when the vehicle is needed to transport the disabled unit member; this exclusion does not apply to mentally disabled people; (ii) the value of special equipment for a handicapped member of the assistance unit; and (iii) any vehicle used for long-distance travel, other than daily commuting, for the employment of a unit member.

The county agency shall count the loan value of all other vehicles and apply this amount as if it were equity value to the asset limit described in this section. To establish the loan value of vehicles, a county agency must use the N.A.D.A. Official Used Car Guide, Midwest Edition, for newer model cars. When a vehicle is not listed in the guidebook, or when the applicant or participant disputes the loan value listed in the guidebook as unreasonable given the condition of the particular vehicle, the county agency may require the applicant or participant document the loan value by securing a written statement from a motor vehicle dealer licensed under section 168.27, stating the amount that the dealer would pay to purchase the vehicle. The county agency shall reimburse the applicant or participant for the cost of a written statement that documents a lower loan value;

(2) the value of life insurance policies for members of the assistance unit;

(3) one burial plot per member of an assistance unit;

(4) the value of personal property needed to produce earned income, including tools, implements, farm animals, inventory, business loans, business checking and savings accounts used at least annually and used exclusively for the operation of a self-employment business, and any motor vehicles if at least 50 percent of the vehicle's use is to produce income and if the vehicles are essential for the self-employment business;

(5) the value of personal property not otherwise specified which is commonly used by household members in day-to-day living such as clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living;

(6) the value of real and personal property owned by a recipient of Supplemental Security Income or Minnesota supplemental aid;

(7) the value of corrective payments, but only for the month in which the payment is received and for the following month;

(8) a mobile home or other vehicle used by an applicant or participant as the applicant's or participant's home;

(9) money in a separate escrow account that is needed to pay real estate taxes or insurance and that is used for this purpose;

(10) money held in escrow to cover employee FICA, employee tax withholding, sales tax withholding, employee worker compensation, business insurance, property rental, property taxes, and other costs that are paid at least annually, but less often than monthly;

(11) monthly assistance, emergency assistance, and diversionary payments for the current month's needs;

(12) the value of school loans, grants, or scholarships for the period they are intended to cover;

(13) payments listed in section 256J.21, subdivision 2, clause (9), which are held in escrow for a period not to exceed three months to replace or repair personal or real property;

(14) income received in a budget month through the end of the payment month;

(15) savings from earned income of a minor child or a minor parent that are set aside in a separate account designated specifically for future education or employment costs;

(16) the federal earned income credit, Minnesota working family credit, state and federal income tax refunds, state homeowners and renters credits under chapter 290A, property tax rebates and other federal or state tax rebates in the month received and the following month;

(17) payments excluded under federal law as long as those payments are held in a separate account from any nonexcluded funds;

~~(18) money received by a participant of the corps to career program under section 84.0887, subdivision 2, paragraph (b), as a postservice benefit under the federal Americorps Act;~~

~~(19) the assets of children ineligible to receive MFIP benefits because foster care or adoption assistance payments are made on their behalf; and~~

~~(20) (19) the assets of persons whose income is excluded under section 256J.21, subdivision 2, clause (43).~~

Sec. 21. Laws 1995, chapter 220, section 142, as amended by Laws 1995, chapter 263, section 12, Laws 1996, chapter 351, section 1, and Laws 1999, chapter 231, section 191, is amended to read:

Sec. 142. [EFFECTIVE DATES.]

Sections 2, 5, 7, 20, 42, 44 to 49, 56, 57, 101, 102, 117, and 141, paragraph (d), are effective the day following final enactment.

Sections 114, 115, 118, and 121 are effective January 1, 1996.

Sections 120, subdivisions 2, 3, 4, and 5, and 141, paragraph (c), are effective July 1, 1996.

Section 141, paragraph (b), is effective June 30, 2001 2007.

Sections 58 and 66 are effective retroactively to August 1, 1991.

Section 119 is effective September 1, 1996.

Section 120, subdivision 1, is effective July 1, 1999.

Sec. 22. [STUDY; MOTOR VEHICLE USE OF STATE AND COUNTY FOREST ROADS.]

The commissioners of administration, transportation, natural resources, and revenue shall work with the affected counties to study and determine the percentage of revenue received from the unrefunded gasoline and special fuel tax that is derived from gasoline and special fuel for the operation of motor vehicles on state forest roads and county forest access roads. The commissioners shall report the results of this study by December 1, 2002.

Sec. 23. [EXPIRATION.]

Sections 17, subdivision 2, 18, and 19 expire June 30, 2006. After that date, money remaining in the mineral lease suspense accounts created in section 18 must be transferred and allocated as provided in Minnesota Statutes, section 93.22, subdivision 1.

Sec. 24. [REPEALER.]

Minnesota Statutes 2000, sections 88.641, subdivisions 4 and 5; and 88.644, are repealed.

Sec. 25. [EFFECTIVE DATE.]

Section 13 is effective July 1, 2002."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying provisions of the youth corps program; modifying provisions for decorative forest products; requiring a study of the vehicle use on state and county forest roads; providing for the accounting and appropriation of certain mineral lease money; providing for grants to taconite mining companies; delaying repeal of sustainable forest resources laws; appropriating money; amending Minnesota Statutes 2000, sections 84.0887, subdivisions 1, 2, 4, 5, 6, 9; 88.641, subdivision 2, by adding subdivisions; 88.642; 88.645; 88.647; 88.648; 93.22; 256J.20, subdivision 3; Laws 1995, chapter 220, section 142, as amended; proposing coding for new law in Minnesota Statutes, chapters 88; 93; repealing Minnesota Statutes 2000, sections 88.641, subdivisions 4, 5; 88.644."

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

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

S.F. No. 1963: A bill for an act relating to the environment; providing direction to public entities for developing bid specifications and procurement of commodities and services to promote recycled materials; amending Minnesota Statutes 2000, sections 16B.121; 16B.122, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 16B.121, is amended to read:

16B.121 [PURCHASE OF RECYCLED, REPAIRABLE, AND DURABLE MATERIALS.]

(a) The commissioner and state agencies shall take the recycled content and recyclability of commodities to be purchased into consideration in bid specifications. When feasible and when the price of recycled materials does not exceed the price of nonrecycled materials by more than ten percent and the recycled material provides comparable quality and performance, the commissioner, and state agencies when purchasing under delegated authority, shall purchase recycled materials. In order to maximize the quantity and quality of recycled materials purchased, the commissioner, and state agencies when purchasing under delegated authority, may also use other appropriate procedures to acquire recycled materials at the most economical cost to the state.

(b) By January 18, 2002, the commissioner, in consultation with the director of the office of environmental assistance, shall establish sustainability purchasing policies, targets, and benchmarks for each of the following product areas: paper products; building construction products; computers and other electronic products; cleaning products; coatings; plastic lumber; general purpose motor vehicles; "clean fuel," including CNG, E85, LNG, and propane, as those terms are defined in section 296A.01, B20, consisting of 20 percent biodiesel, E-Diesel/Oxy-Diesel; office furniture; and other products considered appropriate by the commissioner and the director.

~~When purchasing~~ (c) In writing specifications for the purchase of commodities and services,

and in purchasing those commodities and services, the commissioner, and state agencies when purchasing under delegated authority, shall, to the extent practicable:

- (1) incorporate requirements relating to the recyclability and ultimate disposition of products;
 - (2) write specifications so as to minimize the amount of solid waste generated by the state;
 - (3) apply and promote the preferred waste management practices listed in section 115A.02, with special emphasis on reduction of the quantity and toxicity of materials in waste. ~~The commissioner, and state agencies when purchasing under delegated authority, in developing bid specifications, shall;~~
 - (4) consider the extent to which a commodity or product is durable, reusable, or recyclable and marketable through the state resource recovery program and the extent to which the commodity or product contains postconsumer material; and
 - (5) discourage the purchase of single-use, disposable products and require, whenever practicable, the purchase of multiple-use, durable products.
- (d) The commissioner, and state agencies when purchasing under delegated authority, shall provide for a reasonable preference for commodities and services that promote the policies described in paragraph (c), clauses (1) to (5).
- (e) The commissioner shall rescind the delegated purchasing authority of an agency or an individual that fails to comply with the requirements of this section."

Delete the title and insert:

"A bill for an act relating to the environment; providing direction to the commissioner of administration for developing bid specifications and procurement of commodities and services to promote recycled materials; amending Minnesota Statutes 2000, section 16B.121."

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

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

S.F. No. 1405: A bill for an act relating to natural resources; establishing the Minnesota River trail; appropriating money; amending Minnesota Statutes 2000, section 85.015, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

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

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

Page 2, line 11, delete "section" and insert "sections 85.011, 85.012, subdivision 1, and"

Page 4, delete lines 1 to 36

Page 5, delete lines 1 to 21 and insert:

"Subd. 2. [85.012] [Subd. 12.] [CASCADE RIVER STATE PARK, COOK COUNTY.] (a) The following areas are added to Cascade River state park, all in Cook county:

(1) the North Half of the Southwest Quarter, the Southwest Quarter of the Southwest Quarter, and the East Half of the Southeast Quarter of the Southeast Quarter EXCEPT the westerly 155 feet of the South Half of the East Half of the Southeast Quarter of the Southeast Quarter of Section 31; that part of the Northeast Quarter of the Southwest Quarter that lies southerly and southeasterly of county road No. 7 as it exists on January 13, 1976, of Section 32; the East 150 feet of Government Lot 4, lying South of highway 61, of Section 33; all in Township 61 North, Range 1 West;

(2) the North Half of the Northwest Quarter of Section 1; the Southwest Quarter of the Northeast Quarter, the Southeast Quarter of the Northwest Quarter, the North Half of the Southwest Quarter, and the Southwest Quarter of the Southwest Quarter of Section 2; the East Half of the Northeast Quarter, the North Half of the Northwest Quarter, the Southwest Quarter of the Northwest Quarter, the Northwest Quarter of the Southwest Quarter, the Southeast Quarter of the Southwest Quarter, and the Southeast Quarter of Section 3; the Northeast Quarter of Section 9; the Northwest Quarter and the East 10 acres of the Southeast Quarter of the Northeast Quarter of Section 10; all in Township 60 North, Range 2 West; and

(3) that part of the Southwest Quarter that lies southerly and easterly of county road No. 45, and that part of the Southwest Quarter of the Southeast Quarter that lies southerly of county road No. 45 excepting therefrom that part of the Southwest Quarter of the Southeast Quarter described as follows: Commencing at the monument at the southwest corner of said SW1/4 of SE1/4, thence east along the south boundary of said SW1/4 a distance of 835 feet, and which is the point of beginning (marked with an iron stake); thence North 120 feet, more or less, to the centerline of Cook county road No. 45 (known as Pike Lake road); thence in a northwesterly direction along the centerline of Cook county road No. 45 a distance of 580.0 feet, more or less, to the intersection with the centerline of the former Babineau road; thence southeasterly along the centerline of the former Babineau road a distance of 370 feet, more or less, to intersect with the south boundary of said SW1/4 of SW1/4; thence East along the south boundary of said SW1/4 of SE1/4 a distance of 325 feet, more or less, to the point of beginning, containing approximately 1.9 acres, of Section 24; the East Half, the South Half of the Southwest Quarter, and that part of the Northwest Quarter that lies southerly of county road No. 45 of Section 25; that part of the Northeast Quarter of the Northeast Quarter that lies southerly of county road No. 45, the South Half of the Northeast Quarter, and the Southeast Quarter of Section 26; all of Section 35; all in Township 61 North, Range 2 West.

(b) The commissioner of natural resources shall manage the addition under paragraph (a) as a state park according to Minnesota Statutes, section 86A.05, subdivision 2, and in addition to other activities authorized in Cascade River state park, public deer hunting shall be allowed on public lands in that portion of the addition under paragraph (a) that lies north of Minnesota trunk highway No. 61."

Page 7, line 25, delete "and"

Page 7, line 26, before the period, insert ""; and

(4) the SE1/4 of the SE1/4 of Section 31"

Pages 8 to 10, delete section 7 and insert:

"Sec. 7. [REDESCRIBING GEORGE H. CROSBY MANITOU STATE PARK BOUNDARIES.]

[85.012] [Subd. 22.] [GEORGE H. CROSBY MANITOU STATE PARK, LAKE COUNTY.] (a) Notwithstanding any other law, including Laws 1955, chapter 144, George H. Crosby Manitou state park, heretofore established, shall consist of the following described lands, all in Lake county:

(1) the Southwest Quarter of the Southwest Quarter of Section 2; the Northwest Quarter, the West Half of the Southeast Quarter, the North Half of the Southwest Quarter, and the Southeast Quarter of the Southwest Quarter of Section 3; all in Township 57 North, Range 6 West;

(2) the Southwest Quarter of the Northwest Quarter and the Southwest Quarter of Section 14; the Southeast Quarter of the Northeast Quarter, the Southwest Quarter of the Northwest Quarter, and the South Half of Section 15; that part of the Southeast Quarter of the Northeast Quarter and that part of the South Half lying southerly and easterly of Lake county road No. 7 of Section 17; that part of the East Half and that part of the Southwest Quarter lying easterly of Lake county road No. 7 of Section 20; all of Sections 21 and 22; the Southwest Quarter of the Northeast Quarter, the North Half of the Northwest Quarter, the Southeast Quarter of the Northwest Quarter, and the Southwest Quarter of the Southwest Quarter of Section 23; the Northwest Quarter of the Northwest Quarter of Section 26; the Northeast Quarter of the Northeast Quarter, the South Half of the Northeast Quarter, the Northwest Quarter, the North Half of the Southwest Quarter, and the Southwest Quarter of the Southwest Quarter of Section 27; all of Section 28; the East Half and that part of the West Half lying southerly and easterly of Lake county road No. 7 of Section 29; that part of the Southeast Quarter of the Southeast Quarter lying southerly of Lake county road No. 7 of Section 30; the North Half of the Southeast Quarter and that part of the East Half of the Northeast Quarter lying easterly of Lake county road No. 7 of Section 31; the East Half, the Northwest Quarter, and the East Half of the Southwest Quarter of Section 32; all of Section 33; the West Half of the Northwest Quarter and the West Half of the Southwest Quarter of Section 34; all in Township 58 North, Range 6 West.

(b) The commissioner shall manage the state park as provided in Minnesota Statutes, section 86A.05, subdivision 3, but in addition to other activities authorized in George H. Crosby Manitou state park, shall allow public hunting in that portion of the park lying east of the Manitou river and north of Minnesota trunk highway No. 61.

(c) Notwithstanding Minnesota Statutes, section 85.012, subdivision 1, tax-forfeited land located within George H. Crosby Manitou state park is not withdrawn from sale and is not transferred from the custody, control, and supervision of the county board."

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

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

S.F. No. 1263: A bill for an act relating to state government; changing the expiration dates of certain advisory councils and committees and other multimember entities; amending Minnesota Statutes 2000, sections 6.65; 15.059, subdivisions 5 and 5a; 15.50, subdivision 2; 16B.27, subdivision 3; 16B.76, subdivision 1; 17.136; 18B.305, subdivision 3; 21.112, subdivision 2; 28A.20, subdivision 6; 43A.316, subdivision 4; 62J.15, subdivision 1; 62J.46, subdivision 1; 62Q.03, subdivision 5a; 82B.05, subdivision 1; 122A.624, subdivision 2; 144.672, subdivision 1; 144A.073, subdivisions 2 and 3; 145A.10, subdivision 10; 148C.11, subdivision 3; 161.17, subdivision 2; 174.55, subdivision 1; 256B.0917, subdivisions 1 and 2; 256B.093, subdivision 1; 256B.69, subdivision 5b; 256E.115, subdivision 1; 268.362, subdivision 2; and 402.03; repealing Minnesota Statutes 2000, sections 17.49, subdivision 1; 17.703; 17.76; 40A.14, subdivision 3; 52.061; 60K.19, subdivision 4; 93.002; 97A.055, subdivision 4a; 116C.711; 124D.894; 124D.95, subdivision 6; 134.31, subdivision 5; 137.342, subdivision 2; 144A.073, subdivision 3c; 144A.31; 162.09, subdivision 2; 256.955, subdivision 5; 256B.0625, subdivision 13a; 256B.0911, subdivision 8; 256B.434, subdivision 13; 268.361, subdivision 2; 268.363; 299A.295, subdivision 2; 299K.03, subdivision 4; and 299M.02.

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

Delete everything after the enacting clause and insert:

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

6.65 [MINIMUM PROCEDURES FOR AUDITORS, PRESCRIBED.]

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

ending after January 15, 1984. Audits of all school districts shall ~~must~~ include a determination of compliance with uniform financial accounting and reporting standards. The state auditor shall ~~establish a task force to promulgate an audit guide for legal compliance audits. The task force must include,~~ in consultation with representatives of the state auditor, the attorney general, towns, cities, counties, school districts, and private sector public accountants.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The city of Saint Paul shall advise the board.

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

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

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

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

(m) The board is the successor of the state veterans service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and amendments to it.

(n) The board shall meet at the call of the chair and at such other times as it may prescribe.

(o) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs, of which a part that the commissioner of

administration and commissioner of veterans affairs may mutually determine must be on the first floor above the ground, and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available, to other state departments and agencies as the commissioner may deem desirable.

Sec. 4. Minnesota Statutes 2000, section 16B.181, subdivision 2, is amended to read:

Subd. 2. [PUBLIC ENTITIES; PURCHASES FROM CORRECTIONS INDUSTRIES.] (a) The commissioner of corrections, in consultation with the commissioner of administration, shall prepare updated lists of the items available for purchase from department of corrections industries and annually forward a copy of the most recent list to all public entities within the state. A public entity that is supported in whole or in part with funds from the state treasury may purchase items directly from corrections industries. The bid solicitation process is not required for these purchases.

(b) The commissioner of administration shall develop a contract or contracts to enable public entities to purchase items directly from corrections industries. The commissioner of administration, in consultation with the commissioner of corrections, shall determine the fair market price for listed items. The commissioner of administration shall require that all requests for bids or proposals, for items provided by corrections industries, be forwarded to the commissioner of corrections to enable corrections industries to submit bids. The commissioner of corrections shall consult with the commissioner of administration prior to introducing new products to the state agency market.

(c) No public entity may evade the intent of this section by adopting slight variations in specifications, when Minnesota corrections industry items meet the reasonable needs and specifications of the public entity.

(d) The commissioners of administration and corrections shall develop annual performance measures outlining goals to maximize inmate work program participation. The commissioners of administration and corrections shall appoint cochairs for a task force whose purpose is to determine additional methods to achieve the performance goals for public entity purchasing. The task force shall include representatives from the Minnesota house of representatives, Minnesota senate, the Minnesota state colleges and universities, University of Minnesota, Minnesota League of Cities, Minnesota Association of Counties, and administrators with purchasing responsibilities from the Minnesota state departments of corrections, public safety, finance, transportation, natural resources, human services, health, and economic security. The task force required by this paragraph expires June 30, 2003.

(e) If performance goals for public entity purchasing are not achieved in two consecutive fiscal years, public entities shall purchase items available from corrections industries. The commissioner of administration shall be responsible for notifying public entities of this requirement.

Sec. 5. Minnesota Statutes 2000, section 16B.27, subdivision 3, is amended to read:

Subd. 3. [COUNCIL.] The governor's residence council consists of the following 19 members: the commissioner; the spouse, or a designee of the governor; the executive director of the Minnesota state arts board; the director of the Minnesota historical society; a member of the senate appointed pursuant to the rules of the senate; a member of the house of representatives appointed pursuant to the rules of the house of representatives; 13 persons appointed by the governor including one in the field of higher education, one member of the American Society of Interior Designers, Minnesota Chapter, one member of the American Institute of Architects, Minnesota chapter, one member of the American Society of Landscape Architects, Minnesota Chapter, one member of the family that donated the governor's residence to the state, if available, and eight public members with four public members' terms being coterminous with the governor who appoints them. Members of the council serve without compensation. Membership terms, removal, and filling of vacancies for members appointed by the governor are governed by section 15.0575. The council shall elect a chair and a secretary from among its members. The council expires on June 30, 2001 2003.

Sec. 6. Minnesota Statutes 2000, section 16B.76, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] (a) The construction codes advisory council consists of the following members:

(1) the commissioner of administration or the commissioner's designee representing the department's building codes and standards division;

(2) the commissioner of health or the commissioner's designee representing an environmental health section of the department;

(3) the commissioner of public safety or the commissioner's designee representing the department's state fire marshal division;

(4) the commissioner of public service or the commissioner's designee representing the department's energy regulation and resource management division; and

(5) one member representing each of the following occupations or entities, appointed by the commissioner of administration:

(i) a certified building official;

(ii) a fire service representative;

(iii) a licensed architect;

(iv) a licensed engineer;

(v) a building owners and managers representative;

(vi) a licensed residential building contractor;

(vii) a commercial building contractor;

(viii) a heating and ventilation contractor;

(ix) a plumbing contractor;

(x) a representative of a construction and building trades union; and

(xi) a local unit of government representative.

(b) For members who are not state officials or employees, terms, compensation, removal, and the filling of vacancies are governed by section 15.059. The council shall select one of its members to serve as chair.

(c) The council expires June 30, ~~2001~~ 2003.

Sec. 7. Minnesota Statutes 2000, section 17.136, is amended to read:

17.136 [ANIMAL FEEDLOTS; POLLUTION CONTROL; FEEDLOT AND MANURE MANAGEMENT ADVISORY COMMITTEE.]

(a) The commissioner of agriculture and the commissioner of the pollution control agency shall establish a feedlot and manure management advisory committee to identify needs, goals, and suggest policies for research, monitoring, and regulatory activities regarding feedlot and manure management. In establishing the committee, the commissioner shall give first consideration to members of the existing feedlot advisory group.

(b) The committee must include representation from beef, dairy, pork, chicken, and turkey producer organizations. The committee shall not exceed 21 members, but, after June 30, 1999, must include representatives from at least four environmental organizations, eight livestock producers, four experts in soil and water science, nutrient management, and animal husbandry, one

commercial solid manure applicator who is not a producer, one commercial liquid manure applicator who is not a producer, and one member from an organization representing local units of government, and chairs of the senate and the house of representatives committees that deal with agricultural policy or the designees of the chairs. In addition, the departments of agriculture, health, and natural resources, the pollution control agency, board of water and soil resources, soil and water conservation districts, the federal Natural Resource Conservation Service, the association of Minnesota counties, and the Farm Service Agency shall serve on the committee as ex officio nonvoting members.

(c) The advisory committee shall elect a chair and a vice-chair from its members. The department and the agency shall provide staff support to the committee.

(d) The commissioner of agriculture and the commissioner of the pollution control agency shall consult with the advisory committee during the development of any policies, rules, or funding proposals or recommendations relating to feedlots or feedlot-related manure management.

(e) The commissioner of agriculture shall consult with the advisory committee on establishing a list of manure management research needs and priorities.

(f) The advisory committee shall advise the commissioners on other appropriate matters.

(g) Nongovernment members of the advisory committee shall receive expenses, in accordance with section 15.059, subdivision 6. The advisory committee expires on June 30, 2004 2003.

Sec. 8. Minnesota Statutes 2000, section 18B.305, subdivision 3, is amended to read:

Subd. 3. [PESTICIDE APPLICATOR EDUCATION AND EXAMINATION REVIEW BOARD.] (a) The commissioner shall establish and chair a pesticide applicator education and examination review board. This board, consisting of 15 members, must meet at least once a year before the initiation of pesticide educational planning programs. The purpose of the board is to discuss topics of current concern that can be incorporated into pesticide applicator training sessions and appropriate examinations. This board shall review and evaluate the various educational programs recently conducted and recommend options to increase overall effectiveness.

(b) Membership on this board must include applicators representing various licensing categories, such as agriculture, turf and ornamental, aerial, aquatic, and structural pest control and private pesticide applicators, and other governmental agencies, including the University of Minnesota, the pollution control agency, department of health, department of natural resources, and department of transportation.

(c) Membership on the board must include representatives from environmental protection organizations.

(d) This board shall review licensing and certification requirements for private, commercial, and noncommercial applicators and provide a report to the commissioner with recommendations by January 15, 1998. This board shall review category requirements and provide recommendations to the commissioner. This board expires on June 30, 2004 2003.

Sec. 9. Minnesota Statutes 2000, section 21.112, subdivision 2, is amended to read:

Subd. 2. [ADVISORY SEED POTATO CERTIFICATION TASK FORCE.] The commissioner may appoint an advisory seed potato certification task force. If the task force is appointed each member shall be a grower in Minnesota of certified seed potatoes. The terms, compensation and removal of members shall be as provided in section 15.059. The task force shall expire June 30, 2004 2003.

Sec. 10. Minnesota Statutes 2000, section 28A.20, is amended to read:

28A.20 [FOOD SAFETY ADVISORY COMMITTEE TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] A food safety advisory ~~committee~~ task force is established to advise the commissioner and the legislature on food issues and food safety.

Subd. 2. [MEMBERSHIP.] (a) The food safety advisory ~~committee~~ task force consists of:

- (1) the commissioner of agriculture;
 - (2) the commissioner of health;
 - (3) a representative of the United States Food and Drug Administration;
 - (4) a representative of the United States Department of Agriculture;
 - (5) a representative of the agricultural utilization research institute;
 - (6) one person from the University of Minnesota knowledgeable in food and food safety issues;
- and

(7) nine members appointed by the governor who are interested in food and food safety, of whom:

- (i) two persons are health or food professionals;
- (ii) one person represents a statewide general farm organization;
- (iii) one person represents a local food inspection agency; and
- (iv) one person represents a food-oriented consumer group.

(b) Members shall serve without compensation. Members appointed by the governor shall serve four-year terms.

Subd. 3. [ORGANIZATION.] (a) The ~~committee~~ task force shall meet monthly or as determined by the chair.

(b) The members of the ~~committee~~ task force shall annually elect a chair and other officers as they determine necessary.

Subd. 4. [STAFF.] The commissioner of agriculture shall provide support staff, office space, and administrative services for the ~~committee~~ task force.

Subd. 5. [DUTIES.] The ~~committee~~ task force shall:

- (1) coordinate educational efforts about various aspects of food safety;
- (2) provide advice and coordination to state agencies as requested by the agencies;
- (3) serve as a source of information and referral for the public, news media, and others concerned with food safety; and

(4) make recommendations to Congress, the legislature, and others about appropriate action to improve food safety in the state.

Subd. 6. [EXPIRATION.] This section expires on June 30, 2001 2003.

Sec. 11. Minnesota Statutes 2000, section 43A.316, subdivision 4, is amended to read:

Subd. 4. [LABOR-MANAGEMENT COMMITTEE.] The labor-management committee consists of ten members appointed by the commissioner. The labor-management committee must comprise five members who represent employees, including at least one retired employee, and five members who represent eligible employers. Committee members are eligible for expense reimbursement in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. The commissioner shall consult with the labor-management

committee in major decisions that affect the program. The committee shall study issues relating to the insurance program including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency. The committee continues to exist while the program remains in operation.

Sec. 12. Minnesota Statutes 2000, section 62J.15, subdivision 1, is amended to read:

Subdivision 1. [HEALTH TECHNOLOGY ADVISORY COMMITTEE.] The legislative commission on health care access may convene or authorize the commissioner of health to convene an advisory committee to conduct evaluations of existing research and technology assessments conducted by other entities of new and existing health care technologies as designated by the legislative commission on health care access, the commissioner, or the advisory committee. The advisory committee must include at least one person representing physicians, at least one person representing hospitals, and at least one person representing the health care technology industry. Health care technologies include high-cost drugs, devices, procedures, or processes applied to human health care, such as high-cost transplants and expensive scanners and imagers. The advisory committee is governed by section 15.0575, ~~subdivision 3~~, except that members do not receive per diem payments.

Sec. 13. Minnesota Statutes 2000, section 62J.46, subdivision 1, is amended to read:

Subdivision 1. [LONG-TERM CARE COSTS.] The commissioner, ~~with the advice of the interagency long-term care planning committee established under section 144A.31~~, shall use existing state data resources to monitor trends in public and private spending on long-term care costs and spending in Minnesota. The commissioner shall recommend to the legislature any additional data collection activities needed to monitor these trends. State agencies collecting information on long-term care spending and costs shall coordinate with the interagency long-term care planning committee and the commissioner to facilitate the monitoring of long-term care expenditures in the state.

Sec. 14. Minnesota Statutes 2000, section 62J.692, subdivision 2, is amended to read:

Subd. 2. [MEDICAL EDUCATION AND RESEARCH ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee to provide advice and oversight on the distribution of funds appropriated for distribution under this section. In appointing the members, the commissioner shall:

- (1) consider the interest of all stakeholders;
- (2) appoint members that represent both urban and rural interests; and
- (3) appoint members that represent ambulatory care as well as inpatient perspectives.

The commissioner shall appoint to the advisory committee representatives of the following groups to ensure appropriate representation of all eligible provider groups and other stakeholders: public and private medical researchers; public and private academic medical centers, including representatives from academic centers offering accredited training programs for physicians, pharmacists, chiropractors, dentists, nurses, and physician assistants; managed care organizations; employers; consumers and other relevant stakeholders. The advisory committee is governed by section 15.059 ~~for membership terms and removal of members and expires on June 30, 2001.~~

Sec. 15. Minnesota Statutes 2000, section 62Q.03, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC PROGRAMS.] (a) A separate risk adjustment system must be developed for state-run public programs, including medical assistance, general assistance medical care, and MinnesotaCare. The system must be developed in accordance with the general risk adjustment methodologies described in this section, must include factors in addition to age and sex adjustment, and may include additional demographic factors, different targeted conditions, and/or different payment amounts for conditions. The risk adjustment system for public programs must attempt to reflect the special needs related to poverty, cultural, or language barriers and other needs of the public program population.

~~(b) The commissioners of health and human services shall jointly convene a public programs risk adjustment work group responsible for advising the commissioners in the design of the public programs risk adjustment system. The public programs risk adjustment work group is governed by section 15.059 for purposes of membership terms, expiration, and removal of members. The work group shall meet at the discretion of the commissioners of health and human services. The commissioner of health shall work with the risk adjustment association to ensure coordination between the risk adjustment systems for the public and private sectors. The commissioner of human services shall seek any needed federal approvals necessary for the inclusion of the medical assistance program in the public programs risk adjustment system.~~

~~(c) The public programs risk adjustment work group must be representative of the persons served by publicly paid health programs and providers and health plans that meet their needs. To the greatest extent possible, the appointing authorities shall attempt to select representatives that have historically served a significant number of persons in publicly paid health programs or the uninsured. Membership of the work group shall be as follows:~~

~~(1) one provider member appointed by the Minnesota Medical Association;~~

~~(2) two provider members appointed by the Minnesota Hospital Association, at least one of whom must represent a major disproportionate share hospital;~~

~~(3) five members appointed by the Minnesota Council of HMOs, one of whom must represent an HMO with fewer than 50,000 enrollees located outside the metropolitan area and one of whom must represent an HMO with at least 50 percent of total membership enrolled through a public program;~~

~~(4) two representatives of counties appointed by the Association of Minnesota Counties;~~

~~(5) three representatives of organizations representing the interests of families, children, childless adults, and elderly persons served by the various publicly paid health programs appointed by the governor;~~

~~(6) two representatives of persons with mental health, developmental or physical disabilities, chemical dependency, or chronic illness appointed by the governor; and~~

~~(7) three public members appointed by the governor, at least one of whom must represent a community health board. The risk adjustment association may appoint a representative, if a representative is not otherwise appointed by an appointing authority.~~

~~(d) The commissioners of health and human services, with the advice of the public programs risk adjustment work group, shall develop a work plan and time frame and shall coordinate their efforts with the private sector risk adjustment association's activities and other state initiatives related to public program managed care reimbursement.~~

~~(e) Before including risk adjustment in a contract for the prepaid medical assistance program, the prepaid general assistance medical care program, or the MinnesotaCare program, the commissioner of human services shall provide to the contractor an analysis of the expected impact on the contractor of the implementation of risk adjustment. This analysis may be limited by the available data and resources, as determined by the commissioner, and shall not be binding on future contract periods. This paragraph shall not apply if the contractor has not supplied information to the commissioner related to the risk adjustment analysis.~~

~~(f) The commissioner of human services shall report to the public program risk adjustment work group on the methodology the department will use for risk adjustment prior to implementation of the risk adjustment payment methodology. Upon completion of the report to the work group, the commissioner shall phase in risk adjustment according to the following schedule:~~

~~(1) for the first contract year, no more than ten percent of reimbursements shall be risk adjusted; and~~

~~(2) for the second contract year, no more than 30 percent of reimbursements shall be risk adjusted.~~

Sec. 16. Minnesota Statutes 2000, section 82B.05, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The real estate appraiser advisory board consists of 15 members appointed by the commissioner of commerce. Three of the members must be public members, four must be consumers of appraisal services, and eight must be real estate appraisers of whom not less than two members shall be registered real property appraisers, licensed real property appraisers, or certified residential real property appraisers and not less than two members shall be certified general real property appraisers. The board is governed by section 15.0575.

Sec. 17. Minnesota Statutes 2000, section 115A.12, is amended to read:

115A.12 [ADVISORY COUNCILS.]

(a) The director shall establish a solid waste management advisory council and a prevention, reduction, and recycling advisory council that are broadly representative of the geographic areas and interests of the state.

(b) The solid waste council shall have not less than nine nor more than 21 members. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least three members experienced in the private recycling industry and at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery.

(c) The prevention, reduction, and recycling advisory council shall have not less than nine nor more than 24 members. The membership shall consist of one-third citizen representatives, one-third representatives of government, and one-third representatives of business and industry. The director may appoint nonvoting members from other environmental and business assistance providers in the state.

(d) The chairs of the advisory councils shall be appointed by the director. The director shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the director. The solid waste advisory council shall make recommendations to the office on its solid waste management activities. The prevention, reduction, and recycling advisory council shall make recommendations to the office on policy, programs, and legislation in pollution prevention, waste reduction, reuse and recycling, resource conservation, and the management of hazardous waste. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the director. Notwithstanding section 15.059, subdivision 5, the solid waste management advisory council and the prevention, reduction, and recycling advisory council expire June 30, 2001 2003.

Sec. 18. Minnesota Statutes 2000, section 116P.06, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] (a) An advisory committee of 11 citizen members shall be appointed by the governor to advise the legislative commission on Minnesota resources on project proposals to receive funding from the trust fund and the development of budget and strategic plans. The governor shall appoint at least one member from each congressional district. ~~The governor~~ members shall appoint elect the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575. Notwithstanding section 15.059, subdivision 5, or other law to the contrary, the advisory committee does not expire.

Sec. 19. Minnesota Statutes 2000, section 122A.624, subdivision 2, is amended to read:

Subd. 2. [~~ADVISORY TASK FORCE; PROGRAM IMPLEMENTATION.~~] The commissioner of children, families, and learning shall develop and maintain a program of educational effectiveness and results-oriented education. ~~The commissioner may appoint an~~

~~advisory task force to assist the department of children, families, and learning in developing an implementation program for providing staff development to school district staff in educational effectiveness. The program shall be based on established principles of instructional design and the essential elements of effective instruction as determined by educational research. The program shall take into account the diverse needs of the school districts due to such factors as district size and location.~~

Sec. 20. Minnesota Statutes 2000, section 144.1481, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The commissioner of health shall establish a 15-member rural health advisory committee. The committee shall consist of the following members, all of whom must reside outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathy licensed under chapter 147;

(7) a midlevel practitioner;

(8) a registered nurse or licensed practical nurse;

(9) a licensed health care professional from an occupation not otherwise represented on the committee;

(10) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers; and

(11) three consumers, at least one of whom must be an advocate for persons who are mentally ill or developmentally disabled.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. ~~The terms, compensation, and removal of members are~~ advisory committee is governed by section 15.059, except that the existence of the committee does not terminate and members do not receive per diem compensation.

Sec. 21. Minnesota Statutes 2000, section 144.672, subdivision 1, is amended to read:

Subdivision 1. [RULE AUTHORITY.] The commissioner of health shall collect cancer incidence information, analyze the information, and conduct special studies designed to determine the potential public health significance of an increase in cancer incidence.

The commissioner shall adopt rules to administer the system, collect information, and distribute data. The rules must include, but not be limited to, the following:

(1) the type of data to be reported;

(2) standards for reporting specific types of data;

(3) payments allowed to hospitals, pathologists, and registry systems to defray their costs in providing information to the system;

(4) criteria relating to contracts made with outside entities to conduct studies using data collected by the system. The criteria may include requirements for a written protocol outlining the purpose and public benefit of the study, the description, methods, and projected results of the study, peer review by other scientists, the methods and facilities to protect the privacy of the data, and the qualifications of the researcher proposing to undertake the study; and

(5) specification of fees to be charged under section 13.03, subdivision 3, for all out-of-pocket expenses for data summaries or specific analyses of data requested by public and private agencies, organizations, and individuals, and which are not otherwise included in the commissioner's annual summary reports. Fees collected are appropriated to the commissioner to offset the cost of providing the data; ~~and~~

~~(6) establishment of a committee to assist the commissioner in the review of system activities. The committee is governed by section 15.059, except it expires June 30, 2001.~~

Sec. 22. Minnesota Statutes 2000, section 144A.073, subdivision 2, is amended to read:

Subd. 2. [REQUEST FOR PROPOSALS.] At the authorization by the legislature of additional medical assistance expenditures for exceptions to the moratorium on nursing homes, the ~~interagency committee~~ commissioner shall publish in the State Register a request for proposals for nursing home projects to be licensed or certified under section 144A.071, subdivision 4a, clause (c). The public notice of this funding and the request for proposals must specify how the approval criteria will be prioritized by the ~~advisory review panel, the interagency long-term care planning committee, and the commissioner.~~ The notice must describe the information that must accompany a request and state that proposals must be submitted to the ~~interagency committee~~ commissioner within 90 days of the date of publication. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the ~~interagency committee~~ commissioner shall publish a notice to that effect, and no proposals shall be requested. If money is appropriated, the ~~interagency committee~~ commissioner shall initiate the application and review process described in this section at least twice each biennium and up to four times each biennium, according to dates established by rule. Authorized funds shall be allocated proportionally to the number of processes. Funds not encumbered by an earlier process within a biennium shall carry forward to subsequent iterations of the process. Authorization for expenditures does not carry forward into the following biennium. To be considered for approval, a proposal must include the following information:

(1) whether the request is for renovation, replacement, upgrading, conversion, or relocation;

(2) a description of the problem the project is designed to address;

(3) a description of the proposed project;

(4) an analysis of projected costs of the nursing facility proposal, which are not required to exceed the cost threshold referred to in section 144A.071, subdivision 1, to be considered under this section, including initial construction and remodeling costs; site preparation costs; financing costs, including the current estimated long-term financing costs of the proposal, which consists of estimates of the amount and sources of money, reserves if required under the proposed funding mechanism, annual payments schedule, interest rates, length of term, closing costs and fees, insurance costs, and any completed marketing study or underwriting review; and estimated operating costs during the first two years after completion of the project;

(5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;

(6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement;

- (7) the proposed timetable for commencing construction and completing the project;
- (8) a statement of any licensure or certification issues, such as certification survey deficiencies;
- (9) the proposed relocation plan for current residents if beds are to be closed so that the department of human services can estimate the total costs of a proposal; and
- (10) other information required by permanent rule of the commissioner of health in accordance with subdivisions 4 and 8.

Sec. 23. Minnesota Statutes 2000, section 144A.073, subdivision 3, is amended to read:

Subd. 3. [REVIEW AND APPROVAL OF PROPOSALS.] Within the limits of money specifically appropriated to the medical assistance program for this purpose, ~~the interagency long-term care planning committee may recommend that the commissioner of health may grant exceptions to the nursing home licensure or certification moratorium for proposals that satisfy the requirements of this section. The interagency committee shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the committee. The commissioners of human services and health shall provide staff and technical assistance to the committee for the review and analysis of proposals. The interagency committee shall hold a public hearing before submitting recommendations to the commissioner of health on project requests. The committee shall submit recommendations within 150 days of the date of the publication of the notice. The commissioner of health shall approve or disapprove a project within 30 days after receiving the committee's recommendations. The advisory review panel, the committee, and the commissioner of health shall base their recommendations, approvals, or disapprovals on a comparison and ranking of proposals using only the criteria in subdivision 4 and in rules adopted by the commissioner. The cost to the medical assistance program of the proposals approved must be within the limits of the appropriations specifically made for this purpose. Approval of a proposal expires 18 months after approval by the commissioner of health unless the facility has commenced construction as defined in section 144A.071, subdivision 1a, paragraph (d). The committee's report to the legislature, as required under section 144A.31, must include the projects approved, the criteria used to recommend proposals for approval, and the estimated costs of the projects, including the costs of initial construction and remodeling, and the estimated operating costs during the first two years after the project is completed.~~

Sec. 24. Minnesota Statutes 2000, section 144A.073, subdivision 3c, is amended to read:

Subd. 3c. [COST NEUTRAL RELOCATION PROJECTS.] (a) Notwithstanding subdivision 3, ~~the interagency committee~~ commissioner may at any time accept proposals, or amendments to proposals previously approved under this section, for relocations that are cost neutral with respect to state costs as defined in section 144A.071, subdivision 5a. ~~The committee~~ commissioner, in consultation with the commissioner of human services, shall review these applications and make recommendations to the commissioner within 90 days. ~~The committee must evaluate proposals according to subdivision 4, clauses (1), (2), and (3), and other criteria established in rule. The commissioner shall approve or disapprove a project within 30 90 days of receiving the committee's recommendation.~~ Proposals and amendments approved under this subdivision are not subject to the six-mile limit in subdivision 5, paragraph (e).

(b) For the purposes of paragraph (a), cost neutrality shall be measured over the first three 12-month periods of operation after completion of the project.

Sec. 25. Minnesota Statutes 2000, section 145A.10, subdivision 10, is amended to read:

Subd. 10. [STATE AND LOCAL ADVISORY COMMITTEES.] (a) A state community health advisory committee is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, funding, and evaluation of community health services. ~~Section 15.059, subdivision 5, applies to this committee.~~ Each community health board may appoint a member to serve on the committee. The committee must meet at least quarterly, and special meetings may be called by the committee chair or a majority of the members. Members or

their alternates may receive a per diem and must be reimbursed for travel and other necessary expenses while engaged in their official duties.

(b) The city councils or county boards that have established or are members of a community health board must appoint a community health advisory committee to advise, consult with, and make recommendations to the community health board on matters relating to the development, maintenance, funding, and evaluation of community health services. The committee must consist of at least five members and must be generally representative of the population and health care providers of the community health service area. The committee must meet at least three times a year and at the call of the chair or a majority of the members. Members may receive a per diem and reimbursement for travel and other necessary expenses while engaged in their official duties.

(c) State and local advisory committees must adopt bylaws or operating procedures that specify the length of terms of membership, procedures for assuring that no more than half of these terms expire during the same year, and other matters relating to the conduct of committee business. Bylaws or operating procedures may allow one alternate to be appointed for each member of a state or local advisory committee. Alternates may be given full or partial powers and duties of members.

Sec. 26. Minnesota Statutes 2000, section 148C.11, subdivision 3, is amended to read:

Subd. 3. [FEDERALLY RECOGNIZED TRIBES; ETHNIC MINORITIES.] (a) Alcohol and drug counselors licensed to practice alcohol and drug counseling according to standards established by federally recognized tribes, while practicing under tribal jurisdiction, are exempt from the requirements of this chapter. In practicing alcohol and drug counseling under tribal jurisdiction, individuals licensed under that authority shall be afforded the same rights, responsibilities, and recognition as persons licensed pursuant to this chapter.

(b) The commissioner shall develop special licensing criteria for issuance of a license to alcohol and drug counselors who: (1) practice alcohol and drug counseling with a member of an ethnic minority population or with a person with a disability as defined by rule; or (2) are employed by agencies whose primary agency service focus addresses ethnic minority populations or persons with a disability as defined by rule. These licensing criteria may differ from the licensing criteria specified in section 148C.04. To develop, implement, and evaluate the effect of these criteria, the commissioner shall establish a committee comprised of, but not limited to, representatives from the Minnesota commission serving deaf and hard-of-hearing people, the council on affairs of Chicano/Latino people, the council on Asian-Pacific Minnesotans, the council on Black Minnesotans, the council on disability, and the Indian affairs council. The committee does not expire.

Sec. 27. Minnesota Statutes 2000, section 161.1419, subdivision 2, is amended to read:

Subd. 2. [MEMBERS.] (a) The commission shall be composed of ~~ten~~ 15 members of which:

- (1) one shall be appointed by the commissioner of transportation;
- (2) one shall be appointed by the commissioner of natural resources;
- (3) one shall be appointed by the commissioner of trade and economic development;
- (4) one shall be appointed by the commissioner of agriculture;
- (5) one shall be appointed by the director of the Minnesota historical society;
- (6) two shall be members of the senate to be appointed by the committee on committees, and;
- (7) two shall be members of the house of representatives to be appointed by the speaker. ~~The tenth member;~~
- (8) one shall be the secretary appointed pursuant to subdivision 3; and
- (9) five shall be citizen members appointed by five citizen committees established by the

members appointed under clauses (1) to (8), with each citizen committee established within and representing each of the following geographic segments along the Mississippi river:

- (i) Lake Itasca to the city of Grand Rapids;
- (ii) Grand Rapids to the city of Brainerd;
- (iii) Brainerd to the city of Elk River;
- (iv) Elk River to the city of Hastings; and
- (v) Hastings to the Iowa border.

Each citizen committee member shall be a resident of the geographic segment that the committee and member represents.

~~(b) The members of the commission shall be selected immediately after May 27, 1963, and shall serve for a term expiring at the close of the next each regular session of the legislature and until their successors are appointed. Successor members shall be appointed at the close of each regular session of the legislature by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota historical society shall be ex officio members, and shall be in addition to the ten 15 members heretofore provided for. Immediately upon making the appointments to the commission the appointing authorities shall so notify the Mississippi river parkway commission, hereinafter called the national commission, giving the names and addresses of the members so appointed.~~

Sec. 28. Minnesota Statutes 2000, section 161.1419, subdivision 8, is amended to read:

Subd. 8. [EXPIRATION.] The commission shall expire on June 30, 2004 2003.

Sec. 29. Minnesota Statutes 2000, section 161.17, subdivision 2, is amended to read:

Subd. 2. [INTERSTATE SYSTEM.] (a) It is hereby declared that construction of the interstate system of highways will vitally affect the future development of the cities through which these routes pass and such municipalities should have an important role in the development of this highway system; that on the other hand the future planning and programming of construction projects over a period of years is necessary to take maximum advantage of federal aid and to build a unified and coordinated interstate system; that excessive delay in local approval of plans for construction of one segment may seriously impede completion of the entire system and adversely affect other municipalities along the interstate routes; that the mutual exchange of information and close cooperation between the department and local governing bodies should be encouraged by improved administrative processes for securing orderly review of plans and the resolution of differences over interstate routes and projects; and that the provisions of sections 161.171 to 161.177 for local approval of trunk highway plans must be modified for the interstate highway system in the light of these various considerations. Before proceeding with the preparation of the final plans for the construction, reconstruction, or improvement of any route on the interstate system lying within any city, the commissioner shall submit to its governing body preliminary plans covering the route location. The preliminary plans shall be submitted as part of a report containing such supporting data that the commissioner deems helpful to the governing body in appraising the plans submitted.

(b) Any public hearing on location of an interstate route held in compliance with federal requirements shall be held at least one month after submission to the governing body of the report provided for in this subdivision. After the public hearing and on preparing final plans, the commissioner shall submit the final plans to the governing body for approval. If the governing body does not approve the final plans within three months after submitted, the commissioner may refer the plans to (1) the ~~Twin Cities Metropolitan Area Planning Commission~~ metropolitan council, if the project is within the area of its jurisdiction, or (2) the municipal advisory committee on state-aid rules established under section 162.09, subdivision 2, if the project is elsewhere in the state. If a member of the advisory committee is from the municipality concerned that member

shall be excused. If the plans are so referred, the ~~commission council~~ or committee shall give the commissioner and the governing body ample opportunity to present the case for or against approval of the plans so referred. Not later than three months after such hearings and independent study as it deems desirable, it shall approve or disapprove such plans, making such additional recommendations consistent with state and federal requirements as it deems appropriate, and it shall submit a written report containing its findings and recommendations to the commissioner and the governing body. The commissioner shall not proceed with the proposed construction, reconstruction, or improvement except in accordance with plans approved by the governing body or, if referred to the ~~commission council~~ or committee, until after the ~~commission council~~ or committee has made its report, and then only after the governing body has had an additional 90 days within which to consider the plans originally submitted or such modified plans as may be submitted to it by the commissioner following the report of the ~~commission council~~ or committee. If within such 90-day period, the governing body does not approve the plans submitted to it, and if the commissioner then wishes to proceed with the project according to plans differing substantially from the plans recommended by the ~~commission council~~ or committee in its report, the commissioner shall, before proceeding with the project, file a written report with the ~~commission council~~ or committee and the governing body stating fully the reasons for doing so. Whenever plans are referred to the ~~Twin Cities Metropolitan Area Planning Commission metropolitan council~~, the ~~commission council~~ shall be reimbursed from the trunk highway fund for actual and necessary expenses incurred by the ~~commission council~~ in staff work incident to consideration of plans and action thereon by the ~~commission council~~. Whenever plans are referred to the advisory committee on rules, members of the committee shall be paid their necessary expenses to the same extent and in the same manner as for its duties in considering the commissioner's rules.

Sec. 30. Minnesota Statutes 2000, section 174.55, subdivision 1, is amended to read:

Subdivision 1. [CREATION AND PURPOSE.] ~~A~~ The major transportation projects commission ~~is created to~~ shall review and comment on proposed major transportation projects in which the department of transportation is involved. ~~The commission does not expire.~~

Sec. 31. Minnesota Statutes 2000, section 175.007, subdivision 1, is amended to read:

Subdivision 1. [CREATION; COMPOSITION.] (a) There is created a permanent council on workers' compensation consisting of 12 voting members as follows: the presidents of the largest statewide Minnesota business and organized labor organizations as measured by the number of employees of its business members and in its affiliated labor organizations in Minnesota on July 1, 1992, and every five years thereafter; five additional members representing business, and five additional members representing organized labor. The commissioner of labor and industry shall serve as chair of the council and shall be a nonvoting member. Notwithstanding section 15.059, this council does not expire unless the council no longer fulfills the purpose for which the council was established, the council has not met in the last 18 months, or the council does not comply with the registration requirements of section 15.0599, subdivision 3.

(b) The governor, the majority leader of the senate, the speaker of the house of representatives, the minority leader of the senate, and the minority leader of the house of representatives shall each select a business and a labor representative. At least four of the labor representatives shall be chosen from the affiliated membership of the Minnesota AFL-CIO. At least two of the business representatives shall be representatives of small employers as defined in section 177.24, subdivision 1, paragraph (a), clause (2). None of the council members shall represent attorneys, health care providers, qualified rehabilitation consultants, or insurance companies. If the appointing officials cannot agree on a method of appointing the required number of Minnesota AFL-CIO and small business representatives by the second Monday in June of the year in which appointments are made, they shall notify the secretary of state. The distribution of appointments shall then be determined publicly by lot by the secretary of state or a designee in the presence of the appointing officials or their designees on the third Monday in June.

(c) Each council member shall appoint an alternate. Alternates shall serve in the absence of the member they replace.

(d) The ten appointed voting members shall serve for terms of five years and may be reappointed.

(e) The council shall designate liaisons to the council representing workers' compensation insurers; medical, hospital, and rehabilitation providers; and the legal profession. The speaker and minority leader of the house of representatives shall each appoint a caucus member as a liaison to the council. The majority and minority leaders of the senate shall each appoint a caucus member to serve as a liaison to the council.

(f) The compensation and removal of members shall be as provided in section 15.059.

Sec. 32. Minnesota Statutes 2000, section 175.008, is amended to read:

175.008 [CODE ENFORCEMENT ADVISORY COUNCIL; CREATION.]

The commissioner shall appoint an 11 member advisory council on code enforcement. The terms, compensation, removal of council members, and expiration of the council are governed by section 15.059, except that the advisory council shall not expire before June 30, ~~2001~~ 2003. The council shall advise the commissioner on matters within the council's expertise or under the regulation of the commissioner.

Sec. 33. Minnesota Statutes 2000, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an ex officio member and two members each from employers, insurers, rehabilitation, and medicine, one member representing chiropractors, and four members representing labor. The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Terms, compensation, and removal for members shall be governed by section 15.0575. Notwithstanding section 15.059, this panel does not expire unless the panel no longer fulfills the purpose for which the panel was established, the panel has not met in the last 18 months, or the panel does not comply with the registration requirements of section 15.0599, subdivision 3. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 34. Minnesota Statutes 2000, section 176.103, subdivision 3, is amended to read:

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, one physical therapist, and six physicians representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board may appoint from its members whatever subcommittees it deems appropriate. Notwithstanding section 15.059, this board does not expire unless the board no longer fulfills the purpose for which the board was established, the board has not met in the last 18 months, or the board does not comply with the registration requirements of section 15.0599, subdivision 3.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one chiropractor, one physical therapist, one hospital administrator, three physicians, one employee representative, one employer or insurer representative, and one representative of the general public.

The board shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.

The board shall review and recommend to the commissioner rates for individual clinical

procedures and aggregate costs. The board shall assist the commissioner in accomplishing public education.

In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:

- (1) the clinical effectiveness of the treatment;
- (2) the clinical cost of the treatment; and
- (3) the length of time of treatment.

The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The medical services review board may upon petition from the commissioner and after hearing, issue a warning, a penalty of \$200 per violation, a restriction on providing treatment that requires preauthorization by the board, commissioner, or compensation judge for a plan of treatment, disqualify, or suspend a provider from receiving payment for services rendered under this chapter if a provider has violated any part of this chapter or rule adopted under this chapter, or where there has been a pattern of, or an egregious case of, inappropriate, unnecessary, or excessive treatment by a provider. The hearings are initiated by the commissioner under the contested case procedures of chapter 14. The board shall make the final decision following receipt of the recommendation of the administrative law judge. The board's decision is appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

(c) The board may adopt rules of procedure. The rules may be joint rules with the rehabilitation review panel.

Sec. 35. Minnesota Statutes 2000, section 178.02, subdivision 2, is amended to read:

Subd. 2. [TERMS.] The council shall expire and the terms, compensation, and removal of appointed members shall be as provided in section 15.059, except that the council shall not expire before June 30, ~~2004~~ 2003.

Sec. 36. Minnesota Statutes 2000, section 182.656, subdivision 3, is amended to read:

Subd. 3. A majority of the council members constitutes a quorum. The council shall meet at the call of its chair, or upon request of any six members. A tape recording of the meeting with the tape being retained for a one-year period will be available upon the request and payment of costs to any interested party. The council shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059, except that the council shall not expire before June 30, ~~2004~~ 2003.

Sec. 37. [245.699] [AMERICAN INDIAN MENTAL HEALTH ADVISORY COUNCIL.]

The commissioner shall appoint an American Indian mental health advisory council to help formulate policies and procedures relating to Indian mental health services and programs and to make recommendations regarding approval of grants provided under section 245.713, subdivision 2. The council consists of 15 members appointed by the commissioner and must include representatives who are authorized by tribal resolution from each of the 11 Minnesota reservations; one representative from the Duluth urban Indian community; two from the Minneapolis urban Indian community; and one from the St. Paul urban Indian community. Representatives from the urban Indian communities must be selected through an open appointments process under section 15.059. The terms, compensation, and removal of American Indian mental health advisory council members are governed by section 15.059.

Sec. 38. Minnesota Statutes 2000, section 248.10, is amended to read:

248.10 [~~REHABILITATION ADVISORY COUNCIL FOR THE BLIND.~~]

The commissioner shall establish a rehabilitation ~~advisory~~ council for the blind consistent with

the federal Rehabilitation Act of 1973, Public Law Number 93-112, as amended. ~~Advisory Council members shall be compensated as provided in section 15.059, subdivision 3. Members of the council for the blind appointed before July 1, 1993, shall serve on the advisory council until the end of their appointed terms.~~ The advisory council shall advise the commissioner about programs of the division of state services for the blind and visually disabled. ~~The advisory council is limited to 15 members, a majority of whom must be blind or visually disabled.~~

Sec. 39. Minnesota Statutes 2000, section 254A.03, subdivision 2, is amended to read:

Subd. 2. [AMERICAN INDIAN PROGRAMS.] There is hereby created a section of American Indian programs, within the alcohol and drug abuse section of the department of human services, to be headed by a special assistant for American Indian programs on alcoholism and drug abuse and ~~an assistant~~ two assistants to that position. The section shall be staffed with all personnel necessary to fully administer programming for alcohol and drug abuse for American Indians in the state. The special assistant position shall be filled by a person with considerable practical experience in and understanding of alcohol and other drug abuse problems in the American Indian community, who shall be responsible to the director of the alcohol and drug abuse section created in subdivision 1 and shall be in the unclassified service. The special assistant shall meet and consult with the American Indian advisory council as described in section 254A.035 and serve as a liaison to the Minnesota Indian affairs council and tribes to report on the status of alcohol and other drug abuse among American Indians in the state of Minnesota. The special assistant with the approval of the director shall:

- (a) Administer funds appropriated for American Indian groups, organizations and reservations within the state for American Indian alcoholism and drug abuse programs.
- (b) Establish policies and procedures for such American Indian programs with the assistance of the American Indian advisory board.
- (c) Hire and supervise staff to assist in the administration of the American Indian program section within the alcohol and drug abuse section of the department of human services.

Sec. 40. Minnesota Statutes 2000, section 256.482, subdivision 8, is amended to read:

Subd. 8. [SUNSET.] Notwithstanding section 15.059, subdivision 5, the council on disability shall not sunset until June 30, ~~2004~~ 2003.

Sec. 41. Minnesota Statutes 2000, section 256B.0917, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE, MISSION, GOALS, AND OBJECTIVES.] (a) The purpose of implementing seniors' agenda for independent living (SAIL) projects under this section is to demonstrate a new cooperative strategy for the long-term care system in the state of Minnesota.

The projects are part of the initial plan for a 20-year strategy. The mission of the 20-year strategy is to create a new community-based care paradigm for long-term care in Minnesota in order to maximize independence of the older adult population, and to ensure cost-effective use of financial and human resources. The goals for the 20-year strategy are to:

- (1) achieve a broad awareness and use of low-cost home care and other residential alternatives to nursing homes;
- (2) develop a statewide system of information and assistance to enable easy access to long-term care services;
- (3) develop sufficient alternatives to nursing homes to serve the increased number of people needing long-term care;
- (4) maintain the moratorium on new construction of nursing home beds and to lower the percentage of elderly persons served in institutional settings; and
- (5) build a community-based approach and community commitment to delivering long-term care services for elderly persons in their homes.

(b) The objective for the fiscal years 1994 and 1995 biennial plan is to continue at least four but not more than six projects in anticipation of a statewide program. These projects will continue the process of implementing:

- (1) a coordinated planning and administrative process;
- (2) a refocused function of the preadmission screening program;
- (3) the development of additional home, community, and residential alternatives to nursing homes;
- (4) a program to support the informal caregivers for elderly persons;
- (5) programs to strengthen the use of volunteers; and
- (6) programs to support the building of community commitment to provide long-term care for elderly persons.

~~This is done in conjunction with an expanded role of the interagency long-term care planning committee as described in section 144A.31.~~ The services offered through these projects will be are available to those who have their own funds to pay for services, as well as to persons who are eligible for medical assistance and to persons who are 180-day eligible clients to the extent authorized in this section.

Sec. 42. Minnesota Statutes 2000, section 256B.0917, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF SAIL PROJECTS; LOCAL LONG-TERM CARE COORDINATING TEAM.] (a) The commissioner of human services ~~in conjunction with the interagency long-term care planning committee's long-range strategic plan~~ shall contract with SAIL projects in four to six counties or groups of counties to demonstrate the feasibility and cost-effectiveness of a local long-term care strategy that is consistent with the state's long-term care goals identified in subdivision 1. The commissioner shall publish a notice in the State Register announcing the availability of project funding and giving instructions for making an application. The instructions for the application shall identify the amount of funding available for project components.

(b) To be selected for the project, a county board or boards must establish a long-term care coordinating team consisting of county social service agencies, public health nursing service agencies, local boards of health, a representative of local nursing home providers, a representative of local home care providers, and the area agencies on aging in a geographic area which is responsible for:

- (1) developing a local long-term care strategy consistent with state goals and objectives;
- (2) submitting an application to be selected as a project;
- (3) coordinating planning for funds to provide services to elderly persons, including funds received under Title III of the Older Americans Act, Community Social Services Act, Title XX of the Social Security Act and the Local Public Health Act; and
- (4) ensuring efficient services provision and nonduplication of funding.

(c) The board or boards shall designate a public agency to serve as the lead agency. The lead agency receives and manages the project funds from the state and is responsible for the implementation of the local strategy. If selected as a project, the local long-term care coordinating team must semiannually evaluate the progress of the local long-term care strategy in meeting state measures of performance and results as established in the contract.

(d) Each member of the local coordinating team must indicate its endorsement of the local strategy. The local long-term care coordinating team may include in its membership other units of government which provide funding for services to the frail elderly. The team must cooperate with consumers and other public and private agencies, including nursing homes, in the geographic area in order to develop and offer a variety of cost-effective services to the elderly and their caregivers.

(e) The board or boards shall apply to be selected as a project. If the project is selected, the commissioner of human services shall contract with the lead agency for the project and shall provide additional administrative funds for implementing the provisions of the contract, within the appropriation available for this purpose.

(f) Projects shall be selected according to the following conditions.

No project may be selected unless it demonstrates that:

(i) the objectives of the local project will help to achieve the state's long-term care goals as defined in subdivision 1;

(ii) in the case of a project submitted jointly by several counties, all of the participating counties are contiguous;

(iii) there is a designated local lead agency that is empowered to make contracts with the state and local vendors on behalf of all participants;

(iv) the project proposal demonstrates that the local cooperating agencies have the ability to perform the project as described and that the implementation of the project has a reasonable chance of achieving its objectives;

(v) the project will serve an area that covers at least four counties or contains at least 2,500 persons who are 85 years of age or older, according to the projections of the state demographer or the census if the data is more recent; and

(vi) the local coordinating team documents efforts of cooperation with consumers and other agencies and organizations, both public and private, in planning for service delivery.

Sec. 43. Minnesota Statutes 2000, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. [STATE TRAUMATIC BRAIN INJURY PROGRAM.] The commissioner of human services shall:

(1) maintain a statewide traumatic brain injury program;

(2) supervise and coordinate services and policies for persons with traumatic brain injuries;

(3) contract with qualified agencies or employ staff to provide statewide administrative case management and consultation;

(4) maintain an advisory committee to provide recommendations in reports to the commissioner regarding program and service needs of persons with traumatic brain injuries. ~~The advisory committee shall consist of no less than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair;~~

(5) investigate the need for the development of rules or statutes for the traumatic brain injury home and community-based services waiver; and

(6) investigate present and potential models of service coordination which can be delivered at the local level; and

(7) the advisory committee required by clause (4) must consist of no fewer than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair. Notwithstanding section 15.059, subdivision 5, the advisory committee does not terminate until June 30, 2005.

Sec. 44. Minnesota Statutes 2000, section 256B.69, subdivision 5b, is amended to read:

Subd. 5b. [PROSPECTIVE REIMBURSEMENT RATES.] (a) For prepaid medical assistance and general assistance medical care program contract rates set by the commissioner under

subdivision 5 and effective on or after January 1, 1998, capitation rates for nonmetropolitan counties shall on a weighted average be no less than 88 percent of the capitation rates for metropolitan counties, excluding Hennepin county. The commissioner shall make a pro rata adjustment in capitation rates paid to counties other than nonmetropolitan counties in order to make this provision budget neutral.

(b) For prepaid medical assistance program contract rates set by the commissioner under subdivision 5 and effective on or after January 1, 2001, capitation rates for nonmetropolitan counties shall, on a weighted average, be no less than 89 percent of the capitation rates for metropolitan counties, excluding Hennepin county.

(c) This subdivision shall not affect the nongeographically based risk adjusted rates established under section 62Q.03, subdivision 5a, ~~paragraph (f)~~.

Sec. 45. Minnesota Statutes 2000, section 256E.115, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS; COMMISSIONER DUTIES.] (a) The following definitions apply to this section:

(1) "Targeted youth" means children who are ages 16 to 21 and who are in out-of-home placement, leaving out-of-home placement, at risk of becoming homeless, or homeless.

(2) "Safe house" means a facility providing emergency housing for homeless targeted youth with the goal of reuniting the family if appropriate and possible.

(3) "Transitional housing" means congregate or cooperative housing for targeted youth who are transitioning to independent living.

(4) "Independent living assistance" means services provided to assist targeted youth who are not living in a safe house or transitional housing to make the transition to independent living.

(b) The commissioner shall issue a request for proposals from organizations that are knowledgeable about the needs of targeted youth for the purpose of establishing a system of safe houses, transitional housing, and independent living assistance for such youth. ~~The commissioner shall appoint a review committee of up to eight members to evaluate the proposals. The review panel must include representation from communities of color, youth, and other community providers and agency representatives who understand the needs and problems of targeted youth.~~ The commissioner shall also assist in coordinating funding from federal and state grant programs and funding available from a variety of sources for efforts to promote a continuum of services for targeted youth through a consolidated grant application. The commissioner shall analyze the needs of targeted youth and gaps in services throughout the state and determine how to best serve those needs within the available funding.

Sec. 46. Minnesota Statutes 2000, section 268.29, is amended to read:

268.29 [JUVENILE JUSTICE PROGRAM.]

The governor shall designate the department of economic security as the sole agency responsible for supervising the preparation and administration of the state plan for juvenile justice required by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

The governor shall designate the juvenile justice advisory committee as the supervisory board for the department of economic security with respect to preparation and administration of the state plan and award of grants.

The governor shall appoint members to the juvenile justice advisory committee in accordance with the membership requirements of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended. Section 15.059, subdivision 3, governs the compensation of the members.

Sec. 47. Minnesota Statutes 2000, section 268.362, subdivision 2, is amended to read:

Subd. 2. [GRANT APPLICATIONS; AWARDS.] Interested eligible organizations must apply

to the commissioner for the grants. ~~The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant.~~ The total grant award for any program may not exceed \$150,000 per year. In awarding grants, the advisory committee and the commissioner must give priority to:

(1) continuing and expanding effective programs by providing grant money to organizations that are operating or have operated a successful program that meets the program purposes under section 268.364; and

(2) distributing programs throughout the state through start-up grants for programs in areas that are not served by an existing program.

To receive a grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner must verify that the eligible organization has matched the grant money. Nothing in this subdivision shall prevent an eligible organization from applying for and receiving grants for more than one program. A grant received by an eligible organization from the federal Youthbuild Project under United States Code, title 42, section 5091, is nonstate money and may be used to meet the state match requirement. State grant money awarded under this section may be used by grantee organizations for match requirements of a federal Youthbuild Project.

Sec. 48. Minnesota Statutes 2000, section 268A.02, subdivision 2, is amended to read:

Subd. 2. ~~[REHABILITATION ADVISORY COUNCIL.]~~ The commissioner shall establish a state rehabilitation advisory council and a statewide independent living council consistent with the federal Rehabilitation Act of 1973, Public Law Number 93-112, as amended. Members of the ~~advisory council~~ councils shall be compensated as provided in section 15.059, subdivision 3. ~~Members of the consumer advisory council appointed prior to July 1, 1993, shall serve on the rehabilitation advisory council until the end of their appointed terms.~~

Sec. 49. Minnesota Statutes 2000, section 402.03, is amended to read:

402.03 [ADVISORY COMMITTEE.]

Each human services board shall appoint an advisory committee, which shall actively participate in the formulation of the plan for the development, implementation and operation of the programs and services by the board, and shall make a formal recommendation to the board at least annually concerning the annual budget of the board and the implementation of the plan during the ensuing year.

Membership on the advisory committee shall consist of no more than 25 persons serving two year terms not to exceed three consecutive terms. Up to one-half of the terms of the initial advisory committee may be for one year; upon their expiration all terms shall be for two years. The chair shall be appointed by the human services board and may not be a member of a county board.

One-third of the members of the advisory committee shall be representatives of those persons receiving services provided by the human services board. Up to one-third may be providers or employees of providers of services and must include representatives of private providers if such providers exist in the county or counties party to the agreement. ~~At least one member shall be a member of the health advisory committee established pursuant to section 145A.10, subdivision 10, if any.~~ At least one member shall be a member of the corrections advisory board established pursuant to section 401.08, if any. The remaining members shall represent the citizens of the counties.

The advisory committee shall appoint permanent task forces to assist in planning for corrections, social, mental health and public health services.

Task force membership shall be constituted to fulfill state agency requirements for receiving categorical funds. Where appropriately constituted, these task forces may, at the option of the

human services boards, replace those advisory bodies required by statute and rule to advise local social services agencies and other county and area boards. Individuals not members of the advisory committee may be appointed to the task forces; provided, however, that each task force shall be chaired by a member of the advisory committee.

The human services board shall provide staff assistance to the advisory committee.

Sec. 50. [COUNCILS AND COMMITTEES; CONTINUATION.]

Notwithstanding Minnesota Statutes, section 15.059, the following councils and committees do not expire unless federal law no longer requires the existence of the council or committee:

- (1) rehabilitation council for the blind, created in Minnesota Statutes, section 248.10;
- (2) juvenile justice advisory committee, created in Minnesota Statutes, section 268.29;
- (3) governor's workforce development council, created in Minnesota Statutes, section 268.665;
- (4) local workforce councils, created in Minnesota Statutes, section 268.666, subdivision 2;
- (5) rehabilitation council, created in Minnesota Statutes, section 268A.02, subdivision 2; and
- (6) statewide independent living council, created in Minnesota Statutes, section 268A.02, subdivision 2.

Sec. 51. [TASK FORCE.]

The chair of the legislative commission on Minnesota resources shall organize a task force consisting of the members of the commission's executive committee and an equal number of members of the citizen advisory committee created under Minnesota Statutes, section 116P.06. The task force shall explore options to better integrate the citizen advisory committee in the process of making expenditures from the environment and natural resources trust fund. The task force shall make recommendations to the chair of the legislative commission on Minnesota resources by January 15, 2002.

Sec. 52. [REVISOR'S INSTRUCTION.]

The revisor shall delete "17.703" and insert "17.702" in Minnesota Statutes, sections 17.696, 17.697, 17.70, 17.701, and 17.9442.

Sec. 53. [REPEALER.]

Minnesota Statutes 2000, sections 15.059, subdivision 5a, as amended by Laws 2001, chapter 7, section 7; 17.49, subdivision 1; 17.703; 17.76; 40A.14, subdivision 3; 52.061; 60K.19, subdivision 4; 93.002; 97A.055, subdivision 4a; 116C.711; 124D.894; 124D.95, subdivision 6; 134.31, subdivision 5; 137.342, subdivision 2; 144A.31; 162.09, subdivision 2; 256B.071, subdivision 5; 256B.0911, subdivision 8; 256B.434, subdivision 13; 268.361, subdivision 2; 268.363; 299A.295, subdivision 2; and 299K.03, subdivision 4, are repealed.

Sec. 54. [EFFECTIVE DATE.]

Sections 1 to 9, 11 to 13, 15 to 17, 19, 21 to 24, 26, 29 to 36, 39, 41 to 45, 47, 49, and 53 are effective June 30, 2001. Sections 10, 14, 18, 20, 25, 37, 38, 46, 48, 50, and 51 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; changing the expiration dates of certain advisory councils and committees and other multimember entities; amending Minnesota Statutes 2000, sections 6.65; 15.059, subdivision 5; 15.50, subdivision 2; 16B.181, subdivision 2; 16B.27, subdivision 3; 16B.76, subdivision 1; 17.136; 18B.305, subdivision 3; 21.112, subdivision 2; 28A.20; 43A.316, subdivision 4; 62J.15, subdivision 1; 62J.46, subdivision 1; 62J.692,

subdivision 2; 62Q.03, subdivision 5a; 82B.05, subdivision 1; 115A.12; 116P.06, subdivision 1; 122A.624, subdivision 2; 144.1481, subdivision 1; 144.672, subdivision 1; 144A.073, subdivisions 2, 3, 3c; 145A.10, subdivision 10; 148C.11, subdivision 3; 161.1419, subdivisions 2, 8; 161.17, subdivision 2; 174.55, subdivision 1; 175.007, subdivision 1; 175.008; 176.102, subdivision 3; 176.103, subdivision 3; 178.02, subdivision 2; 182.656, subdivision 3; 248.10; 254A.03, subdivision 2; 256.482, subdivision 8; 256B.0917, subdivisions 1, 2; 256B.093, subdivision 1; 256B.69, subdivision 5b; 256E.115, subdivision 1; 268.29; 268.362, subdivision 2; 268A.02, subdivision 2; 402.03; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 2000, sections 15.059, subdivision 5a, as amended; 17.49, subdivision 1; 17.703; 17.76; 40A.14, subdivision 3; 52.061; 60K.19, subdivision 4; 93.002; 97A.055, subdivision 4a; 116C.711; 124D.894; 124D.95, subdivision 6; 134.31, subdivision 5; 137.342, subdivision 2; 144A.31; 162.09, subdivision 2; 256B.071, subdivision 5; 256B.0911, subdivision 8; 256B.434, subdivision 13; 268.361, subdivision 2; 268.363; 299A.295, subdivision 2; 299K.03, subdivision 4."

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

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 2142: A bill for an act relating to highways; allowing judicial review of public purpose and necessity for taking property for county highway or town road; amending Minnesota Statutes 2000, sections 163.12, subdivisions 7, 10; 164.07, subdivisions 7, 10.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 163.12, is amended by adding a subdivision to read:

Subd. 1a. [PETITION, NOTICE, AND ACCESS TO INFORMATION.] (a) Upon passage of the resolution specified in section 163.11, subdivision 2, a petition must be presented to the district court of the county in which the land is located. The petition must describe each tract of land through which the highway passes, state the purposes for which the land is proposed to be taken, and list the names of all persons appearing of record or known to the county to be the landowners.

(b) Notice of the objects of the petition and of the time and place of presenting the notice must be served, together with a copy of the resolution, upon each occupant of each tract of land through which the highway passes at least 20 days before the hearing under subdivision 1b. If an owner is not a resident of the state, or the owner's place of residence is unknown to the county, service may be made by three weeks' published notice following the filing of an affidavit on behalf of the county by the county's agent or attorney stating that the county:

(1) believes that the owner is not a resident of the state; and

(2) has either mailed a copy of the notice to the owner at the owner's last known residence address or, after diligent inquiry, the owner's place of residence cannot be ascertained by the county.

If the state is an owner, the notice must be served upon the attorney general. An owner not served as provided in this subdivision is not bound by the proceeding, except if the owner voluntarily appears in the proceeding.

(c) Within ten days of an owner's demand, the owner must be furnished a right-of-way map or plat of all that part of the owner's land to be taken. Any applicable plans or profiles that the county possesses must be made available to the owner for inspection.

Sec. 2. Minnesota Statutes 2000, section 163.12, is amended by adding a subdivision to read:

Subd. 1b. [FINDING OF NECESSITY.] When proof of service of the notice required in subdivision 1a is filed with the court, the court shall hear all competent evidence offered for or

against granting the petition at the time and place fixed in the notice or otherwise set by the court. On finding that the proposed taking is necessary and authorized by law the court shall order the proceedings to commence pursuant to the remaining provisions of this section.

Sec. 3. Minnesota Statutes 2000, section 163.12, subdivision 2, is amended to read:

Subd. 2. [TIME AND PLACE FOR HEARING.] ~~Upon passage of the resolution specified in section 163.11, subdivision 2, order by the court under subdivision 1b to commence the proceedings the board shall fix the time and place it will meet. Notice of the meeting, together with a copy of the resolution, shall be served upon each occupant of each tract of land through which the highway passes at least ten days before the meeting. Ten days' posted notice of the meeting shall also be given. Proof of service and affidavit of posting shall be filed with the county auditor.~~

Sec. 4. Minnesota Statutes 2000, section 164.07, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION; PETITION.] Any town board may alter or vacate a town road, including those dedicated to the public by plat, or establish a new road in its town upon a petition of not less than eight voters of the town, who own real estate, or occupy real estate under the homestead or preemption laws or under contract with the state, within three miles of the road proposed to be established, altered, or vacated; provided, that in any town not having eight voters who own real estate or occupy real estate under the homestead or preemption laws or under contract with the state, within three miles of any proposed road, the town board of such town may alter or vacate a town road, or establish a new road in the town upon a petition signed by a less number of voters of such town, who own real estate or occupy real estate under the homestead or preemption laws or under contract with the state, in such town. Such petition shall contain a description of the road, and what part thereof is to be altered or vacated, and, if a new road, the names of the owners of the land, if known, over which such road is to pass, its point of beginning, general course, and termination. If the petition is to establish or alter a road, the petition must also contain a statement of the purpose and necessity for establishing or altering the road.

Sec. 5. Minnesota Statutes 2000, section 164.07, subdivision 2, is amended to read:

Subd. 2. [HEARING; NOTICE.] (a) The petition shall be filed with the town clerk, who shall forthwith present it to the town board. The town board within 30 days thereafter shall make an order describing as nearly as practicable the road proposed to be established, altered, or vacated and the several tracts of land through which it passes, and fixing a time and place when and where it will meet and act upon the petition. The order must also contain a notice to affected landowners that a landowner is entitled to judicial review of damages, need, and purpose under subdivision 7 following a determination to establish or alter a road. The petitioners shall cause personal service of such order and a copy of the petition to be made upon each occupant of such land at least ten days before such meeting and cause ten days' posted notice thereof to be given.

(b) In addition, the petitioners shall serve notice of the order by certified mail upon the commissioner of natural resources at least 30 days before such meeting if the road to be vacated terminates at or abuts upon any public water. The notice under this subdivision paragraph is for notification purposes only and does not create a right of intervention by the commissioner of natural resources.

Sec. 6. Minnesota Statutes 2000, section 164.07, subdivision 7, is amended to read:

Subd. 7. [APPEAL.] Within 40 days after the filing of the award of damages any owner or occupant may appeal from the award by filing a notice of appeal with the court administrator of the district court of the county where the lands lie. However, the owner or occupant must file the notice of appeal within ten days in order to delay the opening, construction, alteration, change, or other improvement in or to the road pursuant to subdivision 10. The notice of appeal shall be accompanied by a bond of not less than \$250, with sufficient surety approved by the judge or the county auditor conditioned to pay all costs arising from the appeal in case the award is sustained. A copy of the notice shall be mailed by registered or certified mail to the town clerk or any member of the town board. The notice of appeal shall specify the award or failure to award

appealed from, the land to which it relates, the nature and amount of the claim of appellant, and the grounds of the appeal, which may include a challenge to the public purpose or necessity of the condemnation.

Sec. 7. Minnesota Statutes 2000, section 164.07, subdivision 10, is amended to read:

Subd. 10. [APPEAL NOT TO DELAY IMPROVEMENT.] After the award of damages has been filed, the board may proceed to open, construct, alter, or change the highway; provided it does not receive notice of appeal within ten days pursuant to subdivision 7. If the board receives a notice of appeal within ten days that challenges the public purpose or necessity of the condemnation, it shall suspend any proposed work on the road until a final judicial determination supporting the condemnation is made. ~~An~~ If the notice of appeal from the award of damages does not challenge the public purpose or necessity, the appeal shall not delay the prosecution of the proposed improvement, and the town board may proceed as if no appeal had been taken.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to highways; allowing judicial review of public purpose and necessity for taking property for county highway or town road; amending Minnesota Statutes 2000, sections 163.12, subdivision 2, by adding subdivisions; 164.07, subdivisions 1, 2, 7, 10."

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

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

S.F. No. 1957: A bill for an act relating to local government; requiring preparation of a draft urban rivers act.

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

Page 1, line 5, delete "ACT" and insert "GUIDELINES"

Page 1, line 7, after "with" insert "the department of natural resources and"

Page 1, line 8, delete "a" and delete "act to guide" and after "development" insert "guidelines"

Page 1, line 12, after "(2)" insert "evaluate the need for the department of natural resources to have authority to adopt rules to implement the Mississippi river critical area order (executive order 79-19);

(3)"

Page 1, line 13, delete "(3) specify" and insert "(4) identify"

Page 1, line 15, delete "act" and insert "guidelines"

Amend the title as follows:

Page 1, line 3, delete "a" and delete "act" and insert "guidelines"

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

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

S.F. No. 1257: A bill for an act relating to waters; creating a program to protect shoreland areas; appropriating money; amending Minnesota Statutes 2000, section 103F.205, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103F.

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

Page 2, line 10, delete "84.64" and insert "84C.01"

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

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

S.F. No. 1126: A bill for an act relating to state lands; authorizing conveyance of certain tax-forfeited land in Hubbard county free of the tax-forfeited trust.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 282.04, is amended by adding a subdivision to read:

Subd. 4a. [PRIVATE EASEMENTS.] (a) A county board may convey a road easement across unsold tax-forfeited land to an individual requesting an easement for access to private property owned by the individual if:

(1) there are no reasonable alternatives to obtain access to the individual's property; and

(2) exercising the easement will not cause significant adverse environmental or natural resource management impacts.

(b) The county auditor shall require an individual applying for an easement under paragraph (a) to pay the appraised value of the easement. The conveyance must provide that the easement reverts to the state in trust for the taxing district in the event of nonuse.

Sec. 2. Laws 1998, chapter 389, article 16, section 31, subdivision 2, as amended by Laws 1999, chapter 180, section 1, and Laws 2000, chapter 488, article 3, section 31, is amended to read:

Subd. 2. [EXCHANGE OF COUNTY LAKESHORE LAND FOR LEASED LAKESHORE LOTS.] (a) For the purposes of this section:

(1) "county land" includes, but is not limited to, tax-forfeited land administered by any county;

(2) "leased lakeshore lots" means lands leased by the state, including lots for which leases have been canceled, pursuant to Minnesota Statutes, section 92.46, subdivision 1; and

(3) "plan for exchange" means a listing of parcels proposed for exchange with legal descriptions, county estimates of values, and maps and acreage for each parcel. By July 1, 1999, counties shall include exchange plans for all lakeshore lease lots that are in substantial compliance with official controls. The plan shall also include a timeline that provides for the completion of the exchange of all remaining lakeshore lease lots by December 31, 2000.

(b) By July 1, 1999, a county board with leased lakeshore lots must petition the land exchange board with a plan for an exchange of county land for leased lakeshore lots in the county that are not listed by the commissioner pursuant to subdivision 1. Notwithstanding Minnesota Statutes, section 94.342, the land proposed for the exchange must be land bordering on or adjacent to meandered or other public waters. A county board proposing an exchange under this section may include tax-forfeited or fee land administered by another county in the proposal with the consent of that county board.

(c) In determining the value of the leased lakeshore lots for purposes of the exchange, the land exchange board must review an appraisal of each lot prepared by an appraiser licensed by the commissioner of commerce. The selection of the appraiser must be agreed to by the commissioner of natural resources and the county board of the county containing the leased lakeshore lot. The commissioner of natural resources must pay the costs of appraisal and may recover these costs as provided in this section. The commissioner must submit appraisals under this paragraph to the land exchange board by June 1, 1999.

(d) The land exchange board must determine whether the land offered for exchange by a county under this section is lakeshore of substantially equal value to the leased lakeshore lots included in the county's petition. In making this determination, the land exchange board must review an appraisal of the land offered for exchange prepared by an appraiser licensed by the commissioner of commerce. The selection of the appraiser must be agreed to by the commissioner of natural resources and the county board of the county containing the leased lakeshore lots. The county must pay the costs of this appraisal and may recover those costs as provided in this section.

(e) Before the proposed exchange may be submitted to the land exchange board, the commissioner of natural resources must ensure that, whenever possible, state lands are added to the leased lakeshore lots when necessary to provide conformance with zoning official controls. The lands added to the leased lakeshore lots must be included in the appraised value of the lots. If the commissioner is unable to add the necessary land to a lot, the lot shall be treated as if purchased at the time the state first leased the site, for the purposes of local zoning and other ordinances at the time of sale of the lot by the county.

(f) Additional state or county lands, including state riparian land leased for a commercial use, may be added to the exchanges if mutually agreed upon by the commissioner and the affected county board to meet county zoning standards or other regulatory needs for the lots, for use of the land by the county or state, or to avoid leaving unmanageable parcels of land in state or county ownership after an exchange, or to dispose of state commercial riparian leases. The additional county land may include nonriparian land, if the land is adjacent to county land exchanged under this section and is beneficial to or enhances the value of the school trust land. Notwithstanding Minnesota Statutes, chapter 282, or any other law to the contrary, a county board may sell all or part of any additional land to an owner of a lakeshore lot sold by the county under this section, or sold by the state at a lakeshore lot sale, or to the lessee of a commercial lease.

(g) In the event that commercial leased state land is proposed for exchange, the state and county must submit to the land exchange board prior to exchanges, without regard to the dates provided in this section, the reports, appraisals, and plan for exchange required by this section. The county is not required to sell the commercially leased lands it receives from the state within the times stated in this section.

(h) The land exchange board must determine whether the lots are of substantially equal value and may approve the exchange, notwithstanding the requirements of Minnesota Statutes, sections 94.342 to 94.347, relating to the approval process. If the board approves the exchange, the commissioner must exchange the leased lakeshore lots for the county lands, together with any additional state land provided for under this section, subject to the requirements of the Minnesota Constitution, article XI, section 10, relating to the reservation of mineral and water power rights.

(i) The deeds between the state and counties for land exchanges under this section are exempt from the deed tax imposed by Minnesota Statutes, section 287.21.

(j) The deeds issued by the state and counties for the land exchanges and sales to a lessee made pursuant to this section are exempt from the requirements imposed for well disclosure by Minnesota Statutes, section 103I.235, well sealing by Minnesota Statutes, section 103I.311, and individual sewage treatment system disclosure by Minnesota Statutes, section 115.55, subdivision 6.

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

Subd. 4. [COUNTY ENVIRONMENTAL TRUST FUND.] Notwithstanding the provisions of Minnesota Statutes, chapter 282, and any other law relating to the apportionment of proceeds from the sale of tax-forfeited land, and except as otherwise provided in this section, a county board must deposit the money received from the sale of land under subdivision 3 into an environmental trust fund established by the county under this subdivision. The following may be withheld by a county board and are not required to be deposited into an environmental trust fund: the costs of appraisal, abstracts, and surveys; money received from a sale which is attributable to land owned by a county in fee; amounts paid to lessees for improvements; amounts paid to acquire land which is included in a county plan for exchange and is conveyed to the state in the exchange, including the purchase price, appraisal, abstract, survey, and closing costs; and the costs of sale to lessees or other parties, including the costs of advertising, realtors, and closing services. If the proceeds from the sale of tax-forfeited land in a county is \$250,000 or more, the principal from the sale of the land may not be expended, and the county board may spend interest earned on the principal only for purposes related to the improvement of natural resources. To the extent money received from the sale is attributable to tax-forfeited land from another county, the money must be deposited in an environmental trust fund established under this section by that county board.

Sec. 4. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; AITKIN COUNTY.]

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

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

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

An undivided 1/43 interest in Lot 19, Block 1 in the Plat of Waukenabo Addition.

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

Sec. 5. [PRIVATE SALE OF TAX-FORFEITED LAND WITHIN A CONSOLIDATED CONSERVATION AREA; AITKIN COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 84A.27, or other law to the contrary, Aitkin county may sell certain tax-forfeited land within a consolidated conservation area to adjoining landowners under the alternative sale provisions of Minnesota Statutes, section 282.01, subdivision 7.

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

That part of Government Lot 1 lying South of Highway 18 and North of the plats of Pleasant View Ridge 1st Addition and Pleasant View Ridge 2nd Addition lying West of the extended west line of Lot 1 of the Plat of Pleasant View Ridge 1st Addition and lying East of the extended west line of Lot 1 of the Plat of Pleasant View Ridge 2nd Addition, all in Section 25, Township 45 North, Range 27 West.

(c) The county has determined that the sale would eliminate a substandard parcel and that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 6. [BENTON COUNTY CONVEYANCE.]

(a) Notwithstanding Minnesota Statutes, section 373.01, subdivision 1, or other law, Benton county may convey to the Benton county historical society the land described in paragraph (b) for no or nominal consideration.

(b) The land to be conveyed is legally described as: Lots Four (4), Five (5) and Six (6), Block Twenty-eight (28) in the original TOWN OF SAUK RAPIDS, also so much of the Westerly

one-half of the vacated portion of Third Avenue North lying Easterly thereof and contiguous thereto, according to the plat and survey thereof on file and of record in the office of the County Recorder in and for said Benton County, Minnesota.

(c) The land was previously conveyed to the historical society but reverted to the county when the historical society's building was not completed by the date necessary to avoid reverter. The building has been built and the conveyance is necessary to clear up title to the building and the land it is built on.

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

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Cook county may sell by private sale the land bordering public water that is described in paragraph (d) under the remaining provisions of Minnesota Statutes, chapter 282, if acquired by the county as tax-forfeited land pursuant to a land exchange by the United States of America, United States Forest Service, under the authority of Minnesota Statutes, section 94.344.

(b) The sale must be in the form approved by the attorney general. The conveyance must reserve a perpetual easement, if necessary, over and across roads and roadways required for access to Lot 1, Hungry Jack Lake Summer Home Group.

(c) The land to be sold by private sale must be sold for the appraised value to the present United States Forest Service special use permittee occupying the resort property.

(d) The land to be sold is located in Cook county and is described as:

That part of Government Lots Ten (10) and Eleven (11), Section 4, Township 64 North, Range 1 West, Fourth Principal Meridian, County of Cook, Minnesota described as follows:

Beginning at the Meander Corner to Sections 3 and 4 near a north shore of Hungry Jack Lake, also being near the southwest corner of Lot 1, Hungry Jack Lake Summer Home Group; thence North 13 degrees 11 minutes 55 seconds West 10.40 feet to said southwest corner of said Lot 1; thence along the west line of said Lot 1, North 08 degrees 11 minutes 46 seconds West 264.00 feet to the northwest corner of Lot 1; thence along the north line of Lot 1, North 64 degrees 36 minutes 18 seconds East 48.82 feet; thence North 650.79 feet to a point near the centerline of County Road 65; thence along the approximate centerline of County Road 65, North 87 degrees 45 minutes 51 seconds West 236.35 feet, more or less, to the line between Government Lots 10 and 11; thence continuing along the approximate centerline of County Road 65 the following six (6) courses and distances:

North 87 degrees 45 minutes 51 seconds West 68.29 feet;

South 87 degrees 46 minutes 40 seconds West 108.81 feet;

South 79 degrees 57 minutes 59 seconds West 224.26 feet;

North 85 degrees 25 minutes 26 seconds West 112.89 feet;

North 85 degrees 25 minutes 26 seconds West 73.14 feet;

South 77 degrees 53 minutes 11 seconds West 68.19 feet;

thence South 12 degrees 06 minutes 49 seconds East 56.08 feet; thence South 13 degrees 53 minutes 24 seconds West 115.50 feet; thence South 09 degrees 02 minutes 24 seconds West 110.00 feet; thence continuing South 09 degrees 02 minutes 24 seconds West 20 feet, more or less, to the north shore of Hungry Jack Lake; thence southeast, east, and northeast to a point lying South 13 degrees 11 minutes 55 seconds East of the point of beginning; thence North 13 degrees 11 minutes 55 seconds West 1.0 foot; more or less to the point of beginning and there terminating.

Being 15.56 acres, more or less.

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

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

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Cook county may sell the land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282, if acquired by the county as tax-forfeited land pursuant to a land exchange by the United States of America, United States Forest Service, under the authority of Minnesota Statutes, section 94.344.

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

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

That part of Government Lots Ten (10) and Eleven (11), Section 4, Township 64 North, Range 1 West, Fourth Principal Meridian, County of Cook, Minnesota described as follows:

Commencing at the Meander Corner to Sections 3 and 4 near a north shore of Hungry Jack Lake, also being near the southwest corner of Lot 1, Hungry Jack Lake Summer Home Group; thence North 13 degrees 11 minutes 55 seconds West 10.40 feet to said southwest corner of Lot 1; thence along the west line of said Lot 1, North 08 degrees 11 minutes 46 seconds West 264.00 feet to the northwest corner of Lot 1; thence continuing North 08 degrees 11 minutes 46 seconds West 198.00 feet; thence North 71 degrees 28 minutes 50 seconds West 288.06 feet, more or less, to the line to Government Lots 10 and 11; thence North 71 degrees 28 minutes 50 seconds West 586.94 feet; thence South 09 degrees 02 minutes 24 seconds West 110.00 feet to the POINT OF BEGINNING; thence returning over the last described line North 09 degrees 02 minutes 24 seconds East 110.00 feet; thence North 13 degrees 53 minutes 24 seconds East 115.50 feet; thence North 12 degrees 06 minutes 49 seconds West 56.08 feet to a point near the centerline of County Road 65; thence along the approximate centerline of County Road 65 the following two (2) courses and distances:

South 77 degrees 53 minutes 11 seconds West 398.72 feet;

South 70 degrees 29 minutes 18 seconds West 232.89 feet, more or less

to the north-south quarter line of Section 4; thence along said quarter line South 04 degrees 18 minutes 35 seconds West 99 feet, more or less, to the north shore of Hungry Jack Lake; thence southeast, southwest, southeast, northeast, and southeast to a point lying South 09 degrees 02 minutes 24 seconds West of the point of beginning; thence North 09 degrees 02 minutes 24 seconds East 20 feet, more or less, to the point of beginning, and there terminating.

Being 3.26 acres, more or less.

Together with a perpetual easement over and across all roads and roadways abutting the property above described.

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

Sec. 9. [CONVEYANCE OF TAX-FORFEITED LAND; HUBBARD COUNTY.]

(a) If the city of Park Rapids conveys the land described in paragraph (c) to the state according to Minnesota Statutes, section 282.01, subdivision 1d, then, notwithstanding any other provision of Minnesota Statutes, chapter 282, the commissioner of revenue shall reconvey the land described in paragraph (c) to the city of Park Rapids for no consideration.

(b) The conveyance must be in a form approved by the attorney general. Notwithstanding Minnesota Statutes, chapter 282, the city of Park Rapids may use the land for other than a public use and may sell the land free of the tax-forfeited trust if the proceeds of the sale are used for a public purpose.

(c) The land to be conveyed is in Hubbard county and is described as: Lot 32, Auditor's Plat #4, city of Park Rapids.

Sec. 10. [PRIVATE SALE OF TAX-FORFEITED LAND; LAKE COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Lake county may sell by private sale the tax-forfeited land that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for a consideration of \$1 and relinquishment of a four-acre parcel of land that Lake county has used for road relocation.

(c) The land to be sold is located in Lake county and is described as: the West Half of the Northwest Quarter of the Southwest Quarter, Section 17, Township 55 North, Range 11 West.

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

Sec. 11. [PRIVATE SALE OF TAX-FORFEITED LAND; LAKE COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Lake county may sell by private sale the tax-forfeited land that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

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

(c) The land to be sold is located in Lake county and is described as: the easterly 200 feet of the Northeast Quarter of the Northeast Quarter, Section 32, Township 57 North, Range 11 West.

(d) The county has determined that the county's land management interests would best be served if the land was sold to adjoining landowners to resolve boundary issues.

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

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

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

(c) The land to be sold is located in Meeker county and is described as: Lot 1, Section 12, Township 121 North, Range 32 West, Union Grove township.

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

Sec. 13. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; RAMSEY COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivisions 1 and 2, and the public sale provisions of Minnesota Statutes, chapter 282, the commissioner of revenue shall convey to Ramsey county for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if Ramsey county stops using the land for park purposes. The conveyance must provide that no landscape changes, stormwater discharge, or watercourse alterations that affect the hydrology and vegetative characteristics of the land are allowed beyond those conditions that exist at the time of the conveyance in order that the wetland characteristics and resulting wildlife habitats are maintained in perpetuity.

(c) The land to be conveyed is located in Ramsey county and is described as: that part northeasterly of the railway right-of-way and the East 400 feet of the Northeast Quarter of the Southwest Quarter, Section 17, Township 30 North, Range 23 West (P.I.N. 17-30-23-31-0016-9).

(d) The county has determined that the county's land management interests would best be served if the land was used for park purposes.

Sec. 14. [TAX-FORFEITED LAND IN RAMSEY COUNTY.]

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

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

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

(Except the East 910 feet), the North 356 feet of the Northeast Quarter of the Southeast Quarter (subject to roads), in Section 3, Township 29, Range 22.

(d) The county has determined that the county's land management interests would best be served if the land was sold to Ramsey county to be used for library purposes.

Sec. 15. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.]

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

(b) The conveyance must be in a form approved by the attorney general for a consideration of taxes due on the property and any penalties, interest, and costs.

(c) The land to be sold is located in St. Louis county on Hilsdale Island, Lake Vermilion, and is described as:

Plat of NE-PAH-WIN, Lot 13 (387-282-130), Township 63 North, Range 17 West.

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

Sec. 16. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.]

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

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

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

the NE1/4-SW1/4 of Section 20, Township 61 North, Range 19 West.

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

Sec. 17. [CONVEYANCE OF TAX-FORFEITED LAND; WASHINGTON COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Washington county may convey to the city of Forest Lake for no consideration the tax-forfeited land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Forest Lake stops using the land for the public purpose described in paragraph (d).

(c) The land to be conveyed is located in Washington county and is described as: Lot 4, Block 1, Knob Hill, Forest Lake township (parcel no. 12.032.21.22.0004).

(d) The county has determined that the land is needed by the city of Forest Lake to straighten a road.

Sec. 18. [CONVEYANCE OR PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WASHINGTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Washington county may convey to New Scandia township for no consideration the tax-forfeited land bordering public water that is described in paragraph (d).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if New Scandia township stops using the land for a public purpose.

(c) If Washington county does not convey the land according to paragraph (a), then notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Washington county may sell by public sale the tax-forfeited land bordering public water that is described in paragraph (d) under the remaining provisions of Minnesota Statutes, chapter 282. The conveyance must be in a form approved by the attorney general.

(d) The land to be conveyed or sold is located in Washington county and is described as:

(1) Lot 16, Block 1, Holiday Beach, New Scandia township (parcel no. 31.032.20.11.0066), subject to an easement; and

(2) Lot 17, Block 1, Holiday Beach, New Scandia township (parcel no. 31.032.20.11.0067), subject to an easement.

(e) The county has determined that the county's land management interests would best be served if the lands were removed from the tax-forfeited roll.

Sec. 19. [CONVEYANCE OR PUBLIC OR PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WASHINGTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Washington county may convey to the city of Marine on St. Croix for no consideration the tax-forfeited land bordering public water that is described in paragraph (e).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Marine on St. Croix stops using the land for a public purpose.

(c) If Washington county does not convey the land according to paragraph (a), then notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Washington county may sell by public or private sale the tax-forfeited land bordering public water that is described in paragraph (e), under the remaining provisions of Minnesota Statutes, chapter 282.

(d) If sold by private sale, the conveyance must be in a form approved by the attorney general for a consideration of taxes due on the property and any penalties, interest, and costs.

(e) The land to be conveyed or sold is located in Washington county and is described as: Lot 15, Butternut Falls, Marine on St. Croix (parcel no. 07.031.19.34.0020).

(f) The county has determined that the county's land management interests would best be served if the land was removed from the tax-forfeited roll.

Sec. 20. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING WETLANDS; WASHINGTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivisions 1 and 2, Washington county may sell the tax-forfeited land bordering wetlands that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

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

(c) The land to be sold is located in the city of Oakdale, Washington county, and is described as:

(1) Lot 2, Block 2, Sun Meadows First Addition (parcel no. 17.029.21.22.0010);

(2) Lot 3, Block 2, Sun Meadows First Addition (parcel no. 17.029.21.22.0011);

(3) Lot 6, Block 2, Sun Meadows First Addition (parcel no. 17.029.21.22.0014);

(4) Lot 7, Block 2, Sun Meadows First Addition (parcel no. 17.029.21.22.0015);

(5) Lot 8, Block 2, Sun Meadows First Addition (parcel no. 17.029.21.22.0016); and

(6) Lot 9, Block 2, Sun Meadows First Addition (parcel no. 17.029.21.22.0017).

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

Sec. 21. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING WETLANDS; WASHINGTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivisions 1 and 2, and the public sale provisions of Minnesota Statutes, chapter 282, Washington county may convey to the city of Oakdale for no consideration the tax-forfeited land bordering wetlands that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Oakdale stops using the land for the public purpose described in paragraph (d).

(c) The land to be conveyed is located in Washington county and is described as:

Outlot B, Oakdale Hills 2nd Addition, except that part platted as Charter Oaks 3rd Addition (parcel no. 30.029.21.31.0139).

(d) The county has determined that the land is needed by the city of Oakdale for drainage.

Sec. 22. [CONVEYANCE OR PUBLIC OR PRIVATE SALE OF TAX-FORFEITED LAND BORDERING WETLANDS; WASHINGTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivisions 1 and 2, and the public sale provisions of Minnesota Statutes, chapter 282, Washington county may convey to the city of Oakdale for no consideration the tax-forfeited land bordering wetlands that is described in paragraph (e).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Oakdale stops using the land for drainage.

(c) If Washington county does not convey the land according to paragraph (a), then notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivisions 1 and 2, and the public sale provisions of Minnesota Statutes, chapter 282, Washington county may sell by public or private sale the tax-forfeited land bordering wetlands that is described in paragraph (e), under the remaining provisions of Minnesota Statutes, chapter 282.

(d) If sold by private sale, the conveyance must be in a form approved by the attorney general for a consideration of taxes due on the property and any penalties, interest, and costs.

(e) The land to be conveyed or sold is located in Washington county and is described as:

(1) Lot 1, Block 1, Sun Meadows First Addition (parcel no. 17.029.21.22.0005); and

(2) Lot 2, Block 1, Sun Meadows First Addition (parcel no. 17.029.21.22.0006).

(f) The county has determined that the county's land management interests would best be served if the lands were removed from the tax-forfeited roll.

Sec. 23. [PRIVATE SALE OF TAX-FORFEITED LAND; WASHINGTON COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Washington county may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general for a consideration of taxes due on the property and any penalties, interest, and costs.

(c) The land to be sold is located in Washington county and is described as: Parcel number 2903021310185, city of Willernie.

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

Sec. 24. [CONDEMNATION OF TRUST FUND LAND BORDERING PUBLIC WATERS; BELTRAMI COUNTY.]

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

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

The above described tract contains 12.5 acres.

Sec. 25. [EFFECTIVE DATE.]

Sections 1 to 24 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public lands; allowing private easements across tax-forfeited land; changing certain land exchange requirements; authorizing public and private sales and conveyance of certain tax-forfeited land in the counties of Aitkin, Benton, Cook, Hubbard, Lake, Meeker, Ramsey, St. Louis, Washington; authorizing the commissioner of transportation to exercise the power of eminent domain for acquisition of certain trust fund land bordering public waters; amending Minnesota Statutes 2000, section 282.04, by adding a subdivision; Laws 1998, chapter 389, article 16, section 31, subdivisions 2, as amended; 4, as amended."

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

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

S.F. No. 1266: A bill for an act relating to criminal justice; providing for community service in lieu of criminal fines in certain instances; amending Minnesota Statutes 2000, section 609.101, subdivision 5.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2000, section 609.101, subdivision 2, is amended to read:

Subd. 2. [MINIMUM FINES.] Notwithstanding any other law, when a court sentences a person convicted of violating section 609.221, 609.222, 609.223, 609.2231, 609.224, 609.2242, 609.267, 609.2671, 609.2672, 609.342, 609.343, 609.344, or 609.345, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of finance to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of finance to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by ~~subdivision 1~~ section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, battered women shelters and nonshelter programs, and sexual assault programs.

Sec. 2. Minnesota Statutes 2000, section 609.101, subdivision 3, is amended to read:

Subd. 3. [CONTROLLED SUBSTANCE OFFENSES; MINIMUM FINES.] (a) Notwithstanding any other law, when a court sentences a person convicted of a controlled substance crime under sections 152.021 to 152.025, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

(b) The minimum fine required by this subdivision is in addition to the surcharge or assessment required by ~~subdivision 1~~ section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

(c) The court shall collect the fine mandated by this subdivision and forward 70 percent of it to a local drug abuse prevention program existing or being implemented in the county in which the crime was committed. The court shall forward the remaining 30 percent to the state treasurer to be credited to the general fund. If more than one drug abuse prevention program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the community in which the crime was committed, the funding needs of the program, the number of peace officers in each community certified to teach the program, and the number of children served by the program in each community. If no drug abuse prevention program serves communities in that county, the court shall forward 100 percent of the fine proceeds to the state treasurer to be credited to the general fund.

(d) The minimum fines required by this subdivision shall be collected as are other fines. Fine proceeds received by a local drug abuse prevention program must be used to support that program, and may be used for salaries of peace officers certified to teach the program. The drug abuse resistance education program must report receipt and use of money generated under this subdivision as prescribed by the drug abuse resistance education advisory council.

(e) As used in this subdivision, "drug abuse prevention program" and "program" include:

(1) the drug abuse resistance education program described in sections 299A.33 and 299A.331; and

(2) any similar drug abuse education and prevention program that includes the following components:

(A) instruction for students enrolled in kindergarten through grade six that is designed to teach students to recognize and resist pressures to experiment with controlled substances and alcohol;

(B) provisions for parental involvement;

(C) classroom instruction by uniformed law enforcement personnel;

(D) the use of positive student leaders to influence younger students not to use drugs; and

(E) an emphasis on activity-oriented techniques designed to encourage student-generated responses to problem-solving situations.

Sec. 3. Minnesota Statutes 2000, section 609.101, subdivision 4, is amended to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law, unless the fine is set at a lower amount on a uniform fine schedule established by the conference of chief judges in consultation with affected state and local agencies. This schedule shall be promulgated not later than January 1 of each year and shall become effective on August 1 of that year unless the legislature, by law, provides otherwise.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by ~~subdivision 4~~ section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

The court shall collect the fines mandated in this subdivision and, except for fines for traffic and motor vehicle violations governed by section 169.871 and section 299D.03 and fish and game violations governed by section 97A.065, forward 20 percent of the revenues to the state treasurer for deposit in the general fund."

Page 1, lines 16 to 20, delete the new language

Page 1, line 21, after the period, insert "Additionally, the court may permit the defendant to perform community work service in lieu of a fine."

Page 1, line 25, delete "Section 1 is" and insert "Sections 1 to 4 are" and delete "applies" and insert "apply"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "making technical corrections;"

Page 1, line 5, delete "subdivision" and insert "subdivisions 2, 3, 4,"

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

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

S.F. No. 1334: A bill for an act relating to crime prevention; requiring submission of DNA evidence by offenders convicted of felony-level fifth degree criminal sexual conduct; clarifying and increasing the penalty for fleeing a peace officer when the commission of the crime results in death; expanding the crime of aiding an offender; allowing use of subsequent domestic abuse conduct as evidence in domestic abuse cases; amending Minnesota Statutes 2000, sections 609.117; 609.487, subdivision 4; 609.495, subdivisions 1 and 3; and 634.20.

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

Page 2, line 6, strike the second comma

Page 2, line 7, strike "clause (2)"

Page 2, line 27, strike the second comma

Page 2, line 28, strike "clause (2)"

Page 3, line 17, strike the second comma

Page 3, line 18, strike "clause (2)"

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

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

S.F. No. 2150: A bill for an act relating to technology business; identifying and defining technology business and activity; providing for regulation of technology business with the department of administration; amending Minnesota Statutes 2000, section 16B.61, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 326.01, subdivision 6d, is amended to read:

Subd. 6d. ~~[ALARM AND COMMUNICATION SYSTEM TECHNOLOGY CIRCUITS OR SYSTEMS.]~~ The term "alarm and communication system" means class 2 or class 3 signaling circuits, power limited fire protective signaling circuits, class 2 or class 3 alarm systems, or communication circuits or systems, as covered by articles 725, 760, 770, 800, 810, and 820, of the National Electrical Code as that code was approved by the American National Standards Institute and was in effect on January 14, 1985. "Technology circuits or systems" means indoor or outdoor wiring, apparatus, equipment, grounding, uninterruptible power supply (UPS), batteries, pathways, systems, and circuits for class 2 or class 3 remote-control, signaling, control, or alarm circuits or systems, power-limited circuits or systems, audio signal, antenna, and communications systems and their associated components that are isolated from higher voltage systems by a demarcation, as covered by articles 90, 411, 640, 645, 720, 725, 727, 760, 770, 780, and chapter 8 inclusive, and including all articles of chapters 1 to 7 associated with installing, altering, repairing, planning, or laying out technology circuits or systems of the National Electrical Code under section 326.243.

Sec. 2. Minnesota Statutes 2000, section 326.01, is amended by adding a subdivision to read:

Subd. 6i. [DEMARICATION.] "Demarcation" means listed equipment as identified in Minnesota Rules, part 3800.3619, such as a transformer, an uninterruptible power supply (UPS), a battery, control panel, or other device supplying voltage for class 2 or class 3 remote-control signaling, or power-limited circuits, power-limited alarm circuits or systems, power-limited circuits or systems, audio signal, antenna, and communication systems that provides physical isolation from the higher voltage system within the same enclosure. Demarcation includes a connection to higher voltage by plug or cord and plug.

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

Subd. 6j. [RESIDENTIAL DWELLING.] A "residential dwelling" is any building, or any portion thereof, including its garage or accessory structure, which is not an apartment house, lodging house, or a hotel, which is intended or designed to be occupied for living purposes.

Sec. 4. Minnesota Statutes 2000, section 326.241, subdivision 1, is amended to read:

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

Sec. 5. Minnesota Statutes 2000, section 326.2421, subdivision 2, is amended to read:

Subd. 2. [EXEMPTION.] Except as provided in ~~subdivision 3~~ subdivisions 3, 10, and 11, no person licensed pursuant to subdivision 3 may be required to obtain any authorization, permit, franchise, or license from, or pay any fee, franchise tax, or other assessment to, any agency, department, board, or political subdivision of the state as a condition for performing any work described herein. The requirements of this section shall not apply to telephone companies as defined under section 237.01 nor to their employees, that are only engaged in the laying out, installation, and repair of telephone systems.

Sec. 6. Minnesota Statutes 2000, section 326.2421, subdivision 3, is amended to read:

Subd. 3. [ALARM AND COMMUNICATION CONTRACTOR'S LICENSES.] No person may lay out, install, maintain, or repair ~~alarm and communication~~ technology circuits or systems, unless the person is licensed as an ~~alarm and communication~~ technology system contractor under this subdivision, or is a licensed electrical contractor under section 326.242, subdivision 6, or is an employee of the contractor. The board of electricity shall issue an ~~alarm and communication~~ technology system contractor's license to any individual, corporation, partnership, sole proprietorship, or other business entity that provides adequate proof that a bond and insurance in the amounts required by section 326.242, subdivision 6, have been obtained by the applicant. The board shall set license fees pursuant to section 16A.1285. Installation of ~~alarm and communication~~ technology circuits or systems are subject to inspection and inspection fees as provided in section 326.244, subdivision 1a. This subdivision does not apply to installations in residential dwellings unless the installation involves an alarm system.

Sec. 7. Minnesota Statutes 2000, section 326.2421, subdivision 4, is amended to read:

Subd. 4. [EXAMINATION.] No ~~alarm and communication~~ technology system contractor shall be issued a license by the board under this section unless the contractor or an employee of the contractor has passed an ~~alarm and communication~~ technology circuits and systems examination given by the board of electricity.

Sec. 8. Minnesota Statutes 2000, section 326.2421, subdivision 6, is amended to read:

Subd. 6. ~~[EXISTING CONTRACTORS LICENSES.] Persons who on July 1, 1985, are in the business of laying out, installing, maintaining, or repairing alarm and communication systems and who have filed a license application with the electrical board by September 1, 1987, shall be allowed to continue in that business as if licensed under subdivision 3 until final action is taken by the board upon their applications. Contractors who are in the business on July 1, 1985, and who file a license application with the board by September 1, 1987, are exempt from the requirements of subdivision 4. Upon establishment of the technology systems contractor license, alarm and communication contractor's licenses shall be deemed to be technology systems contractor's licenses.~~

Sec. 9. Minnesota Statutes 2000, section 326.2421, is amended by adding a subdivision to read:

Subd. 10. [LICENSE REQUIRED.] Persons employed by technology systems contractors or by electrical contractors who install class 2 and 3 remote-control circuits controlling class 1 circuits, for the purpose of environmental control, temperature control, refrigeration and process control; class 2 or 3 circuits in electrical cabinets, or devices containing physically unprotected class 1 circuits within the same compartment or cavity as the class 2 or 3 circuits; or technology circuits and systems in hazardous classified locations as covered by articles 500 to 517 in the National Electric Code, must obtain a power-limited technician's license as provided in this subdivision. This subdivision does not apply to residential dwellings, or to separately derived class 2 and 3 systems or communications systems, as defined by the National Electrical Code as that code was approved by the American National Standards Institute and was in effect in 1999, which interface with the systems listed in this subdivision. In order to obtain a license, the applicant must:

(1) have at least 18 months' experience, acceptable to the board, in planning for, laying out, supervising, servicing, or installing wiring, apparatus, or equipment for power-limited systems, provided that applicants may get credit for up to six months, or 1,000 hours, for training or education acceptable to the board; and

(2) pass an examination administered by the board of electricity designed to demonstrate that the applicant has the competence required to perform the work relative to the installation involved; or

(3) achieve a minimal score of 70 percent on an alarm and communication examination administered by the board before December 31, 2001.

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

Before becoming licensed, persons employed by an electrical or technology systems contractor may perform the work described in this subdivision if supervised by a licensed power-limited technician or licensed electrician on site.

Sec. 10. Minnesota Statutes 2000, section 326.2421, is amended by adding a subdivision to read:

Subd. 11. [INSPECTIONS.] Inspection is required for the following technology circuits or systems installations:

(1) remote control circuits controlling class 1 circuits, including, but not limited to, environmental control, refrigeration, process control, and temperature control systems in other than residential dwellings;

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

(3) critical health and medical systems in medical facilities, including, but not limited to, oxygen distribution systems, medical monitoring, and nurse call systems;

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

(5) physical security systems within detention centers; and

(6) installations taking place in hazardous classified locations as covered by articles 500 to 517 in the National Electrical Code as was approved by the American National Standards Institute and was in effect January 1, 2001.

Sec. 11. Minnesota Statutes 2000, section 326.243, is amended to read:

326.243 [SAFETY STANDARDS.]

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

Sec. 12. Minnesota Statutes 2000, section 326.244, subdivision 1a, is amended to read:

Subd. 1a. [ALARM AND COMMUNICATION SYSTEMS.] (a) The installation of fire alarm systems as defined in article 760 of the National Electrical Code, except minor work performed by a contractor, must be inspected as provided in this section for compliance with the applicable provisions of articles 725, 760, 770, 800, ~~810, and 820~~ and chapter 8 of the most recent edition of the National Electrical Code and the applicable provisions of the National Electrical Safety Code, as those codes were approved by the American National Standards Institute.

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

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

Sec. 13. Minnesota Statutes 2000, section 326.244, subdivision 5, is amended to read:

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

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

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

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

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

(iii) are not on the load side of the meter;

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

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

(5) when the installation, material, and equipment are ~~alarm or communication systems laid out, installed, or maintained within residential units not larger than a duplex~~ technology circuits or systems, except as provided in section 326.2421;

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

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

Sec. 14. [REPEALER.]

Minnesota Statutes 2000, section 326.2421, subdivision 8, is repealed.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 13 are effective January 1, 2002."

Delete the title and insert:

"A bill for an act relating to technology business; identifying and defining technology business; providing for the licensing of technology businesses by the state board of electricity; amending Minnesota Statutes 2000, sections 326.01, subdivision 6d, by adding subdivisions; 326.241, subdivision 1; 326.2421, subdivisions 2, 3, 4, 6, by adding subdivisions; 326.243; 326.244, subdivisions 1a, 5; repealing Minnesota Statutes 2000, section 326.2421, subdivision 8."

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

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

H.F. No. 707: A bill for an act relating to crime prevention; classifying Carisoprodol as a controlled substance upon the effective date of a final rule adding Carisoprodol to the federal schedules of controlled substances; amending Laws 1997, chapter 239, article 4, section 15, as amended.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2000, section 152.02, subdivision 5, is amended to read:

Subd. 5. [SCHEDULE IV.] (a) The following items are listed in Schedule IV: Anabolic substances; Barbital; Butorphanol; ~~Carisoprodol~~; Chloral betaine; Chloral hydrate; Chlordiazepoxide; Clonazepam; Clorazepate; Diazepam; Diethylpropion; Ethchlorvynol; Ethinamate; Fenfluramine; Flurazepam; Mebutamate; Methohexital; Meprobamate except when in combination with the following drugs in the following or lower concentrations: conjugated estrogens, 0.4 mg; tridihexethyl chloride, 25mg; pentaerythritol tetranitrate, 20 mg; Methylphenobarbital; Oxazepam; Paraldehyde; Pemoline; Petrichloral; Phenobarbital; and Phentermine.

(b) For purposes of this subdivision, "anabolic substances" means the naturally occurring androgens or derivatives of androstane (androstosterone and testosterone); testosterone and its esters, including, but not limited to, testosterone propionate, and its derivatives, including, but not limited to, methyltestosterone and growth hormones, except that anabolic substances are not included if they are: (1) expressly intended for administration through implants to cattle or other nonhuman species; and (2) approved by the United States Food and Drug Administration for that use."

Page 1, line 15, strike "The provision"

Page 1, strike line 16

Page 1, line 17, strike "IV is effective" and delete "on the effective date of a final"

Page 1, delete line 18

Page 1, line 19, delete the new language and strike "and"

Page 1, line 20, strike "applies to acts committed on or after that date."

Page 1, line 25, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to crime prevention; striking the classification of Carisoprodol as a schedule IV controlled substance; amending Minnesota Statutes 2000, section 152.02, subdivision 5; Laws 1997, chapter 239, article 4, section 15, as amended."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

H.F. No. 1084 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1084	1066				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1084 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1084 and insert the language after the enacting clause of S.F. No. 1066, the first engrossment; further, delete the title of H.F. No. 1084 and insert the title of S.F. No. 1066, the first engrossment.

And when so amended H.F. No. 1084 will be identical to S.F. No. 1066, and further recommends that H.F. No. 1084 be given its second reading and substituted for S.F. No. 1066, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 867 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.
867	646				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 704 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
704	719				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 704 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 704 and insert the language after the enacting clause of S.F. No. 719; further, delete the title of H.F. No. 704 and insert the title of S.F. No. 719.

And when so amended H.F. No. 704 will be identical to S.F. No. 719, and further recommends that H.F. No. 704 be given its second reading and substituted for S.F. No. 719, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 285 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.
285	339				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 275 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.
275	210				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 1160 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.
1160	1127				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 2106: A bill for an act relating to transportation; regulating state highways in municipalities; making conforming changes; amending Minnesota Statutes 2000, sections 160.85, subdivision 3; and 161.1245, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 2000, sections 161.17; 161.171; 161.172; 161.173; 161.174; 161.175; 161.176; 161.177; and 473.181, subdivision 1.

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

Delete everything after the enacting clause and insert:

"HIGHWAY CONSTRUCTION THROUGH MUNICIPALITIES

Section 1. Minnesota Statutes 2000, section 160.85, subdivision 3, is amended to read:

Subd. 3. [APPROVAL.] No road authority and private operator may execute a development agreement without the approval of the final agreement by the commissioner. A road authority and private operator in the metropolitan area must obtain the approvals required in sections ~~161.171 to 161.177~~ 161.162 to 161.167 and 473.167, subdivision 1. Except as otherwise provided in sections 161.162 to 161.167, the governing body of a county or municipality through which a facility passes may veto the project within 30 days of approval by the commissioner.

Sec. 2. Minnesota Statutes 2000, section 161.1245, subdivision 4, is amended to read:

Subd. 4. [ROUTE NO. 396.] Notwithstanding section 161.17 or other any state law to the contrary, the commissioner of transportation shall extend, without undue delay, the interstate route commonly known as I-35 by construction of Route No. 396 described in section 161.12 in accordance with federal regulations for receiving federal aid made available by the United States to the state of Minnesota for highway purposes.

Sec. 3. [161.162] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The terms in sections 161.162 to 161.167 have the meanings given them in this section and section 160.02.

Subd. 2. [FINAL LAYOUT.] (a) "Final layout" means geometric layouts and supplemental drawings that show the location, character, dimensions, access, and explanatory information about the highway construction or improvement work being proposed. "Final layout" includes, where applicable, traffic lanes, shoulders, trails, intersections, signals, bridges, approximate right-of-way limits, existing ground line and proposed grade line of the highway, turn lanes, access points and closures, sidewalks, speed zones, noise walls, transit considerations, auxiliary lanes, interchange locations, interchange types, sensitive areas, existing right-of-way, traffic volume and turning movements, location of stormwater drainage, location of municipal utilities, project schedule and estimated cost, and the name of the project manager.

(b) "Final layout" does not include a cost participation agreement. For purposes of this subdivision "cost participation agreement" means a document signed by the commissioner and the governing body of a municipality that states the costs of a highway construction project that will be paid by the municipality.

Subd. 3. [FINAL CONSTRUCTION PLAN.] "Final construction plan" means the set of technical drawings for the construction or improvement of a trunk highway provided to contractors for bids.

Subd. 4. [GOVERNING BODY.] "Governing body" means the elected council of a municipality.

Subd. 5. [MUNICIPALITY.] "Municipality" means a statutory or home rule charter city.

Sec. 4. [161.163] [HIGHWAY PROJECT REVIEW.]

Subdivision 1. [PROJECTS REQUIRING REVIEW.] Sections 161.162 to 161.167 apply only to projects that alter access, increase or reduce highway traffic capacity, or require acquisition of permanent rights-of-way.

Subd. 2. [TRAFFIC SAFETY MEASURES.] Nothing contained in sections 161.162 to 161.167 limits the power of the commissioner to regulate traffic or install traffic control devices or other safety measures on trunk highways located within municipalities regardless of their impact on access or traffic capacity or on the need for additional right-of-way.

Subd. 3. [CONSTRUCTION PROGRAM.] Nothing contained in sections 161.162 to 161.167 limits the commissioner's discretion to determine priority and programming of trunk highway projects.

Sec. 5. [161.164] [FINAL LAYOUT APPROVAL PROCESS.]

Subdivision 1. [SUBMISSION OF FINAL LAYOUT.] Before proceeding with the construction, reconstruction, or improvement of any route on the trunk highway system lying within any municipality, the commissioner shall submit to its governing body a final layout and project report covering the purpose, route location, and proposed design of the highway. The final layout must be submitted as part of a report containing any supporting data that the commissioner deems helpful to the governing body in reviewing the final layout submitted. The supporting data must include a good faith cost estimate of all the costs in which the governing body is expected to

participate. The final layout must be submitted before final decisions are reached so that meaningful early input can be obtained from the municipality.

Subd. 2. [GOVERNING BODY ACTION.] (a) Within 15 days of receiving a final layout from the commissioner, the governing body shall schedule a public hearing on the final layout. The governing body shall, within 60 days of receiving a final layout from the commissioner, conduct a public hearing at which the department of transportation shall present the final layout for the project. The governing body shall give at least 30 days' notice of the public hearing.

(b) Within 90 days from the date of the public hearing, the governing body shall approve or disapprove the final layout in writing, as follows:

(1) If the governing body approves the final layout or does not disapprove the final layout in writing within 90 days, in which case the final layout is deemed to be approved, the commissioner may continue the project development.

(2) If the final construction plans contain changes in access, traffic capacity, or acquisition of permanent right-of-way from the final layout approved by the governing body, the commissioner shall resubmit the portion of the final construction plans where changes were made to the governing body. The governing body must approve or disapprove the changes, in writing, within 60 days from the date the commissioner submits them.

(3) If the governing body disapproves the final layout, the commissioner may make modifications requested by the municipality, decide not to proceed with the project, or refer the final layout to an appeal board. The appeal board shall consist of one member appointed by the commissioner, one member appointed by the governing body, and a third member agreed upon by both the commissioner and the governing body. If the commissioner and the governing body cannot agree upon the third member, the chief justice of the supreme court shall appoint a third member within 14 days of the request of the commissioner to appoint the third member.

Subd. 3. [APPEAL BOARD.] Within 30 days after referral of the final layout, the appeal board shall hold a hearing at which the commissioner and the governing body may present the case for or against approval of the final layout referred. Not later than 60 days after the hearing, the appeal board shall recommend approval, recommend approval with modifications, or recommend disapproval of the final layout, making additional recommendations consistent with state and federal requirements as it deems appropriate. It shall submit a written report containing its findings and recommendations to the commissioner and the governing body.

Sec. 6. [161.165] [COMMISSIONER ACTION; INTERSTATE HIGHWAYS.]

Subdivision 1. [APPLICABILITY.] This section applies to interstate highways.

Subd. 2. [ACTION ON APPROVED FINAL LAYOUT.] (a) If the appeal board recommends approval of the final layout or does not submit its findings and recommendations within 60 days of the hearing, in which case the final layout is deemed approved, the commissioner may prepare substantially similar final construction plans and proceed with the project.

(b) If the final construction plans change access, traffic capacity, or acquisition of permanent right-of-way from the final layout approved by the appeal board, the commissioner shall submit the portion of the final construction plans that shows the changes, to the governing body for its approval or disapproval under section 161.164, subdivision 2.

Subd. 3. [ACTION ON FINAL LAYOUT APPROVED WITH CHANGES.] (a) If, within 60 days, the appeal board recommends approval of the final layout with modifications, the commissioner may:

(1) prepare final construction plans with the recommended modifications, notify the governing body, and proceed with the project;

(2) decide not to proceed with the project; or

(3) prepare final construction plans substantially similar to the final layout referred to the appeal board, and proceed with the project. The commissioner shall, before proceeding with the project, file a written report with the governing body and the appeal board stating fully the reasons for doing so.

(b) If the final construction plans contain changes in access or traffic capacity or require additional acquisition of permanent right-of-way from the final layout reviewed by the appeal board or the governing body, the commissioner shall resubmit the portion of the final construction plans that shows the changes, to the governing body for its approval or disapproval under section 161.164, subdivision 2.

Subd. 4. [ACTION ON DISAPPROVED FINAL LAYOUT.] (a) If, within 60 days, the appeal board recommends disapproval of the final layout, the commissioner may either:

(1) decide not to proceed with the project; or

(2) prepare final construction plans substantially similar to the final layout referred to the appeal board, notify the governing body and the appeal board, and proceed with the project. Before proceeding with the project, the commissioner shall file a written report with the governing body and the appeal board stating fully the reasons for doing so.

(b) If the final construction plans contain changes in access or traffic capacity or require additional acquisition of permanent right-of-way from the final layout reviewed by the appeal board or the governing body, the commissioner shall resubmit the portion of the final construction plans that shows the changes, to the governing body for its approval or disapproval under section 161.164, subdivision 2.

Subd. 5. [FINAL CONSTRUCTION PLANS ISSUED.] The commissioner shall send a complete set of final construction plans to the municipality at least 45 days before the bid opening for informational purposes.

Sec. 7. [161.166] [COMMISSIONER ACTION; OTHER HIGHWAYS.]

Subdivision 1. [APPLICABILITY.] This section applies to trunk highways that are not interstate highways.

Subd. 2. [ACTION ON APPROVED FINAL LAYOUT.] If the appeal board recommends approval of the final layout or does not submit its findings or recommendations within 60 days of the hearing, in which case the the final layout is deemed approved, the commissioner may prepare substantially similar final construction plans and proceed with the project. If the final construction plans change access or traffic capacity or require additional acquisition of right-of-way from the final layout approved by the appeal board, the commissioner shall submit the portion of the final construction plan that shows the changes, to the governing body for its approval or disapproval under section 161.164, subdivision 2.

Subd. 3. [ACTION ON FINAL LAYOUT APPROVED WITH CHANGES.] (a) If the appeal board approves the final layout with modifications, the commissioner may:

(1) prepare final construction plans including the modifications, notify the governing body, and proceed with the project;

(2) decide not to proceed with the project; or

(3) prepare a new final layout and resubmit it to the governing body for approval or disapproval under section 161.164, subdivision 2.

(b) If the final construction plans contain changes in access or traffic capacity or require additional acquisition of permanent right-of-way from the final layout reviewed by the appeal board or the governing body, the commissioner shall resubmit the portion of the final construction plans that shows the changes, to the governing body for its approval or disapproval under section 161.164, subdivision 2.

Subd. 4. [ACTION ON DISAPPROVED FINAL LAYOUT.] If the appeal board disapproves the final layout, the commissioner may:

(1) decide not to proceed with the project; or

(2) prepare a new final layout and submit it to the governing body for approval or disapproval under section 161.164, subdivision 2.

Subd. 5. [FINAL CONSTRUCTION PLANS ISSUED.] The commissioner shall send a complete set of final construction plans to the municipality at least 45 days before the bid opening for informational purposes.

Sec. 8. [161.167] [REIMBURSEMENT OF EXPENSES.]

Members of the appeal board shall submit to the commissioner an itemized list of the expenses incurred in disposing of matters presented to them. The appeal board members shall be reimbursed for all reasonable expenses incurred by them in the performance of their duties. The commissioner shall pay these costs out of the trunk highway fund.

Sec. 9. [REPEALER.]

Minnesota Statutes 2000, sections 161.17; 161.171; 161.172; 161.173; 161.174; 161.175; 161.176; 161.177; and 473.181, subdivision 1, are repealed.

Sec. 10. [EFFECTIVE DATE.]

This act is effective the day following final enactment and applies to highway construction projects for which municipal approval is first sought after that date."

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

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

S.F. No. 1633: A bill for an act relating to joint powers authority; authorizing a joint powers board that owns and operates sewage treatment facilities to issue general obligation bonds backed by the full faith and credit of the member governmental units; amending Minnesota Statutes 2000, section 471.59, subdivision 11.

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

Delete everything after the enacting clause and insert:

"Section 1. [CHISAGO LAKES JOINT SEWAGE TREATMENT COMMISSION BONDING AUTHORITY.]

Notwithstanding Minnesota Statutes, section 471.59, subdivision 11, the Chisago Lakes joint sewage treatment commission, a joint powers board established by the county of Chisago, and the cities of Lindstrom, Chisago City, and Center City, to own and operate wastewater treatment facilities for the member local governments, may issue and sell general obligation bonds pursuant to Minnesota Statutes, sections 115.46, 444.075, and chapter 475, to acquire land for, construct, expand, furnish, equip, and modify its wastewater treatment facilities, and pledge the full faith and credit and taxing power of the governmental units that are members of the joint powers board. The joint powers board is a municipality within the meaning of Minnesota Statutes, chapter 475. Each government unit that is a member of the joint powers board must adopt a resolution authorizing the joint powers board to issue and sell the bonds before a referendum election on the issue can be held. A referendum election is required, as provided in Minnesota Statutes, section 475.58.

Sec. 2. [EFFECTIVE DATE; LOCAL APPROVAL.]

Section 1 is effective the day after final enactment. Section 1 does not require local approval, as provided in Minnesota Statutes, section 645.023, subdivision 1, paragraph (a)."

Delete the title and insert:

"A bill for an act relating to local government; authorizing the Chisago Lakes joint sewage treatment commission made up of Chisago county and the cities of Lindstrom, Chisago City, and Center City to issue and sell general obligation bonds for wastewater treatment facilities; requiring resolutions and a referendum election."

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

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

S.F. No. 1831: A bill for an act relating to partnership; regulating certain transition issues under the Uniform Partnership Act of 1994; amending Minnesota Statutes 2000, section 323A.12-02.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2000, section 303.17, subdivision 2, is amended to read:

Subd. 2. [NOTICE TO CORPORATION.] On finding that ~~any~~ a default has occurred under subdivision 1, clauses (1) to (3) or (5), the secretary of state shall give notice by mail to the corporation, at its registered office in this state, that the default exists and that its certificate of authority will be revoked unless the default shall be cured within 30 days after the mailing of the notice.

Sec. 2. Minnesota Statutes 2000, section 303.17, subdivision 3, is amended to read:

Subd. 3. [REVOCAION AFTER 30 DAYS.] (a) ~~The secretary of state shall revoke the certificate of authority of such a corporation to do business in this state if such default shall not be cured with such period of 30 days; provided, that for good cause shown the secretary of state may enlarge the period from time to time, but the aggregate of such enlargements shall not exceed 180 days or the period of any applicable extension granted by the department of revenue of time for filing the income tax return of the corporation, whichever is greater that is in default under subdivision 1, clause (4), for failure to file an annual registration form under section 303.14.~~

(b) The secretary of state shall revoke the certificate of authority of a corporation that is in default under subdivision 1, clauses (1) to (3) or (5), if the default is not cured within 30 days after mailing the notice under subdivision 2; provided that for good cause shown the secretary of state may extend the 30-day period from time to time, but in no event may the aggregate of all extensions granted exceed 180 days or the period of time of any applicable extension granted by the department of revenue for filing the income tax return of the corporation, whichever is greater.

Sec. 3. Minnesota Statutes 2000, section 303.17, subdivision 4, is amended to read:

Subd. 4. [CERTIFICATE OF REVOCATION.] (a) Upon revoking the certificate of authority of a corporation because of a default under subdivision 1, clauses (1) to (3) or (5), the secretary of state shall:

- (1) issue a certificate of revocation; and
- (2) mail to the corporation, at its registered office in this state, a notice of the revocation.

(b) Upon revoking the certificate of authority of a corporation because of a default under subdivision 1, clause (4), the secretary of state shall issue a certificate of revocation, and the certificate must be filed in the office of the secretary of state. No further notice to the corporation is required.

(c) The secretary of state shall annually inform the attorney general and the commissioner of revenue of the methods by which the names of corporations revoked under this section during the

preceding year may be determined. The secretary of state shall also make the names of the revoked corporations available in an electronic format."

Page 2, line 21, delete "2" and insert "5"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to filings with the secretary of state; providing for the orderly revocation of delinquent foreign corporations; regulating certain transition issues under the Uniform Partnership Act of 1994; amending Minnesota Statutes 2000, sections 303.17, subdivisions 2, 3, 4; 323A.12-02."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2066: A bill for an act relating to local government; allowing specified municipal contributions to the general fund of a volunteer firefighters relief association; amending Minnesota Statutes 2000, section 424A.06, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 424A.06, is amended by adding a subdivision to read:

Subd. 1a. [DESIGNATED ACCOUNT.] A volunteer firefighters' relief association may establish a designated account within its general fund to receive municipal contributions for purchase of firefighting equipment or supplies."

Delete the title and insert:

"A bill for an act relating to local government; allowing specified municipal contributions to the general fund of a volunteer firefighters' relief association; amending Minnesota Statutes 2000, section 424A.06, by adding a subdivision."

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

Senator Vickerman from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 1392: A bill for an act relating to economic development; creating Northern Technology Initiative, Inc.; proposing coding for new law as Minnesota Statutes, chapter 116T.

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

Delete everything after the enacting clause and insert:

"Section 1. [116T.01] [DEFINITIONS.]

For purposes of this chapter:

(1) "board" means the board of directors of Northern Technology Initiative, Inc.; and

(2) "corporation" means Northern Technology Initiative, Inc.

Sec. 2. [116T.02] [CORPORATION; MEMBERS; BOARD OF DIRECTORS; POWERS.]

Subdivision 1. [PUBLIC CORPORATION.] Northern Technology Initiative, Inc. is a public nonprofit corporation of the state. The business of the corporation must be conducted under the name "Northern Technology Initiative, Inc."

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of directors consisting of:

(1) a member of the governing body of each participating county, appointed by the governing body;

(2) a member of the governing body of each participating home rule charter or statutory city, appointed by the governing body;

(3) the president of each participating post-secondary institution; and

(4) other members as may be provided by the bylaws adopted and amended in accordance with subdivision 4.

The membership terms, compensation, removal, and filling of vacancies of members of the board are governed by the bylaws of the corporation.

Subd. 3. [BYLAWS.] The board of directors shall adopt bylaws and publish the bylaws and amendments to the bylaws in the State Register. The bylaws must provide for financial and other contributions by participating entities to cover the operation of the corporation.

Subd. 4. [MEETINGS.] Meetings of the board are subject to chapter 13D.

Subd. 5. [PLACES OF BUSINESS.] The board shall locate and maintain the corporation's places of business within Carlton, Chisago, Isanti, Kanabec, or Pine county.

Subd. 6. [CONFLICT OF INTEREST.] A director, employee, or officer of the corporation may not participate in or vote on a decision of the board relating to an organization in which the director or employee has either a direct or indirect financial interest or a conflict of interest as described in section 10A.07.

Sec. 3. [116T.03] [CORPORATE PERSONNEL.]

Subdivision 1. [GENERALLY.] The board shall appoint and set the compensation for the executive director who serves as chief executive officer of the corporation. The board may designate the executive director as its general agent. Subject to the approval of the board, the executive director shall employ staff consultants and other agents necessary to carry out the mission of the corporation.

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the board, may participate in the state retirement plan for employees in the unclassified service, the state deferred compensation plan, and an insurance plan administered by the commissioner of employee relations.

Sec. 4. [116T.04] [POWERS AND DUTIES OF CORPORATION.]

The corporation has the powers granted to a nonprofit corporation by section 317A.161, except as otherwise provided in this chapter.

Sec. 5. [116T.05] [DISSOLUTION.]

In the event of dissolution of the corporation for any reason, the bylaws must provide for return of the proceeds of that liquidation and any wholly owned assets of the corporation to the entities participating in Northern Technology Initiative, Inc. in exchange for the assumption of all outstanding obligations of the corporation.

Sec. 6. [INITIAL BOARD.]

The initial board of Northern Technology, Inc. consists of the president of Pine Technical

College and one member of each of the governing bodies of Carlton, Chisago, Isanti, Kanabec, and Pine counties, appointed by the governing bodies. Members of the initial board must be appointed within 30 days of the effective date of this act and must adopt bylaws within 30 days of the appointment of the last board member appointed under this section. Any additional board members required under the bylaws or section 2, subdivision 3, must take office or be appointed within 30 days after the adoption of bylaws under this section."

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

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1834: A bill for an act relating to employment training; establishing a demonstration training project for spoken language interpreters.

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

Page 2, line 10, delete "must" and insert "may"

Page 2, line 14, after the comma, insert "instruction for employers and providers on the appropriate use of interpreters,"

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

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1225: A bill for an act relating to Hassan township; authorizing an economic development authority.

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

Page 1, line 24, delete "county" and insert "township"

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

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 1932: A bill for an act relating to economic security; modifying and repealing various statutory provisions in the area of economic security; amending Minnesota Statutes 2000, sections 119A.46, subdivision 3; 268.0111, subdivision 4; 268.0122, subdivision 3; 268.665, subdivision 3; 268.871, subdivisions 1, 1a; repealing Minnesota Statutes 2000, sections 268.0111, subdivision 9; 268.6715; 268.672; 268.673; 268.6751; 268.677; 268.681; 268.6811; 268.682; 268.85; 268.86, subdivision 8; 268.871, subdivisions 2, 4; 268.88; 268.90; 268.971.

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

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

S.F. No. 1383: A bill for an act relating to the environment; modifying provisions relating to petroleum tank release cleanup; amending Minnesota Statutes 2000, sections 115C.07, subdivision 3; 115C.09, subdivisions 1, 2a, and 3; 115C.093; 115C.112; and 115C.13; repealing Minnesota Statutes 2000, sections 115C.02, subdivisions 11a and 12a; 115C.082; 115C.09, subdivision 3g; 115C.091; and 115C.092.

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

Page 4, lines 24 and 25, delete the new language

Page 4, line 26, reinstate the stricken "from the fund" and delete the period and insert "for 90 percent of the total reimbursable costs incurred at the site, except that the board may reimburse an eligible applicant from the fund for greater than 90 percent of the total reimbursable costs, if the applicant previously qualified for a higher reimbursement rate."

Page 8, after line 7, insert:

"Sec. 5. Minnesota Statutes 2000, section 115C.09, subdivision 3h, is amended to read:

Subd. 3h. [REIMBURSEMENT; ABOVEGROUND TANKS IN BULK PLANTS.] (a) As used in this subdivision, "bulk plant" means an aboveground or underground tank facility with a storage capacity of more than 1,100 gallons but less than 1,000,000 gallons that is used to dispense petroleum into cargo tanks for transportation and sale at another location.

(b) Notwithstanding any other provision in this chapter and any rules adopted pursuant to this chapter, the board shall reimburse 90 percent of an applicant's cost for bulk plant upgrades or closures completed between June 1, 1998, and November 1, 2003, to comply with Minnesota Rules, chapter 7151, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed \$10,000 per bulk plant.

(c) For corrective action at a bulk plant located on what is or was railroad right-of-way, the board shall reimburse 90 percent of total reimbursable costs on the first \$40,000 of reimbursable costs and 100 percent of any remaining reimbursable costs when the applicant can document that more than one bulk plant was operated on the same section of right-of-way, as determined by the commissioner of commerce."

Page 8, line 13, strike "subdivision 3, paragraph (a), clause (3),"

Page 10, delete lines 23 to 27 and insert:

"Sections 1 to 9 are effective the day following final enactment and apply to applications received on or after the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "increasing reimbursement for certain bulk plants;"

Page 1, line 5, delete "and 3" and insert "3, and 3h"

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

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

S.F. No. 1045: A bill for an act relating to environment; regulating ash disposal from fire training exercises; amending Minnesota Statutes 2000, section 116.07, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 116.07, is amended by adding a subdivision to read:

Subd. 12. [FIRE TRAINING ASH DISPOSAL.] The ash from a legitimate fire training exercise involving the live burning of a structure is classified as demolition debris and may be disposed in any permit-by-rule land disposal facility authorized under agency rules or any

permitted demolition land disposal facility, with the consent of the disposal facility operator, if a person certified by a Minnesota state college or university fire safety center certifies in writing in advance to the commissioner that the structure has been adequately prepared for such a training exercise, taking into account all applicable safety concerns and regulations, including pollution control agency guidelines regarding the removal of hazardous materials from training-burn structures before the training event.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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

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

S.F. No. 1208: A bill for an act relating to impaired driving; permitting the results of a preliminary screening test to be admissible in a criminal prosecution for the crime of implied consent test refusal; prohibiting certain first-time DWI offenders from receiving a shortened license revocation period; amending a definition in the plate impoundment law to allow plate impoundment for certain first-time alcohol-related license revocations; creating a gross misdemeanor penalty for violation of an alcohol-related restriction on a person's driver's license if the violation occurs while driving a motor vehicle and authorizing consecutive sentences for these violations in certain cases; amending Minnesota Statutes 2000, sections 169A.28, subdivision 2; 169A.41, subdivision 2; 169A.54, subdivision 6; 169A.60, subdivision 1; 171.09; and 609.035, subdivision 2.

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

Page 1, line 32, after "section" insert "171.09 (violation of condition of restricted license),"

Page 2, line 25, delete everything after "171.09"

Page 2, line 26, delete "license"

Page 4, line 5, delete the second "while" and insert "with the aggravating factor of"

Page 4, line 6, delete "if" and insert "and"

Page 4, line 7, after "and" insert "the person is"

Page 4, line 10, delete "while" and insert "with the aggravating factor of"

Page 4, line 12, after "and" insert "the person is"

Page 5, after line 11, insert:

"Sec. 5. Minnesota Statutes 2000, section 169A.63, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given them.

(b) "Appropriate agency" means a law enforcement agency that has the authority to make an arrest for a violation of a designated offense or to require a test under section 169A.51 (chemical tests for intoxication).

(c) "Designated license revocation" includes a license revocation under section 169A.52 (license revocation for test failure or refusal) or a license disqualification under section 171.165 (commercial driver's license disqualification) resulting from a violation of section 169A.52; within ten years of the first of two or more qualified prior impaired driving incidents.

(d) "Designated offense" includes:

(1) a violation of section 169A.20 (driving while impaired) under the circumstances described in section 169A.25 (first-degree driving while impaired); or

(2) a violation of section 169A.20 or an ordinance in conformity with it:

(i) by a person whose driver's license or driving privileges have been canceled as inimical to public safety under section 171.04, subdivision 1, clause (10); or

(ii) by a person who is subject to a restriction on the person's driver's license under section 171.09 (commissioner's license restrictions), which provides that the person may not use or consume any amount of alcohol or a controlled substance.

(e) "Motor vehicle" and "vehicle" do not include a vehicle which is stolen or taken in violation of the law.

(f) "Owner" means the registered owner of the motor vehicle according to records of the department of public safety and includes a lessee of a motor vehicle if the lease agreement has a term of 180 days or more.

(g) "Prosecuting authority" means the attorney in the jurisdiction in which the designated offense occurred who is responsible for prosecuting violations of a designated offense or a designee. If a state agency initiated the forfeiture, and the attorney responsible for prosecuting the designated offense declines to pursue forfeiture, the attorney general's office or its designee may initiate forfeiture under this section.

Sec. 6. Minnesota Statutes 2000, section 169A.63, subdivision 10, is amended to read:

Subd. 10. [DISPOSITION OF FORFEITED VEHICLE.] (a) If the vehicle is administratively forfeited under subdivision 8, or if the court finds under subdivision 9 that the vehicle is subject to forfeiture under subdivisions 6 and 7, the appropriate agency shall:

(1) sell the vehicle and distribute the proceeds under paragraph (b); or

(2) keep the vehicle for official use. If the agency keeps a forfeited motor vehicle for official use, it shall make reasonable efforts to ensure that the motor vehicle is available for use by the agency's officers who participate in the drug abuse resistance education program.

(b) ~~The proceeds from the sale of forfeited vehicles, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be forwarded to the treasury of the political subdivision that employs the appropriate agency responsible for the forfeiture for use in DWI-related enforcement, training, and education. If the appropriate agency is an agency of state government, the net proceeds must be forwarded to the state treasury and credited to the following funds:~~

~~(1) if the forfeited vehicle is a motorboat, the net proceeds must be credited to the water recreation account in the natural resources fund;~~

~~(2) if the forfeited vehicle is a snowmobile, the net proceeds must be credited to the snowmobile trails and enforcement account in the natural resources fund;~~

~~(3) if the forfeited vehicle is an all-terrain vehicle, the net proceeds must be credited to the all-terrain vehicle account in the natural resources fund;~~

~~(4) if the forfeited vehicle is an off-highway motorcycle, the net proceeds must be credited to the off-highway motorcycle account in the natural resources fund;~~

~~(5) if the forfeited vehicle is an off-road vehicle, the net proceeds must be credited to the off-road vehicle account in the natural resources fund; and~~

~~(6) if otherwise, the net proceeds must be credited to the general fund distributed as follows:~~

~~(1) 70 percent of the proceeds must be forwarded to the appropriate agency for deposit as a~~

supplement to the state or local agency's operating fund or similar fund for use in DWI-related enforcement, training, and education; and

(2) 30 percent of the money or proceeds must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes."

Page 6, line 9, after "section" insert "171.09,"

Page 7, delete section 7 and insert:

"Sec. 9. Minnesota Statutes 2000, section 626.52, is amended to read:

626.52 [REPORTING OF SUSPICIOUS WOUNDS AND ALCOHOL-RELATED OR CONTROLLED SUBSTANCE-RELATED ACCIDENTS BY HEALTH PROFESSIONALS.]

Subdivision 1. [DEFINITION.] As used in this section, "health professional" means a physician, surgeon, person authorized to engage in the practice of healing, superintendent or manager of a hospital, nurse, or pharmacist.

Subd. 2. [HEALTH PROFESSIONALS REQUIRED TO REPORT.] (a) A health professional shall immediately report, as provided under section 626.53, to the local police department or county sheriff all bullet wounds, gunshot wounds, powder burns, or any other injury arising from, or caused by the discharge of any gun, pistol, or any other firearm, which wound the health professional is called upon to treat, dress, or bandage.

(b) A health professional shall report to the proper police authorities any wound that the reporter has reasonable cause to believe has been inflicted on a perpetrator of a crime by a dangerous weapon other than a firearm as defined under section 609.02, subdivision 6.

(c) When asked by a peace officer during the course of treatment of a person, a health care professional must report to the officer the following information about the person who is being treated by the professional for an injury resulting from a motor vehicle, off-road recreational vehicle, motorboat, or airplane crash when there is any indication that the person has consumed alcohol or a controlled substance:

(1) the person's name;

(2) any observed indicia of alcohol or controlled substance consumption or impairment; and

(3) the results of any laboratory tests performed on the person that indicate a blood alcohol level or the presence of a controlled substance in the person's body.

This paragraph must not be construed to require the health care professional to perform any additional laboratory or other diagnostic tests that would otherwise not be performed during the course of treatment, or to document any observations or conditions that would not otherwise be documented for examination and treatment purposes.

Subd. 3. [REPORTING BURNS.] A health professional shall file a written report with the state fire marshal within 72 hours after being notified of a burn injury or wound that the professional is called upon to treat, dress, or bandage, if the victim has sustained second- or third-degree burns to five percent or more of the body, the victim has sustained burns to the upper respiratory tract or sustained laryngeal edema from inhaling superheated air, or the victim has sustained a burn injury or wound that may result in the victim's death. The state fire marshal shall provide the form for the report.

Subd. 4. [IMMUNITY FROM LIABILITY.] Any person reporting in good faith and exercising due care shall have immunity from any liability, civil or criminal, that otherwise might result by reason of the person's actions pursuant to this section or section 626.53. No cause of action may be brought against any person for not making a report pursuant to this section or section 626.53.

Sec. 10. Minnesota Statutes 2000, section 626.55, subdivision 1, is amended to read:

Subdivision 1. [CRIMINAL PENALTY.] Any person who violates any provision of sections 626.52 to 626.55, other than section 626.52, subdivision 2, paragraph (c), or 3, is guilty of a gross misdemeanor.

Sec. 11. [REPEALER.]

Minnesota Statutes 2000, section 626.55, subdivision 2, is repealed.

Sec. 12. [EFFECTIVE DATES.]

Sections 1 to 4 and 7 to 11 are effective August 1, 2001, and apply to crimes or acts committed on or after that date. Sections 5 and 6 are effective July 1, 2001, and apply to forfeited vehicles sold on and after that date.

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, after the semicolon, insert "amending the definition of "prosecuting authority" in the DWI forfeiture law and changing how proceeds from the sale of forfeited vehicles are distributed; requiring health professionals to report injuries resulting from alcohol-related or controlled substance-related accidents when asked by a peace officer and granting civil and criminal immunity for these reports;"

Page 1, line 17, after "1;" insert "169A.63, subdivisions 1, 10;" and delete "and"

Page 1, line 18, before the period, insert "; 626.52; 626.55, subdivision 1; repealing Minnesota Statutes 2000, section 626.55, subdivision 2"

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

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

S.F. No. 2097: A bill for an act relating to health; authorizing the emergency medical services regulatory board to grant temporary variances from staffing requirements for basic life support ambulances operated by rural ambulance services; amending Minnesota Statutes 2000, section 144E.101, subdivision 6.

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

Page 2, after line 20, insert:

"Sec. 2. Minnesota Statutes 2000, section 144E.285, subdivision 2, is amended to read:

Subd. 2. [EMT-P REQUIREMENTS.] (a) In addition to the requirements under subdivision 1, paragraph (b), a training program applying for approval to teach EMT-P curriculum must be administered by an educational institution accredited by the Commission of Accreditation of Allied Health Education Programs (CAAHEP).

(b) An EMT-P training program that is administered by an educational institution not accredited by CAAHEP, but that is in the process of completing the accreditation process, may be granted provisional approval by the board upon verification of submission of its self-study report and the appropriate review fee to CAAHEP.

(c) An educational institution that discontinues its participation in the accreditation process must notify the board immediately and provisional approval shall be withdrawn.

(d) This subdivision does not apply to an EMT-P training program when the program is operated by an advanced life support ambulance service licensed by the emergency medical services regulatory board under this chapter, and the ambulance service meets the following criteria:

(1) covers a rural primary service area that does not contain a hospital within the primary service area or contains a hospital within the primary service area that has been designated as a critical access hospital under section 144.1483, clause (11);

(2) has tax exempt status in accordance with the Internal Revenue Code, section 501(c)(3);

(3) received approval before 1991 from the commissioner of health to operate an EMT-P training program;

(4) operates the EMT-P training program exclusively to train paramedics for the local ambulance service; and

(5) limits enrollment in the EMT-P training program to five candidates per biennium."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "exempting certain rural emergency medical training programs from certain requirements;"

Page 1, line 6, delete "section" and insert "sections"

Page 1, line 7, before the period, insert "; 144E.285, subdivision 2"

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

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

S.F. No. 794: A bill for an act relating to human services; establishing a nursing facility case mix transition plan; imposing a fine for noncompliance; amending Minnesota Statutes 2000, section 144A.04, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 144; and 256B; repealing Minnesota Statutes 2000, section 144.0721, subdivision 1.

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

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 2000, section 144.0721, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATENESS AND QUALITY.] Until the date of implementation of the revised case mix system based on the minimum data set, the commissioner of health shall assess the appropriateness and quality of care and services furnished to private paying residents in nursing homes and boarding care homes that are certified for participation in the medical assistance program under United States Code, title 42, sections 1396-1396p. These assessments shall be conducted until the date of implementation of the revised case mix system based on the minimum data set, in accordance with section 144.072, with the exception of provisions requiring recommendations for changes in the level of care provided to the private paying residents."

Page 1, line 18, delete "2001" and insert "2002"

Page 1, line 19, delete "2002" and insert "2003"

Page 2, line 34, delete "July 1, 2001" and insert "December 31, 2001"

Page 2, line 35, delete "assessed" and insert "classified"

Page 3, delete lines 7 to 10 and insert:

"(3) special care where a resident has cerebral palsy; quadriplegia; multiple sclerosis; pressure ulcers; fever with vomiting, weight loss, or dehydration; tube feeding and aphasia; or is receiving radiation therapy;"

Page 5, line 12, delete "PD1" and insert "PC1"

Page 7, line 11, delete "to (3)" and insert "and (2)"

Page 7, line 28, delete "chose" and insert "choose"

Page 8, line 10, delete "or" and insert "of"

Page 8, delete lines 15 to 24

Page 8, line 25, delete "(c)" and insert "(b)"

Page 8, line 35, after "facility" insert "or"

Page 9, line 35, delete "subdivision 9" and insert "paragraphs (a) and (b)"

Pages 13 and 14, delete section 2

Page 15, line 1, delete "2001" and insert "2002"

Page 15, line 2, delete "2002" and insert "2003"

Page 15, line 33, delete "12" and insert "7"

Page 16, line 31, delete "2000" and insert "2001"

Page 17, line 2, delete "2001" and insert "2002, or the 34 case mix rates in effect on or after June 30, 2003"

Page 17, line 5, delete "2000" and insert "2001, or the most recent year for which data is available"

Page 17, line 8, delete "2000" and insert "2001, or the most recent year for which data is available using the new indices calculated under subdivision 3, paragraph (c)"

Page 17, line 13, delete "4" and insert "3"

Page 17, line 17, delete "2001" and insert "2002"

Page 17, delete section 4 and insert:

"Sec. 3. [MINIMUM STAFFING STANDARDS REPORT.]

By January 15, 2002, the commissioner of health and the commissioner of human services shall report to the legislature on whether they should translate the minimum nurse staffing requirement in Minnesota Statutes, section 144A.04, subdivision 7, paragraph (a), upon the transition to the RUG-III classification system, or whether they should establish different time-based standards, and how to accomplish either."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to human services; establishing new nursing facility resident reimbursement classifications; requiring residents to be classified based on the minimum data set; establishing a resident assessment schedule; establishing an implementation timeline; requiring a report on minimum staffing standards; amending Minnesota Statutes 2000, section 144.0721, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 144; 256B."

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

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

S.F. No. 1411: A bill for an act relating to human services; providing services to young adults

for transitional services; increasing community-based mental health services; amending Minnesota Statutes 2000, sections 245.4886, subdivision 1; 245.99, subdivision 4; 253.28, by adding a subdivision; and 256B.0625, subdivision 20, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245; and 256B.

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

Page 2, delete section 2

Page 3, line 7, delete "other" and insert "mental health"

Page 3, line 10, before the period, insert ", including reducing the income eligibility level, limiting reimbursement to a percentage of each recipient's costs, limiting housing assistance to 60 days per recipient, or closing the program for the remainder of the fiscal year"

Page 3, line 34, before the period, insert "according to section 62Q.53"

Page 4, line 7, after "are" insert "also"

Page 4, line 14, delete "and mental" and insert ", relapse prevention skills,"

Page 4, line 33, delete "operationalize the discharge of the recipient" and insert "maintain continuity of contact between the rehabilitation services provider and the recipient and which facilitate discharge"

Page 5, line 2, delete everything after "services" and insert a period

Page 5, delete lines 3 and 4

Page 5, line 5, after "recipient" insert "is an individual"

Page 5, delete line 11 and insert "three or more of the areas listed in section 245.462, subdivision 11a, so that"

Page 6, line 1, delete "with cause"

Page 6, line 2, before the period, insert "for cause"

Page 7, after line 19, insert:

"(g) The commissioner shall develop statewide procedures for provider certification, including timelines for counties to certify qualified providers."

Page 10, line 11, after "mental" insert "health"

Page 13, lines 27, 30, and 31, delete "should" and insert "must"

Page 14, line 31, before "section" insert "the requirements relating to referrals for case management in"

Page 15, line 3, delete "Rule 36" and after "facility" insert "licensed under Minnesota Rules, parts 9520.0500 to 9520.0670 (Rule 36)"

Page 15, line 4, delete "board and lodging,"

Page 15, delete lines 16 to 19

Page 15, line 20, delete "14" and insert "13"

Page 16, line 6, delete "and"

Page 16, line 8, before the period, insert "; and"

(11) any services provided by a hospital, board and lodging, or residential facility to an individual who is a patient in or resident of that facility"

Page 16, delete lines 9 to 24

Page 16, line 25, delete "16" and insert "14"

Page 17, line 22, delete "poses" and insert "causes"

Page 17, delete lines 23 and 24 and insert "need for mental health services and is consistent with section 62Q.55."

Page 18, lines 9 and 12, delete "should" and insert "must"

Page 18, line 15, delete "an" and insert "a mental health crisis"

Page 18, delete lines 20 to 23

Page 18, line 24, delete "functional level" and insert "individualized mental health services provided to a recipient following crisis intervention services, which are designed to restore the recipient to the recipient's prior functional level. Mental health crisis stabilization services may be provided in the recipient's home, the home of a family member or friend of the recipient, another community setting, or a short-term supervised, licensed residential program"

Page 18, line 35, delete everything after "necessary" and insert a period

Page 18, delete line 36

Page 20, line 27, before the period, insert ", including safety of staff and recipients in high-risk situations"

Page 21, line 9, delete "corrections department, and" and after "services" insert ", and local law enforcement"

Page 21, after line 10, insert:

"Subd. 6. [INITIAL SCREENING, CRISIS ASSESSMENT, AND MOBILE INTERVENTION TREATMENT PLANNING.] (a) Prior to initiating mobile crisis intervention services, a screening of the potential crisis situation must be conducted. The screening may use the resources of crisis assistance and emergency services as defined in sections 245.462, subdivision 6, and 245.469, subdivisions 1 and 2. The screening must gather information, determine whether a crisis situation exists, identify parties involved, and determine an appropriate response.

(b) If a crisis exists, a crisis assessment must be completed. A crisis assessment evaluates any immediate needs for which emergency services are needed and, as time permits, the recipient's current life situation, sources of stress, mental health problems and symptoms, strengths, cultural considerations, support network, vulnerabilities, and current functioning.

(c) If the crisis assessment determines mobile crisis intervention services are needed, the intervention services must be provided promptly. As opportunity presents during the intervention, at least two members of the mobile crisis intervention team must confer directly or by telephone about the assessment, treatment plan, and actions taken and needed. At least one of the team members must be on site providing crisis intervention services. If providing on-site crisis intervention services, a mental health practitioner must seek clinical supervision as required in subdivision 9.

(d) The mobile crisis intervention team must develop an initial, brief crisis treatment plan as soon as appropriate but no later than 24 hours after the initial face-to-face intervention. The plan must address the needs and problems noted in the crisis assessment and include measurable short-term goals, cultural considerations, and frequency and type of services to be provided to achieve the goals and reduce or eliminate the crisis. The treatment plan must be updated as needed to reflect current goals and services.

(e) The team must document which short-term goals have been met, and when no further crisis intervention services are required.

(f) If the recipient's crisis is stabilized, but the recipient needs a referral to other services, the team must provide referrals to these services. If the recipient has a case manager, planning for other services must be coordinated with the case manager.

Subd. 7. [CRISIS STABILIZATION SERVICES.] (a) Crisis stabilization services must be provided by qualified staff of a crisis stabilization services provider entity and must meet the following standards:

(1) a crisis stabilization treatment plan must be developed which meets the criteria in subdivision 11;

(2) staff must be qualified as defined in subdivision 8; and

(3) services must be delivered according to the treatment plan and include face-to-face contact with the recipient by qualified staff for further assessment, help with referrals, updating of the crisis stabilization treatment plan, supportive counseling, skills training, and collaboration with other service providers in the community.

(b) If crisis stabilization services are provided in a supervised, licensed residential setting, the recipient must be contacted face-to-face daily by a qualified mental health practitioner or mental health professional. The program must have 24-hour-a-day residential staffing which may include staff who do not meet the qualifications in subdivision 8. The residential staff must have 24-hour-a-day immediate direct or telephone access to a qualified mental health professional or practitioner.

(c) If crisis stabilization services are provided in a supervised, licensed residential setting that serves no more than four adult residents, and no more than two are recipients of crisis stabilization services, the residential staff must include, for at least eight hours per day, at least one individual who meets the qualifications in subdivision 8.

(d) If crisis stabilization services are provided in a supervised, licensed residential setting that serves more than four adult residents, and one or more are recipients of crisis stabilization services, the residential staff must include, for 24 hours per day, at least one individual who meets the qualifications in subdivision 8. During the first 48 hours that a recipient is in the residential program, the residential program must have at least two staff working 24 hours a day. Staffing levels may be adjusted thereafter according to the needs of the recipient as specified in the crisis stabilization treatment plan."

Page 21, line 11, delete "6" and insert "8" and delete "NONRESIDENTIAL"

Page 21, line 12, after the headnote, insert "(a)" and delete "nonresidential"

Page 21, line 21, delete "with the required mental health crisis training"

Page 21, line 22, delete "is a staff" and insert "meets the criteria in section 256B.0623, subdivision 5, clause (3); works under the direction of a mental health practitioner as defined in section 245.462, subdivision 17, or under direction of a mental health professional; and works under the clinical supervision of a mental health professional."

Page 21, delete lines 23 to 36 and insert:

"(b) Mental health practitioners and mental health rehabilitation workers must have completed at least 30 hours of training in crisis intervention and stabilization during the past two years."

Page 22, delete lines 1 to 13

Page 22, line 14, delete "8" and insert "9"

Page 22, line 22, after "be" insert "immediately"

Page 22, line 34, after "second" insert "calendar"

Page 23, delete lines 3 to 36

Page 24, delete lines 1 to 4

Page 24, delete lines 29 to 36

Page 25, delete lines 1 to 36

Page 26, delete lines 1 to 36

Page 27, delete lines 1 and 2

Page 27, line 3, delete "12" and insert "11"

Page 27, delete lines 24 to 30 and insert:

"(10) a treatment plan must be developed by a mental health professional or mental health practitioner under the clinical supervision of a mental health professional. The mental health professional must approve and sign all treatment plans."

Page 27, line 31, delete "14" and insert "12"

Page 28, delete lines 16 to 36

Page 29, delete line 1

Page 33, after line 34, insert:

"Sec. 8. Minnesota Statutes 2000, section 256B.0625, is amended by adding a subdivision to read:

Subd. 46. [MENTAL HEALTH PROVIDER TRAVEL TIME.] Medical assistance covers provider travel time if a recipient's individual treatment plan requires the provision of mental health services outside of the provider's normal place of business. This does not include any travel time which is included in other billable services, and is only covered when the mental health service being provided to a recipient is covered under medical assistance.

Sec. 9. [256B.82] [PREPAID PLANS AND MENTAL HEALTH REHABILITATIVE SERVICES.]

Medical assistance and MinnesotaCare prepaid health plans may include coverage for adult mental health rehabilitative services under section 256B.0623 and adult mental health crisis response services under section 256B.0624, beginning January 1, 2004.

By January 15, 2003, the commissioner shall report to the legislature how these services should be included in prepaid plans. The commissioner shall consult with mental health advocates, health plans, and counties in developing this report. The report recommendations must include a plan to ensure coordination of these services between health plans and counties, assure recipient access to essential community providers, and monitor the health plans' delivery of services through utilization review and quality standards.

Sec. 10. [256B.83] [MAINTENANCE OF EFFORT FOR CERTAIN MENTAL HEALTH SERVICES.]

Any net increase in revenue to the county as a result of the change in section 256B.0623 or 256B.0624 must be used to provide expanded mental health services as defined in sections 245.461 to 245.486, the Comprehensive Adult Mental Health Act, excluding inpatient and residential treatment. Increased revenue may also be used for services and consumer supports, which are part of adult mental health projects approved under section 245.4661. "Increased revenue" has the meaning given in Minnesota Rules, part 9520.0903, subpart 3.

Sec. 11. [STUDY OF CHILDREN'S MENTAL HEALTH SYSTEM.]

The commissioner of human services shall conduct a comprehensive study of the children's mental health system, including, but not limited to, governance, funding for services, family involvement in the provision of services, the involvement of schools and other entities in the provision of services, and the use of a public health model for early intervention and treatment services. This study shall be conducted in consultation with the commissioner of health; the commissioner of children, families, and learning; the providers of mental health services in schools; other providers of mental health services; parents of children receiving mental health services; local children's mental health collaboratives; counties; and other interested parties. The study shall include an assessment and evaluation of the family services collaboratives and mental health collaboratives. The commissioner shall report findings and recommendations for changes to the children's mental health system to the legislature by January 15, 2002."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "and"

Page 1, line 8, delete "and by adding a subdivision" and insert "by adding subdivisions"

Page 1, line 9, delete "chapters 245; and" and insert "chapter"

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

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

S.F. No. 1450: A bill for an act relating to human services; changing provisions in foster care reimbursement; amending Minnesota Statutes 2000, section 256.82, subdivision 3, and by adding a subdivision; repealing Minnesota Statutes 2000, section 256.82, subdivisions 4 and 5.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2000, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

(a) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(b) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(c) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(d) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(e) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.017;

(f) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds; and

(g) enter into contractual agreements with federally recognized Indian tribes with a reservation in Minnesota to the extent necessary for the tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner may also enter into contractual agreements with federally recognized Indian tribes with a reservation in Minnesota to the extent necessary for the tribes to operate placement programs for Indian children so that the tribes may receive direct federal and state reimbursement, where appropriate, for the placement of individual Indian children. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

(2) Inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs.

(3) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(4) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(5) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(6) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(7) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(8) Act as designated guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded. For children under the guardianship of the commissioner whose interests would be best served by adoptive placement, the commissioner may contract with a licensed child-placing agency to provide adoption services. A contract with a licensed child-placing agency must be designed to supplement existing county efforts and may not replace existing county programs, unless the replacement is agreed to by the county board and the appropriate exclusive bargaining representative or the commissioner has evidence that child placements of the county continue to be substantially below that of other counties. Funds encumbered and obligated under an agreement for a specific child shall remain available until the terms of the agreement are fulfilled or the agreement is terminated.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by county agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The secretary of health and human services of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(b) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) According to federal requirements, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and the AFDC program formerly codified in sections 256.72 to 256.87, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC program formerly codified in sections 256.72 to 256.87, and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may

enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) Have the authority to make direct payments to facilities providing shelter to women and their children according to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256D.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

(17) Have the authority to establish and enforce the following county reporting requirements:

(a) The commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for human services programs. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced.

(b) The county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner.

(c) If the required reports are not received by the deadlines established in clause (b), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received.

(d) A county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance.

(e) The final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period.

(f) The commissioner may not delay payments, withhold funds, or require repayment under paragraph (c) or (e) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under paragraph (c) or (e), the county board may appeal the action according to sections 14.57 to 14.69.

(g) Counties subject to withholding of funds under paragraph (c) or forfeiture or repayment of funds under paragraph (e) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under paragraph (c) or (e).

(18) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal

disallowances or sanctions are based on a statewide random sample for the foster care program under title IV-E of the Social Security Act, United States Code, title 42, in direct proportion to each county's title IV-E foster care maintenance claim for that period.

(19) Be responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the human services programs administered by the department.

(20) Require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the human services programs administered by the department.

(21) Have the authority to administer a drug rebate program for drugs purchased pursuant to the prescription drug program established under section 256.955 after the beneficiary's satisfaction of any deductible established in the program. The commissioner shall require a rebate agreement from all manufacturers of covered drugs as defined in section 256B.0625, subdivision 13. Rebate agreements for prescription drugs delivered on or after July 1, 2002, must include rebates for individuals covered under the prescription drug program who are under 65 years of age. For each drug, the amount of the rebate shall be equal to the basic rebate as defined for purposes of the federal rebate program in United States Code, title 42, section 1396r-8(c)(1). This basic rebate shall be applied to single-source and multiple-source drugs. The manufacturers must provide full payment within 30 days of receipt of the state invoice for the rebate within the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act. The manufacturers must provide the commissioner with any information necessary to verify the rebate determined per drug. The rebate program shall utilize the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act.

(22) Operate the department's communication systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the programs the commissioner supervises. A communications account may also be established for each regional treatment center which operates communications systems. Each account must be used to manage shared communication costs necessary for the operations of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and other costs as determined by the commissioner. Nonprofit organizations and state, county, and local government agencies involved in the operation of programs the commissioner supervises may participate in the use of the department's communications technology and share in the cost of operation. The commissioner may accept on behalf of the state any gift, bequest, devise or personal property of any kind, or money tendered to the state for any lawful purpose pertaining to the communication activities of the department. Any money received for this purpose must be deposited in the department's communication systems accounts. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

(23) Receive any federal matching money that is made available through the medical assistance program for the consumer satisfaction survey. Any federal money received for the survey is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received for the consumer satisfaction survey in either year of the biennium.

(24) Incorporate cost reimbursement claims from First Call Minnesota into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Any reimbursement received is appropriated to the commissioner and shall be disbursed to First Call Minnesota according to normal department payment schedules.

(25) Develop recommended standards for foster care homes that address the components of specialized therapeutic services to be provided by foster care homes with those services."

Page 2, delete lines 1 to 36 and insert:

"(b) The commissioner of human services shall reimburse each county for its costs of child family foster care in the following manner:

(1) Beginning July 1, 2002, and annually thereafter, the commissioner will forecast child family foster care costs for the current calendar year and make payments as follows:

(i) in July of each year, the commissioner will make a payment to the county of 40 percent of the county's anticipated nonfederal costs of child family foster care for that calendar year;

(ii) in September of each year, the commissioner will make an additional payment, if necessary, to the county so that the total of this payment and the payment in item (i) reflects the actual expenditures by the county of the nonfederal costs of child family foster care for the period January through June of that calendar year;

(iii) in December of each year, the commissioner will make a payment to the county of 90 percent of the county's anticipated nonfederal costs of child family foster care for that calendar year less the total of the payments made under items (i) and (ii); and

(iv) in March following the end of the calendar year during which the payments were made under items (i) to (iii), the commissioner will settle-up with each county by making an additional payment to or recovering money from the county so that the net total of the payments received by the county under items (i) to (iii) and the additional payment or recovery made under this item equal the total reimbursement to be made to the county under clause (2) or (3);

(2) Unless otherwise provided in clause (3), the total reimbursement to the county must be 90 percent of the actual expenditures by the county of the nonfederal costs of child family foster care for the calendar year;

(3) The total reimbursement to the county for the calendar year must be 100 percent of the actual expenditures by the county of the nonfederal costs of child family foster care for the calendar year if the county meets the requirements of paragraph (c) and the county has timely hearings under section 260C.201, subdivision 11, or meets the requirements of section 260C.301, subdivisions 3 and 4, with respect to at least 80 percent of the children in family foster care for whom the county social services agency has legal responsibility for placement under chapter 260B or 260C or financial responsibility for placement under chapter 256G; and

(4) If the county social services agency cannot meet the requirements of clause (3) for reasons beyond the control of the agency, the agency may demonstrate diligent efforts to comply with its responsibilities in a reasonable attempt to meet the requirements, in which case the commissioner shall reimburse the cost of out-of-home placement as if the requirements had been met."

Page 3, delete lines 1 to 19 and insert:

"(c) A county's eligibility for 100 percent reimbursement under paragraph (b), clause (3), is contingent on the county's demonstrated compliance with the following:"

Page 3, delete lines 30 to 32 and insert:

"(d) Nothing in this subdivision affects any obligation of a child or the child's parents under section 260B.331 or 260C.331 to reimburse the county for the costs of the child's care. Such reimbursement by the child or the parent must not alter the amount of reimbursement received by a county under this section.

(e) For purposes of reducing the number of out-of-home placements in the long term, counties that receive payment under this section must dedicate each year at least 25 percent of their local county dollars that they spent on child family foster care during calendar year 2000 for purposes of prevention and early intervention in child welfare. These funds must be in addition to any funds in calendar year 2000 that the county spent on prevention and early intervention. The commissioner shall review the county expenditures annually using reports required under sections

245.482, 256.01, subdivision 2, clause (17), and 256E.08, subdivision 8, to ensure that the base level of expenditures for child welfare and children's mental health services is continued from sources other than the state funds earned under this section.

(f) The commissioner may reduce, suspend, or waive the requirements in paragraph (e) if the commissioner determines that one or more of the following conditions apply to that county:

(1) imposition of levy limits that significantly reduce available funds for social, health, or health-related services to families and children;

(2) reduction in the net tax capacity of the taxable property eligible to be taxed by the county that significantly reduces available funds for social, health, or health-related services to families and children; or

(3) reduction in the number of children under age 19 in the county by 25 percent when compared with the number in 2001 using the most recent data provided by the state demographer's office.

(g) The commissioner may suspend, reduce, or terminate the state funds earned under this section to a county that does not meet the reporting or other requirements of this section.

Sec. 4. [OUT-OF-HOME PLACEMENT AID; COUNTY PERFORMANCE MEASURES.]

(a) To receive out-of-home placement aid under Minnesota Statutes, section 477A.0125, counties must record and report all child welfare intake calls received and their disposition to the commissioner of human services.

(b) The commissioner of human services shall identify those financial reporting codes that will be used to track county expenditures on alternative response services under the 25 percent minimum expenditure requirement in Minnesota Statutes, section 477A.0125. The commissioner must report to the legislature on county expenditures under this requirement, and provide technical assistance to counties failing to meet the minimum expenditure requirement. The commissioner shall develop and recommend to the legislature procedures for adjusting subsequent payments to counties that fail to meet the expenditure requirement.

(c) By January 1, 2002, the commissioner of human services, along with county social service and child advocacy representatives, must develop and propose to the legislature a system for basing the portion of children's services program funding on performance measures, such as reducing the number of children needing out-of-home placement, and outcomes related to child safety and permanency, such as the incidence of maltreatment, and timely permanency for children who do not need out-of-home placement. The commissioner shall determine if the current child welfare indicators are adequate to measure state and county progress in improving child safety and permanency outcomes and make any recommendations for changes to the legislature.

(d) By January 1, 2003, the commissioners of human services and revenue must report to the legislature on the effectiveness of the family preservation and out-of-home placement aids under Minnesota Statutes, chapter 477A, in meeting the goals of reducing property tax burdens and out-of-home placement costs, and improving child safety and permanency.

Sec. 5. [STUDY OF FOSTER CARE, ADOPTION ASSISTANCE, AND RELATIVE CUSTODY ASSISTANCE.]

Subdivision 1. [STUDY.] (a) The commissioner of human services must study foster care and the adoption assistance and relative custody assistance programs. The commissioner shall make findings and recommendations regarding the following:

(1) the funding systems and payment rates for foster care, adoption assistance, and relative custody assistance;

(2) how the state's funding systems and payment rates for foster care, adoption assistance, and relative custody assistance compare to other states, particularly states that border Minnesota;

(3) the trends regarding the number and characteristics of children in placement in foster care, adoptive, and relative homes, and the outcomes of those placements, including differences in future employment and use of social services by children who are adopted and children who age out of the foster care system;

(4) how the funding systems and payment rates for foster care, adoption assistance, and relative custody assistance affect and influence placement decisions and outcomes for children;

(5) how past changes to federal and state statutes, rules, and funding systems regarding foster care, adoption assistance, and relative custody assistance have affected the number of children served by the programs, placement decisions, and outcomes for children;

(6) how the foster care, adoption assistance, and relative custody assistance programs, including the funding systems and payment rates for the programs, could be changed to improve outcomes for children;

(7) how any savings, including potential savings in foster care costs, court costs, and other social services costs, which occur when a child is placed in an adoptive home or relative's home rather than in a foster home, compare to the costs of increasing the payment rates for the adoption assistance and relative custody assistance programs; and

(8) the consolidation into a single report issues related to child welfare.

(b) The commissioner must consult with members representing foster care providers, adoptive parents, parents who receive relative custody assistance, parents with special needs children, parents who care for sibling groups, social service agencies and adoption agencies, counties, child advocates, private attorneys experienced in the area of adoption, and other interested parties.

Subd. 2. [REPORT REQUIRED.] By January 15, 2003, the commissioner of human services must report to the chairs and ranking minority members of the senate and house committees having jurisdiction over issues relating to human services on the findings and recommendations detailed in the study.

Sec. 6. [APPROPRIATION.]

\$...... is appropriated from the general fund to the commissioner of human services for the biennium beginning July 1, 2001, in order to reimburse counties for family foster care costs under Minnesota Statutes, section 256.82, subdivision 6."

Page 3, line 35, before the period, insert "effective July 1, 2002"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "allowing the commissioner to enter into contractual agreements with Indian tribes so that the tribes may receive direct federal and state reimbursement; requiring the commissioner to study foster care, adoption assistance, and relative custody assistance programs;"

Page 1, line 4, delete "section" and insert "sections 256.01, subdivision 2;" and delete "and"

Page 1, line 6, delete "and" and insert a comma

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

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1227: A bill for an act relating to commerce; amending provisions relating to charges recipients of dishonored checks may collect from persons who write the checks; amending Minnesota Statutes 2000, section 332.50.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 332.50, is amended to read:

332.50 [~~CIVIL LIABILITY FOR ISSUANCE OF WORTHLESS CHECK.~~]

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

(b) "Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

(c) "Credit" means an arrangement or understanding with the drawee for the payment of the check.

(d) "Dishonor" has the meaning given in section 336.3-502, but does not include dishonor due to a stop payment order requested by an issuer who has a good faith defense to payment on the check. "Dishonor" does include a stop payment order requested by an issuer if the account did not have sufficient funds for payment of the check at the time of presentment, except for stop payment orders on a check found to be stolen.

(e) "Payee" or "holder" includes an agent of the payee or holder.

Subd. 2. [~~ACTS CONSTITUTING.~~] Whoever issues any check that is dishonored is liable for the following penalties ~~charges~~:

(a) A service charge of up to \$20, or actual costs of collection not to exceed \$30, may be imposed immediately on any dishonored check by the payee or holder of the check, regardless of mailing a notice of dishonor, if notice of the service charge was conspicuously displayed on the premises when the check was issued. If a law enforcement agency obtains payment of a dishonored check, a service charge not to exceed \$25 may be imposed if the service charge is retained by the law enforcement agency for its expenses. Only one service charge may be imposed under this paragraph for each dishonored check. The displayed notice must also include a provision notifying the issuer of the check that additional charges may be imposed for nonpayment.

(b) The payee or holder of a dishonored check may impose additional charges as described in this subdivision against the issuer of a dishonored check if the payee or holder mails the issuer a notice of dishonor, notifying the issuer that the face value of the check and the service charge must be paid within 33 days after the date of mailing. If the issuer fails to remit payment of the check amount and the \$30 service charge within 33 days after the date of the mailing of the notice, the payee or holder must, if the payee or holder wishes to assess the additional charges permitted by this subdivision, send a second notice, entitled notice of failure to pay. That notice must inform the issuer that the payee or holder has not received the payment of the original face amount of the dishonored check and the \$30 service charge as demanded in the notice of dishonor. The notice of failure to pay must inform the issuer that failure to remit payment as demanded within ten days of the mailing of the notice of failure to pay will permit the payee or holder to immediately impose an additional charge of \$75 or the face value of the check, whichever is greater; interest charges from the date of dishonor; and, under some circumstances, reasonable attorney fees. If the amount of the dishonored check is and the service charge of \$30 are not paid within 30 ten days after the payee or holder has mailed notice of dishonor pursuant to section 609.535 and a description of the penalties contained in this subdivision the notice of failure to pay, whoever issued the dishonored check is liable to the payee or holder of the check for:

(1) the amount of the check, the service charge as provided in paragraph (a), plus a civil penalty of up to \$100 and an additional charge of \$75 or the value of the check, whichever is greater. The civil penalty may not be imposed until 30 days following the mailing of the notice of dishonor. A payee or holder of the check may make a written demand for payment of the civil liability by sending a copy of this section and a description of the liability contained in this section to the

issuer's last known address. ~~Notice as provided in paragraph (a) must also include notification that additional civil penalties will be imposed for dishonored checks for nonpayment after 30 days;~~

(2) interest at the rate payable on judgments pursuant to section 549.09 on the face amount of the check from the date of dishonor; and

(3) reasonable attorney fees if the aggregate amount of dishonored checks issued by the issuer to all payees within a six-month period is over \$1,250.

(c) This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision, but does not nullify charges for dishonored checks, which do not exceed the charges in paragraph (a) or terms or conditions for imposing the charges which have been agreed to by the parties in an express contract.

(d) ~~A sight draft may not be used as a means of collecting the civil penalties provided in this section~~ additional charges of \$75 or the face value of the check without prior consent of the issuer.

(e) The issuer of a dishonored check is not liable for the ~~penalties described~~ charges permitted in paragraph (b), clauses (1), (2), and (3), if a pretrial diversion program under section 628.69 has been established in the jurisdiction where the dishonored check was issued, the issuer was accepted into the program, and the issuer successfully completes the program.

(f) If the issuer's account had insufficient funds because a check deposited by the issuer in good faith was dishonored, the issuer can submit an affidavit to the payee or holder to extend the time permitted to pay the dishonored check and the service charge before the additional charge in paragraph (b) will be imposed. The affidavit must be sent to the payee or holder within 33 days of the postmark date of the notice of dishonor. The affidavit must state that under penalty of perjury the sole reason that there were insufficient funds in the issuer's account was because:

(1) a check deposited in good faith in the account was dishonored on or before the time the issuer's dishonored check was presented for payment; and

(2) at the time the dishonored check was written, the issuer did not have notice that the check deposited in the account was dishonored.

The issuer must also provide the payee or holder with proof of the name of the person or entity who issued the dishonored check, the date the check was deposited, the date it was dishonored, and the check amount.

The payee or holder shall then give the issuer an additional 30 days beyond the initial 30 days given in the notice of dishonor to submit full payment for value of the check and the service charge before the additional charge in paragraph (b) will be imposed. If after the additional 30 days, the issuer fails to submit full payment for the check and service charge, the payee or holder shall send the notice of failure to pay, giving the issuer ten additional days before the issuer shall be liable for the additional charge of \$75 per dishonored check or the value of the check, whichever is greater.

Subd. 3. ~~[NOTICE OF DISHONOR REQUIRED MAILING AND FORM OF NOTICE REQUIREMENTS FOR NOTICE OF DISHONOR AND NOTICE OF FAILURE TO PAY.]~~ (a) Notice of nonpayment or dishonor and notice of failure to pay that includes include a citation to this section and section 609.535, and a description of the penalties contained in these sections, shall be sent by the payee or holder of the check to the drawer by certified mail, return receipt requested, or by regular mail, supported by an affidavit of service by mailing, to the address printed or written on the check. shall be substantially in the form provided in paragraphs (d) and (e), respectively. The notices shall be mailed by the payee or holder of the check to the issuer by certified mail, return receipt requested, or by regular mail, supported by proof of mailing, to the address printed or written on the check, or to the issuer's last known address. The proof of mailing shall be prepared and provided, at no charge, to the issuer of the dishonored check upon written request by the issuer to the sender of the notice.

(b) The issuance of a check with an address printed or written on it is a representation by the

drawer issuer that the address is the correct address for receipt of mail concerning the check. Failure of the drawer issuer to receive a regular or certified mail notice sent to that address is not a defense to liability under this section, if the drawer issuer has had actual notice for 30 days that the check has been dishonored.

~~An affidavit of service by~~ Proof of mailing shall be retained by the payee or holder of the check.

(c) All forms must be clearly legible and printed in not less than the equivalent of ten-point type. A form that uses both sides of a sheet must clearly indicate on the front side that there is additional information on the back side of the sheet.

(d) The notice of dishonor must be in substantially the following form and mailed as required in this section.

First Notice
Notice of Dishonored Check

Date:
Name of issuer:.....
Street Address:.....
City and State:.....
Total Now Due:

You are, according to law, hereby notified that the checks listed below have been dishonored and returned unpaid by your financial institution. Under Minnesota law, unless the checks are paid in full within five business days after mailing of this notice, the payee or holder of the checks may refer the matter to proper authorities for prosecution under Minnesota Statutes, section 609.535, subdivision 3.

A service charge of \$30 per check has been imposed under Minnesota Statutes, section 332.50. If the dishonored checks plus the service charges are not paid within 33 days after the mailing of this notice, the payee or holder of the check may send you a notice of failure to pay notifying you that you will be liable to pay an additional service charge in the amount of \$75 per check or the face value of the check, whichever is greater. The additional charges will be imposed if payment of the face amount of the checks plus the service charges are not paid within ten days of the mailing of the notice of failure to pay.

Check No. Check Date Payee Check Amt. Service Chg.

.....
Payment is to be sent to the following name and address:

Payee or Holder:.....
Mailing Address:.....
.....
.....
Telephone Number: ().....

If your account had insufficient funds because a check deposited in your account was dishonored, you can submit an affidavit to the payee or holder to extend the time permitted to pay the dishonored check and the service charge by an additional 30 days beyond the initial 33 days given in the Notice of Dishonor before the additional charge of \$75 or the value of the check, whichever is greater, will be imposed. You must send the affidavit within 33 days of the postmark date of the Notice of Dishonor. The affidavit must state under penalty of perjury that:

(1) the sole reason your account had insufficient funds was because a check deposited in good faith in your account was dishonored on or before the time you wrote the dishonored check; and

(2) at the time you wrote the dishonored check, you did not have notice that the check deposited in your account was dishonored.

You must also provide the payee or holder with proof of the name of the person or entity who issued you the dishonored check, the date that check was deposited in your account, and the amount of that check.

(e) The notice of failure to pay must be in substantially the following form and mailed as required in this section.

Second Notice
Notice of Failure to Pay

Date:
Name of Issuer:.....
Street Address:.....
City and State:.....
Total Now Due: \$.....
Total Due After Ten Days: \$.....

You are, according to law, hereby notified that the checks and service charges listed below continue to remain unpaid. Under Minnesota Statutes, section 332.50, unless the checks and service charge of \$30 per check are paid in full within ten days after mailing of this second notice, the payee or holder of the checks will assess an additional service charge of \$75 for each dishonored check or the value of the check, whichever is greater, and/or may refer the matter to proper authorities for prosecution under Minnesota Statutes, section 609.535, subdivision 3.

<u>Check No.</u>	<u>Check Date</u>	<u>Payee</u>	<u>Check Amt.</u>	<u>Service Chg.</u>
.....				

Payment is to be sent to the following name and address:

Payee or Holder:.....
Mailing Address:.....
.....
.....
Telephone Number: (.....).....

Subd. 4. [PROOF OF IDENTITY.] The check is prima facie evidence of the identity of the ~~drawer~~ issuer if the person receiving the check:

(a) records the following information about the ~~drawer~~ issuer on the check, unless it is printed on the face of the check:

- (1) name;
- (2) home or work address;
- (3) home or work telephone number; and
- (4) identification number issued pursuant to section 171.07;

(b) compares the ~~drawer's~~ issuer's physical appearance, signature, and the personal information recorded on the check with the ~~drawer's~~ issuer's identification card issued pursuant to section 171.07; and

(c) initials the check to indicate compliance with these requirements.

Subd. 5. [DEFENSES.] Any defense otherwise available to the ~~drawer~~ issuer also applies to liability under this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 2001, and applies to checks issued on or after that date."

Delete the title and insert:

"A bill for an act relating to commerce; amending provisions relating to charges recipients of dishonored checks may collect from persons who write the checks; amending Minnesota Statutes 2000, section 332.50."

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

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 983: A bill for an act relating to commerce; providing buyback requirements related to the sale of farm implements and outdoor power equipment; amending Minnesota Statutes 2000, sections 325E.06, subdivisions 1, 4, and 5; and 325E.0681, subdivisions 3, 4, 5, 11, and 12.

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

Page 1, lines 13 and 14, delete the new language

Page 2, line 28, delete "four" and insert "five"

Page 2, line 29, delete everything after "purchase"

Page 2, line 30, delete everything before "of"

Page 7, after line 33, insert:

"Sec. 4. Minnesota Statutes 2000, section 325E.06, subdivision 6, is amended to read:

Subd. 6. [DEFINITION.] (a) For the purposes of this section "farm implements" mean every vehicle designed or adapted and used exclusively for agricultural operations and only incidentally operated or used upon the highways.

(b) For the purposes of this section, "outdoor power equipment" does not include motorcycles, boats, personal watercraft, snowmobiles, or all-terrain vehicles designed for recreation.

Page 8, line 34, delete "four" and insert "five"

Page 8, line 35, delete everything after "purchase"

Page 8, line 36, delete everything before "of"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "and 5; and" and insert "5, 6;"

Page 1, line 6, delete "and"

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

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1081: A bill for an act relating to insurance; requiring an affirmative provider consent to participate in a network under a category of coverage; requiring disclosure of changes in a provider's contract; amending Minnesota Statutes 2000, section 62Q.74, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 62Q.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 62Q.74, subdivision 2, is amended to read:

Subd. 2. [PROVIDER CONSENT REQUIRED.] (a) No network organization shall require a health care provider to participate in a network under a category of coverage that differs from the category or categories of coverage to which the existing contract between the network organization and the provider applies, without the affirmative consent of the provider obtained under subdivision 3.

(b) This section does not apply to situations in which the network organization wishes the provider to participate in a new or different plan or other arrangement within a category of coverage that is already provided for in an existing contract between the network organization and the provider.

(c) Compliance with this section may not be waived in a contract or otherwise.

Sec. 2. Minnesota Statutes 2000, section 62Q.74, subdivision 3, is amended to read:

Subd. 3. [CONSENT PROCEDURE.] (a) The network organization, if it wishes to apply an existing contract with a provider to a different category of coverage, shall first notify the provider in writing. The written notice must include at least the following:

(1) the network organization's name, address, and telephone number, and the name of the specific network, if it differs from that of the network organization;

(2) a description of the proposed new category of coverage;

(3) the names of all payers expected by the network organization to use the network for the new category of coverage;

(4) the approximate number of current enrollees of the network organization in that category of coverage within the provider's geographical area;

(5) a disclosure of all contract terms of the proposed new category of coverage, including the discount or reduced fees, care guidelines, utilization review criteria, prior authorization process, and dispute resolution process;

(6) a form for the provider's convenience in accepting or declining participation in the proposed new category of coverage, provided that the provider need not use that form in responding; and

(7) a statement informing the provider of the provisions of paragraph (b).

(b) If the provider does not decline participation within 30 days after the postmark date of the notice, the provider is deemed to have accepted the proposed new category of coverage. Unless the provider has affirmatively agreed to participate within 60 days after the postmark date of the notice, the provider is deemed to have not accepted the proposed new category of coverage.

Sec. 3. Minnesota Statutes 2000, section 62Q.74, subdivision 4, is amended to read:

Subd. 4. [CONTRACT TERMINATION RESTRICTED.] (a) A network organization must not terminate an existing contract with a provider, or fail to honor the contract in good faith, based solely on the provider's decision not to accept a proposed new category of coverage. The most recent agreed-upon contractual obligations remain in force until the existing contract's renewal or termination date.

(b) If a provider declines to participate in a category of coverage, the network organization must permit the provider the opportunity to participate in that category of coverage when the organization determines a demographic or geographic need.

Sec. 4. [62Q.745] [PROVIDER CONTRACT AMENDMENT DISCLOSURE.]

(a) Any amendment or change in the terms of an existing contract between a network organization and a health care provider must be disclosed to the provider.

(b) Any amendment or change in the contract that alters the financial reimbursement or performance requirements must be disclosed to the provider before the amendment or change is deemed to be in effect.

(c) For purposes of this section, "network organization" and "health care provider" or "provider" have the meanings given in section 62Q.74."

Delete the title and insert:

"A bill for an act relating to insurance; requiring an affirmative provider consent to participate in a network under a category of coverage; requiring disclosure of changes in a provider's contract; amending Minnesota Statutes 2000, section 62Q.74, subdivisions 2, 3, 4; proposing coding for new law in Minnesota Statutes, chapter 62Q."

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

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1541: A bill for an act relating to commerce; regulating currency exchanges, real estate brokers, real property appraisers, residential contractors, and collection agencies; modifying certain continuing education requirements; regulating certain fees, costs, duties, rights, and recovery fund amounts; amending Minnesota Statutes 2000, sections 45.0295; 53A.081, subdivision 2; 60K.19, subdivision 8; 72B.04, subdivisions 6 and 7; 80B.03, subdivision 4a; 82.22, subdivision 13; 82.24, subdivision 8; 82.34, subdivision 15; 82B.14; 326.91, subdivision 1; 326.975, subdivision 1; and 332.41; repealing Minnesota Statutes 2000, section 83.25, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 45.0295, is amended to read:

45.0295 [FEES.]

(a) The following fees shall be paid to the commissioner:

(1) for each hour or fraction of one hour of education course approval ~~for continuing education~~ sought, \$10; and

(2) for each ~~continuing education~~ course coordinator approval, \$100.

(b) All fees paid to the commissioner under this section are nonrefundable, except that an overpayment of a fee shall be returned upon proper application.

Sec. 2. Minnesota Statutes 2000, section 53A.081, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION.] The commissioner may at any time ~~and shall at least once in each year~~ investigate the currency exchange business of any licensee and of every person, partnership, association, and corporation engaged in the business of operating a currency exchange in the manner provided under section 45.027.

Sec. 3. Minnesota Statutes 2000, section 60K.19, subdivision 8, is amended to read:

Subd. 8. [MINIMUM EDUCATION REQUIREMENT.] Each person subject to this section shall complete a minimum of 30 credit hours of courses accredited by the commissioner during each 24-month licensing period. Any person whose initial licensing period extends more than six months shall complete 15 hours of courses accredited by the commissioner during the initial license period. Any person teaching or lecturing at an accredited course qualifies for ~~1-1/2~~ three times the number of credit hours that would be granted to a person completing the accredited

course. No more than 15 credit hours per licensing period may be credited to a person for courses sponsored by, offered by, or affiliated with an insurance company or its agents. Courses sponsored by, offered by, or affiliated with an insurance company or agent may restrict its students to agents of the company or agency.

Sec. 4. Minnesota Statutes 2000, section 72B.04, subdivision 6, is amended to read:

Subd. 6. [EXCEPTIONS.] A person who on January 1, 1972, meets all of the qualifications specified in subdivision 2 with regard to the class of license applied for and, if experience is one of the requisites, has gained the experience within the three years next preceding January 1, 1972, shall be eligible for the issuance of a license without taking an examination.

A person who has held a license of any given class or in any field or fields within three years prior to the application shall be entitled to a renewal of the license in the same class or in the same fields without taking an examination.

A person applying for a license as a crop hail adjuster shall not be required to comply with the requirements of subdivision 5.

The commissioner may issue a license under sections 72B.01 to 72B.14 without an examination, if the applicant presents sufficient and satisfactory evidence of having passed a similar examination in another state and if the commissioner, with the advice of the advisory board, has determined that the standards of such other state are equivalent to those in Minnesota for the class of license applied for. Any applicant who presents sufficient and satisfactory evidence of having successfully completed all six parts of the insurance institute of America program in adjusting or other programs approved by the commissioner shall be entitled to an adjuster's license without taking the examination prescribed in subdivision 5.

Sec. 5. Minnesota Statutes 2000, section 72B.04, subdivision 7, is amended to read:

Subd. 7. [LICENSE TERM.] ~~Every adjuster's and public adjuster solicitor's license shall be for a term expiring on October 31 next following the date of its issuance, and may be renewed for the ensuing calendar year upon the timely filing of an application for renewal.~~ (a) Initial licenses issued under this section are valid for a period not to exceed two years. Each initial license must expire on October 31 of the expiration year assigned by the commissioner.

(b) Licenses issued under this section may be renewed upon the timely filing of an application for renewal. Every renewal license is valid for a period of 24 months.

Sec. 6. Minnesota Statutes 2000, section 80B.03, subdivision 4a, is amended to read:

Subd. 4a. Within three calendar business days of the date of filing of the registration statement, the commissioner may by order summarily suspend the effectiveness of the takeover offer if the commissioner determines that the registration statement does not contain all of the information specified in subdivisions 2 and 6 or that the takeover offer materials provided to offerees do not provide full disclosure to offerees of all material information concerning the takeover offer. The suspension shall remain in effect only until the determination following a hearing held pursuant to subdivision 5.

Sec. 7. Minnesota Statutes 2000, section 82.195, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] All listing agreements must be in writing and must include:

- (1) a definite expiration date;
- (2) a description of the real property involved;
- (3) the list price and any terms required by the seller;
- (4) the amount of any compensation or commission or the basis for computing the commission;
- (5) a clear statement explaining the events or conditions that will entitle a broker to a commission;

(6) information regarding an override clause, if applicable, including a statement to the effect that the override clause will not be effective unless the licensee supplies the seller with a protective list within 72 hours after the expiration of the listing agreement;

(7) the following notice in not less than ten point boldface type immediately preceding any provision of the listing agreement relating to compensation of the licensee:

"NOTICE: THE COMMISSION RATE COMPENSATION FOR THE SALE, LEASE, RENTAL, OR MANAGEMENT OF REAL PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND ITS THE BROKER'S CLIENT.";

(8) for residential property listings, the following "dual agency" disclosure statement:

If a buyer represented by broker wishes to buy your property, a dual agency will be created. This means that broker will represent both you and the buyer(s), and owe the same duties to the buyer(s) that broker owes to you. This conflict of interest will prohibit broker from advocating exclusively on your behalf. Dual agency will limit the level of representation broker can provide. If a dual agency should arise, you will need to agree that confidential information about price, terms, and motivation will still be kept confidential unless you instruct broker in writing to disclose specific information about you. All other information will be shared. Broker cannot act as a dual agent unless both you and the buyer(s) agree to it. By agreeing to a possible dual agency, you will be giving up the right to exclusive representation in an in-house transaction. However, if you should decide not to agree to a possible dual agency, and you want broker to represent you, you may give up the opportunity to sell your property to buyers represented by broker.

Seller's Instructions to Broker

Having read and understood this information about dual agency, seller(s) now instructs broker as follows:

..... Seller(s) will agree to a dual agency representation and will consider offers made by buyers represented by broker.

..... Seller will not agree to a dual agency representation and will not consider offers made by buyers represented by broker.

.....
Seller Broker

..... By:.....
Seller Salesperson

Date:.....;

(9) a notice requiring the seller to indicate in writing whether it is acceptable to the seller to have the licensee arrange for closing services or whether the seller wishes to arrange for others to conduct the closing. ~~The notice must also include the disclosure of any controlled business arrangement, as the term is defined in United States Code, title 12, section 2602, between the licensee and the real estate closing agent through which the licensee proposes to arrange closing services; and~~

(10) for residential listings, a notice stating that after the expiration of the listing agreement, the seller will not be obligated to pay the licensee a fee or commission if the seller has executed another valid listing agreement pursuant to which the seller is obligated to pay a fee or commission to another licensee for the sale, lease, or exchange of the real property in question. This notice may be used in the listing agreement for any other type of real estate.

Sec. 8. Minnesota Statutes 2000, section 82.196, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] All buyer's broker agreements must be in writing and must include:

- (1) a definite expiration date;
- (2) the amount of any compensation or commission, or the basis for computing the commission;
- (3) a clear statement explaining the services to be provided to the buyer by the broker, and the events or conditions that will entitle a broker to a commission or other compensation;
- (4) a provision for cancellation of the agreement by either party upon terms agreed upon by the parties; a clear statement explaining if the agreement may be canceled and the terms under which the agreement may be canceled;
- (5) information regarding an override clause, if applicable, including a statement to the effect that the override clause will not be effective unless the licensee supplies the buyer with a protective list within 72 hours after the expiration of the buyer's broker agreement;
- (6) the following notice in not less than ten point bold face type immediately preceding any provision of the buyer's broker agreement relating to compensation of the licensee:

"NOTICE: THE COMMISSION RATE COMPENSATION FOR THE PURCHASE, LEASE, RENTAL, OR MANAGEMENT OF REAL PROPERTY IS NEGOTIABLE AND SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND ITS THE BROKER'S CLIENT."

(7) the following "dual agency" disclosure statement:

If you choose to purchase a property listed by broker, a dual agency will be created. This means that broker will represent both you and the seller(s), and owe the same duties to the seller(s) that broker owes to you. This conflict of interest will prohibit broker from advocating exclusively on your behalf. Dual agency will limit the level of representation broker can provide. If a dual agency should arise, you will need to agree that confidential information about price, terms, and motivation will still be kept confidential unless you instruct broker in writing to disclose specific information about you. All other information will be shared. Broker cannot act as a dual agent unless both you and the seller(s) agree to it. By agreeing to a possible dual agency, you will be giving up the right to exclusive representation in an in-house transaction. However, if you should decide not to agree to a possible dual agency, and you want broker to represent you, you may give up the opportunity to purchase the properties listed by broker.

Buyer's Instructions to Broker

..... Buyer(s) will agree to a dual agency representation and will consider properties listed by broker.

..... Buyer will not agree to a dual agency representation and will not consider properties listed by broker.

.....

Buyer

.....

Broker

By:.....

Buyer

Salesperson

Date:.....; and

(8) for buyer's broker agreements which involve residential real property, a notice stating that after the expiration of the buyer's broker agreement, the buyer will not be obligated to pay the licensee a fee or commission if the buyer has executed another valid buyer's broker agreement pursuant to which the buyer is obligated to pay a fee or commission to another licensee for the purchase, lease, or exchange of real property.

Sec. 9. Minnesota Statutes 2000, section 82.197, subdivision 1, is amended to read:

Subdivision 1. [AGENCY DISCLOSURE.] A real estate broker or salesperson shall provide to a consumer in the sale and purchase of a residential real property transaction at the first substantive contact with the consumer an agency disclosure form in substantially the form set forth in subdivision 4. The agency disclosure form shall be intended to provide a description of available options for agency and nonagency relationships, and a description of the role of a licensee under each option. The agency disclosure form shall provide a signature line for acknowledgment of receipt by the consumer.

Sec. 10. Minnesota Statutes 2000, section 82.197, subdivision 4, is amended to read:

Subd. 4. [AGENCY DISCLOSURE FORM.] The agency disclosure form shall be in substantially the form set forth below:

AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

Minnesota law requires that early in any relationship, real estate brokers or salespersons discuss with consumers what type of agency representation or relationship they desire.(1) The available options are listed below. This is **not** a contract. **This is an agency disclosure form only. If you desire representation, you must enter into a written contract according to state law** (a listing contract or a buyer representation contract). Until such time as you choose to enter into a written contract for representation or assistance, you will be treated as a customer of the broker or salesperson and not represented by the brokerage and will not receive any representation from the broker or salesperson. The broker or salesperson would then will be acting as a Seller's broker Facilitator (see paragraph I V below), or as a nonagent (see paragraph IV below) unless the broker or salesperson is representing another party as described below.

ACKNOWLEDGMENT: I/We acknowledge that I/We have been presented with the below-described options. I/We understand that until I/We have signed a representation contract, I/We are not represented by the broker/salesperson and information given to the broker/salesperson may be disclosed. I/We understand that written consent is required for a dual agency relationship. THIS IS A DISCLOSURE ONLY, NOT A CONTRACT FOR REPRESENTATION.

.....	
Signature	Date	
.....	
Signature	Date	

I. **Seller's Broker:** A broker who lists a property, or a salesperson who is licensed to the listing broker, represents the Seller and acts on behalf of the Seller. ~~A broker or salesperson working with a Buyer may also act as a subagent of the Seller, in which case the Buyer is the broker's customer and is not represented by that broker.~~ A Seller's broker owes to the Seller the fiduciary duties described below.(2) The broker must also disclose to the Buyer any material facts as defined in Minnesota Statutes, section 82.197, subdivision 6, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property. ~~If a broker or salesperson who is working with a Buyer as a customer and is representing the Seller and to whom any information is disclosed, he or she must act in the~~

Seller's interests best interest and must tell the Seller the any information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph V below). In that case, the Buyer will not be represented and will not receive advice and counsel from the broker or salesperson.

II.

Subagent: A broker or salesperson who is working with a Buyer but represents the Seller. In this case, the Buyer is the broker's customer and is not represented by that broker. If a broker or salesperson working with a Buyer as a customer is representing the Seller, he or she must act in the Seller's best interest and must tell the Seller any information that is disclosed to him or her. In that case, the Buyer will not be represented and will not receive advice and counsel from the broker or salesperson.

III.

Buyer's Broker: A Buyer may enter into an agreement for the broker or salesperson to represent and act on behalf of the Buyer. The broker may represent the Buyer only, and not the Seller, even if the broker he or she is being paid in whole or in part by the Seller. A Buyer's broker owes to the Buyer the fiduciary duties described below.(2) The broker must disclose to the Buyer any material facts as defined in Minnesota Statutes, section 82.197, subdivision 6, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property. If a broker or salesperson working with a Seller as a customer is representing the Buyer, he or she must act in the Buyer's best interest and must tell the Buyer any information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph V below). In that case, the Seller will not be represented and will not receive advice and counsel from the broker or salesperson.

III. IV.

Dual Agency-Broker Representing both Seller and Buyer: Dual agency occurs when one broker or salesperson represents both parties to a transaction, or when two salespersons licensed to the same broker each represent a party to the transaction. Dual agency requires the informed consent of all parties, and means that the broker and salesperson owe the same duties to the Seller and the Buyer. This role limits the level of representation the broker and salespersons can provide, and prohibits them from acting exclusively for either party. In a dual agency, confidential information about price, terms, and motivation for pursuing a transaction will be kept confidential unless one party instructs the broker or salesperson in writing to disclose specific information about the party writing him or her. Other information will be shared. Dual agents may not advocate for one party to the detriment of the other.(3)

Within the limitations described above, dual agents owe to both Seller and Buyer the fiduciary duties described below.(2) Dual agents must disclose to Buyers any material facts as defined in Minnesota Statutes, section 82.197, subdivision 6, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property.

IV. V.

Nonagent Facilitator: A broker or salesperson may perform who performs services for either party as a nonagent, if that party signs a nonagency services agreement a Buyer, a Seller, or both but does not represent either in a fiduciary capacity as a Buyer's Broker, Seller's Broker, or Dual Agent. As a nonagent the broker or salesperson facilitates the transaction, but does not act on behalf of either party. **THE NONAGENT FACILITATOR BROKER OR SALESPERSON DOES NOT OWE ANY PARTY ANY OF THE FIDUCIARY DUTIES LISTED BELOW, EXCEPT CONFIDENTIALITY, UNLESS THOSE DUTIES ARE INCLUDED IN THE WRITTEN NONAGENCY FACILITATOR SERVICES AGREEMENT.** The nonagent facilitator broker or salesperson owes only the duty of confidentiality to the party but owes no other duty to the party except those duties required by law or contained in the a written nonagency facilitator services agreement, if any. In the event a

facilitator broker or salesperson, working with a Buyer, shows a property listed by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Seller's Broker (see paragraph I above). In the event a facilitator broker or salesperson, working with a Seller, accepts a showing of the property by a Buyer being represented by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Buyer's Broker (see paragraph III above).

ACKNOWLEDGMENT: ~~I/We acknowledge that I/We have been presented with the above-described options. I/We understand that Buyers who have not signed a Buyer representation contract or nonagency services agreement are not represented by the broker/salesperson and information given to the broker/salesperson will be disclosed to the Seller. I/We understand that written consent is required for a dual agency relationship. This is a disclosure only, NOT a contract for representation.~~

.....		
Seller	Date	Buyer	Date
.....
Seller	Date	Buyer	Date

(1) This disclosure is required by law in any transaction involving property occupied or intended to be occupied by one to four families as their residence.

(2) The fiduciary duties mentioned above are listed below and have the following meanings:

Loyalty-broker/salesperson will act only in client(s)' best interest.

Obedience-broker/salesperson will carry out all client(s)' lawful instructions.

Disclosure-broker/salesperson will disclose to client(s) all material facts of which broker/salesperson has knowledge which might reasonably affect the client's rights and interests.

Confidentiality-broker/salesperson will keep client(s)' confidences unless required by law to disclose specific information (such as disclosure of material facts to Buyers).

Reasonable Care-broker/salesperson will use reasonable care in performing duties as an agent.

Accounting-broker/salesperson will account to client(s) for all client(s)' money and property received as agent.

(3) If Seller(s) decides not to agree to a dual agency relationship, Seller(s) may give up the opportunity to sell the property to Buyers represented by the broker/salesperson. If Buyer(s) decides not to agree to a dual agency relationship, Buyer(s) may give up the opportunity to purchase properties listed by the broker.

Sec. 11. Minnesota Statutes 2000, section 82.197, is amended by adding a subdivision to read:

Subd. 6. [MATERIAL FACTS.] (a) Licensees shall disclose to any prospective purchaser all material facts of which the licensees are aware, which could adversely and significantly affect an ordinary purchaser's use or enjoyment of the property, or any intended use of the property of which the licensees are aware.

(b) It is not a material fact relating to real property offered for sale and no regulatory action shall be brought against a licensee for failure to disclose in any real estate transaction the fact or suspicion that the property:

(1) is or was occupied by an owner or occupant who is or was suspected to be infected with human immunodeficiency virus or diagnosed with acquired immunodeficiency syndrome; or

(2) was the site of an accidental death, natural death, or perceived paranormal activity.

(c) A licensee or employee of the licensee has no duty to disclose information regarding an offender who is required to register under section 243.166, or about whom notification is made under that section, if the broker or salesperson, in a timely manner, provides a written notice that information about the predatory offender registry and persons registered with the registry may be obtained by contacting local law enforcement where the property is located or the department of corrections.

(d) A licensee is not required to disclose, except as otherwise provided in paragraph (e), information relating to the physical condition of the property or any other information relating to the real estate transaction, if a written report that discloses the information has been prepared by a qualified third party and provided to the person. For the purposes of this paragraph, "qualified third party" means a federal, state, or local governmental agency, or any person whom the broker, salesperson, or a party to the real estate transaction reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by the third party in order to prepare the written report and who is acceptable to the person to whom the disclosure is being made.

(e) A licensee shall disclose to the parties to a real estate transaction any facts known by the broker or salesperson that contradict any information included in a written report, if a copy of the report is provided to the licensee, described in paragraph (d).

Sec. 12. Minnesota Statutes 2000, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After their first renewal date, all real estate salespersons and all real estate brokers shall be required to successfully complete 30 hours of real estate continuing education, either as a student or a lecturer, in courses of study approved by the commissioner, during each 24-month license period. At least 15 of the 30 credit hours must be completed during the first 12 months of the 24-month licensing period. Salespersons and brokers whose initial license period extends more than 12 months are required to complete 15 hours of real estate continuing education during the initial license period. Those licensees who will receive a 12-month license on July 1, 1995, because of the staggered implementation schedule must complete 15 hours of real estate continuing education as a requirement for renewal on July 1, 1996. Licensees may not claim credit for continuing education not actually completed as of the date their report of continuing education compliance is filed.

(b) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision. The commissioner may not approve a course which can be completed by the student at home or outside the classroom without the supervision of an instructor approved by the department of commerce. The commissioner has discretion to establish a pilot program to explore delivery of except accredited courses using new delivery technology, including interactive technology, and the Internet. This pilot program expires on August 1, 2001. Courses in motivation, salesmanship, psychology, or time management shall not be approved by the commissioner for continuing education credit.

(c) Any program approved by Minnesota continuing legal education shall be approved by the commissioner of commerce for continuing education for real estate brokers and salespeople if the program or any part thereof relates to real estate.

(d) As part of the continuing education requirements of this section, the commissioner shall require that all real estate brokers and salespersons receive:

(1) at least ~~two hours~~ one hour of training during each license period in courses in laws or regulations on agency representation and disclosure; and

(2) at least ~~two hours~~ one hour of training during each license period in courses in state and federal fair housing laws, regulations, and rules, or other antidiscrimination laws.

Clause ~~Clauses~~ (1) does and (2) do not apply to real estate salespersons and real estate brokers engaged solely in the commercial real estate business who file with the commissioner a verification of this status along with the continuing education report required under paragraph (a).

(e) The commissioner is authorized to establish a procedure for renewal of course accreditation.

(f) Approved courses may be sponsored or offered by a broker of a real estate company and may be held on the premises of a company licensed under this chapter. All course offerings must be open to any interested individuals. Access may be restricted by the sponsor based on class size only. Courses must not be approved if attendance is restricted to any particular group of people. A broker must comply with all continuing education rules prescribed by the commissioner.

(g) No more than one-half of the credit hours per licensing period, including continuing education required under subdivision 6, may be credited to a person for attending any combination of courses either:

(1) sponsored by, offered by, or affiliated with a real estate company or its agents; or

(2) offered using new delivery technology, including interactive technology, and the Internet.

Sec. 13. Minnesota Statutes 2000, section 82.24, subdivision 8, is amended to read:

Subd. 8. [ACCRUED INTEREST.] (a) Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the state treasurer for deposit in the housing trust fund account created under section 462A.201 unless otherwise specified pursuant to an expressed written agreement between the parties to a transaction.

(b) For an account created under paragraph (a), each broker shall direct the financial institution to:

(1) pay the interest, less reasonable transaction costs, computed in accordance with the financial institution's standard accounting practice, at least quarterly, to the state treasurer; and

(2) send a statement to the state treasurer showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charges deducted, and the account balance for the period in which the report is made.

The state treasurer shall credit the amount collected under this subdivision to the housing trust fund account established in section 462A.201.

(c) The financial institution must promptly notify the commissioner if a draft drawn on the account is dishonored. A draft is not dishonored if a stop payment order is requested by an issuer who has a good faith defense to payment on the draft.

Sec. 14. Minnesota Statutes 2000, section 82.27, subdivision 3, is amended to read:

Subd. 3. [ORDER TO SHOW CAUSE.] The commissioner shall issue an order requiring a licensee or applicant for a license to show cause why the license should not be revoked or suspended, or the licensee censured, or the application denied. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons specific statute or rule that has been violated for the entry of the order. The commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making such disposition of the matter as the facts require. If the licensee or applicant fails to appear at a hearing after having been duly notified of it, such person shall be deemed in default, and the proceeding may be determined against the licensee or applicant upon consideration of the order to show cause, the allegations of which may be deemed to be true.

Sec. 15. Minnesota Statutes 2000, section 82.34, subdivision 15, is amended to read:

Subd. 15. Any sums received by the commissioner pursuant to any provisions of this section shall be deposited in the state treasury, and credited to the real estate education, research and

recovery fund, and said sums shall be allocated exclusively for the purposes provided in this section. All moneys in the fund are appropriated annually to the commissioner for the purposes of this section.

All money credited to the fund under section 462A.201 may only be used for purposes under subdivision 6, clause (g). Beginning in 1990, the commissioner must, on February 1 of each year, review the amount of money spent or allocated for uses under subdivision 6, clause (g), for the previous calendar year. If the amount spent or allocated is less than the amount credited to the fund under section 462A.201 during the same calendar year, the difference must be transferred from the fund to the housing trust fund account established in section 462A.201. If the fund balance exceeds \$6,000,000, the commissioner may suspend the fee imposed under subdivision 3.

Sec. 16. Minnesota Statutes 2000, section 82B.14, is amended to read:

82B.14 [EXPERIENCE REQUIREMENT.]

(a) As a prerequisite for licensing as a ~~registered real property appraiser or licensed real property appraiser~~, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,000 hours of experience in real property appraisal.

As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,500 hours of experience in real property appraisal.

As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 3,000 hours of experience in real property appraisal. At least 50 percent, or 1,500 hours, must be in nonresidential appraisal work.

(b) Each applicant for license under section 82B.11, subdivision 3, 4, or 5, shall give under oath a detailed listing of the real estate appraisal reports or file memoranda for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commissioner for examination, a sample of appraisal reports that the applicant has prepared in the course of appraisal practice.

(c) Applicants may not receive credit for experience accumulated while unlicensed, if the experience is based on activities which required a license under this section.

Sec. 17. Minnesota Statutes 2000, section 83.25, subdivision 1, is amended to read:

Subdivision 1. No person shall offer or sell in this state any interest in subdivided lands without having obtained:

~~(1) a license under chapter 82; and~~

~~(2) an additional license to offer or dispose of subdivided lands. This license may be obtained by submitting an application in writing to the commissioner upon forms prepared and furnished by the commissioner. Each application shall be signed and sworn to by the applicant and accompanied by a license fee of \$10 per year. The commissioner may also require an additional examination for this license.~~

Sec. 18. Minnesota Statutes 2000, section 317A.203, is amended to read:

317A.203 [NUMBER.]

A board of directors must consist of three or more individuals, with the number specified in or fixed in accordance with the articles or bylaws, ~~except that if the corporation has either one or two members with voting rights, the number of directors may be less than three but not less than the number of members with voting rights.~~

Sec. 19. Minnesota Statutes 2000, section 326.91, subdivision 1, is amended to read:

Subdivision 1. [CAUSE.] The commissioner may by order deny, suspend, or revoke any license or may censure a licensee, and may impose a civil penalty as provided for in section 45.027, subdivision 6, if the commissioner finds that the order is in the public interest, and that the applicant, licensee, or affiliate of an applicant or licensee, or other agent, owner, partner, director, governor, shareholder, member, officer, qualifying person, or managing employee of the applicant or licensee or any person occupying a similar status or performing similar functions:

(1) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, is false or misleading with respect to any material fact;

(2) has engaged in a fraudulent, deceptive, or dishonest practice;

(3) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the business;

(4) has failed to reasonably supervise employees, agents, subcontractors, or salespersons, or has performed negligently or in breach of contract, so as to cause injury or harm to the public;

(5) has violated or failed to comply with any provision of sections 326.83 to 326.98 or any rule or order under sections 326.83 to 326.98;

(6) has been shown to be incompetent, untrustworthy, or financially irresponsible;

(7) has been convicted of a violation of the State Building Code or, in jurisdictions that do not enforce the State Building Code, has refused to correct a violation of the State Building Code when the violation has been certified by a Minnesota licensed structural engineer;

(8) has failed to use the proceeds of any payment made to the licensee for the construction of, or any improvement to, residential real estate, as defined in section 326.83, subdivision 17, for the payment of labor, skill, material, and machinery contributed to the construction or improvement, knowing that the cost of any labor performed, or skill, material, or machinery furnished for the improvement remains unpaid;

(9) has not furnished to the person making payment either a valid lien waiver as to any unpaid labor performed, or skill, material, or machinery furnished for an improvement, or a payment bond in the basic amount of the contract price for the improvement conditioned for the prompt payment to any person or persons entitled to payment;

(10) has engaged in conduct which was the basis for a contractor's recovery fund payment pursuant to section 326.975, which payment has not been reimbursed;

(11) has engaged in bad faith, unreasonable delays, or frivolous claims in defense of a civil lawsuit arising out of their activities as a licensee under this chapter;

(12) has had a judgment entered against them for failure to make payments to employees or subcontractors, and all appeals of the judgment have been exhausted or the period for appeal has expired;

(13) if unlicensed, has obtained a building permit by the fraudulent use of a fictitious license number or the license number of another, or, if licensed, has knowingly allowed an unlicensed person to use the licensee's license number for the purpose of fraudulently obtaining a building permit; or

(14) has made use of forged mechanics' lien waivers under chapter 514.

Sec. 20. Minnesota Statutes 2000, section 326.975, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) In addition to any other fees, each applicant for a license under sections 326.83 to 326.98 shall pay a fee to the contractor's recovery fund. The contractor's recovery fund is created in the state treasury and must be administered by the commissioner in the manner and subject to all the requirements and limitations provided by section 82.34 with the following exceptions:

(1) each licensee who renews a license shall pay in addition to the appropriate renewal fee an additional fee which shall be credited to the contractor's recovery fund. The amount of the fee shall be based on the licensee's gross annual receipts for the licensee's most recent fiscal year preceding the renewal, on the following scale:

Fee	Gross Receipts
\$100	under \$1,000,000
\$150	\$1,000,000 to \$5,000,000
\$200	over \$5,000,000

Any person who receives a new license shall pay a fee based on the same scale;

(2) the sole purpose of this fund is to compensate any aggrieved owner or lessee of residential property located within this state who obtains a final judgment in any court of competent jurisdiction against a licensee licensed under section 326.84, on grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance arising directly out of any transaction when the judgment debtor was licensed and performed any of the activities enumerated under section 326.83, subdivision 19, on the owner's residential property or on residential property rented by the lessee, or on new residential construction which was never occupied prior to purchase by the owner, or which was occupied by the licensee for less than one year prior to purchase by the owner, and which cause of action arose on or after April 1, 1994;

(3) nothing may obligate the fund for more than \$50,000 per claimant, nor more than \$50,000 \$75,000 per licensee; and

(4) nothing may obligate the fund for claims based on a cause of action that arose before the licensee paid the recovery fund fee set in clause (1), or as provided in section 326.945, subdivision 3.

(b) Should the commissioner pay from the contractor's recovery fund any amount in settlement of a claim or toward satisfaction of a judgment against a licensee, the license shall be automatically suspended upon the effective date of an order by the court authorizing payment from the fund. No licensee shall be granted reinstatement until the licensee has repaid in full, plus interest at the rate of 12 percent a year, twice the amount paid from the fund on the licensee's account, and has obtained a surety bond issued by an insurer authorized to transact business in this state in the amount of at least \$40,000.

Sec. 21. Minnesota Statutes 2000, section 332.41, is amended to read:

332.41 [APPEALS.]

~~Subdivision 1. [FILING OF APPEAL.] In the rejection of an application for a license or the renewal thereof filed under sections 332.31 to 332.45 or of the suspension or revocation of a license granted under sections 332.31 to 332.45 the applicant or licensee may within 90 days after receipt of notice of such rejection, suspension, or revocation, file an appeal and thereafter prosecute the appeal in accordance with the provisions of the statutes governing appeal from, or review of, decisions of administrative agencies in this state.~~

~~Subd. 2. [SUPERSEDEAS.] The filing of an appeal from an order of the commissioner of commerce rejecting an application for a license by a collection agency engaged in business as of July 1, 1969, or rejecting an application for the renewal of a license, or suspending or revoking a license within 60 days after the date of such order, shall operate as a supersedeas which shall continue pending final determination of such appeal.~~

Appeal from a denial, suspension, revocation, or censure of a license must be made according to chapter 14.

Sec. 22. Minnesota Statutes 2000, section 359.02, is amended to read:

359.02 [TERM.]

A notary commissioned under section 359.01 holds office for five years, unless sooner

removed by the governor or the district court, or by action of the commissioner. Within seven months 60 days before the expiration of the commission a notary may be reappointed apply for reappointment for a new term to commence and to be designated in the new commission as beginning upon the day immediately following the date of the expiration. A notary whose commission expires on January 1, 2005, may apply for reappointment six months before the expiration date. The reappointment takes effect and is valid although the appointing governor may not be in the office of governor on the effective day.

(a) All notary commissions issued before January 31, 1995, will expire on January 31, 1995.

(b) All notary commissions issued after January 31, 1995, will expire at the end of the licensing period, which will end every fifth year following January 31, 1995.

(c) All notary commissions issued during a licensing period expire at the end of that period as set forth in this section expire on January 31 of the fifth year following the year of issue.

Sec. 23. Minnesota Statutes 2000, section 507.45, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENTS FOR REAL ESTATE PERSONNEL.] If the closing services are to be provided by a real estate broker, real estate salesperson, or real estate closing agent, the following regulations shall apply.

(a) The written contract for closing services shall state in at least 10-point type that the real estate broker, real estate salesperson, or real estate closing agent has not and, under applicable state law, may not express opinions regarding the legal effect of the closing documents or of the closing itself.

(b) No closing fee may be charged in connection with the transfer of the legal or equitable ownership of a property if a closing is performed without either a mortgagee's or owner's title insurance commitment or a legal opinion regarding the status of title.

Sec. 24. [EFFECTIVE DATE.]

Sections 1 to 6, 11, 16, and 23 are effective the day following final enactment. Sections 12 and 17 are effective July 1, 2001. Section 20 is effective January 1, 2001, and applies to claims arising from incidents or conduct occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to commerce; regulating currency exchanges, real estate brokers, real property appraisers, subdivided land sales licenses, residential contractors, and collection agencies; modifying certain continuing education requirements; regulating certain fees, costs, duties, rights, and penalties; regulating nonprofit corporations; amending Minnesota Statutes 2000, sections 45.0295; 53A.081, subdivision 2; 60K.19, subdivision 8; 72B.04, subdivisions 6, 7; 80B.03, subdivision 4a; 82.195, subdivision 2; 82.196, subdivision 2; 82.197, subdivisions 1, 4, by adding a subdivision; 82.22, subdivision 13; 82.24, subdivision 8; 82.27, subdivision 3; 82.34, subdivision 15; 82B.14; 83.25, subdivision 1; 317A.203; 326.91, subdivision 1; 326.975, subdivision 1; 332.41; 359.02; 507.45, subdivision 3."

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

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1826: A bill for an act relating to insurance; providing qualifications and procedures for the licensing of insurance producers; prescribing a criminal penalty; proposing coding for new law in Minnesota Statutes, chapter 60K; repealing Minnesota Statutes 2000, sections 60K.01; 60K.02; 60K.03; 60K.04; 60K.05; 60K.06; 60K.07; 60K.081; 60K.09; 60K.10; 60K.11; 60K.12; 60K.13; 60K.14; 60K.15; 60K.16; 60K.17; 60K.18; 60K.19; 60K.20.

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

Page 1, after line 10, insert:

"ARTICLE 1
INSURANCE PRODUCERS

Section 1. [60K.30] [PURPOSE AND SCOPE.]

(a) Sections 60K.30 to 60K.56 govern the qualifications and procedures for the licensing of insurance producers.

(b) Except as to the underlying requirement that a surplus lines agent or broker obtain an insurance producer license, this chapter does not apply to surplus lines agents or brokers licensed under sections 60A.195 to 60A.209, except as provided in sections 60K.39 and 60K.53, subdivision 2."

Page 2, line 18, delete "insurance"

Page 2, line 31, delete "insurance"

Page 4, delete lines 29 to 36 and insert:

"(3) a person who secures and furnishes information for the purpose of group life insurance, group property and casualty insurance, group annuities, group or blanket accident and health insurance; or for the purpose of enrolling individuals under plans; issuing certificates under plans or otherwise assisting in administering plans; or performs administrative services related to mass marketed property and casualty insurance; where no commission is paid to the person for the service;"

Page 5, delete lines 1 to 3

Page 10, line 29, delete the first "credit"

Page 17, line 27, delete "insurance"

Page 21, line 24, delete "credit life or disability,"

Page 21, line 36, after the period, insert "This subdivision does not apply to limited lines insurance under section 60K.38, subdivision 1, paragraph (c)."

Page 25, line 13, delete "INSURANCE"

Page 34, delete line 30 and insert:

"Sections 1 to 28 are effective July 1, 2002.

ARTICLE 2

CORRECTIVE, CONFORMING, AND OTHER PROVISIONS

Section 1. Minnesota Statutes 2000, section 13.7191, subdivision 6, is amended to read:

Subd. 6. [INSURANCE AGENT PRODUCER LICENSING; TERMINATION.] Access to data on insurance agent producer terminations held by the commissioner of commerce is governed by section ~~60K.40~~ 60K.51.

Sec. 2. Minnesota Statutes 2000, section 43A.317, subdivision 12, is amended to read:

Subd. 12. [STATUS OF AGENTS.] Notwithstanding sections ~~60K.03, subdivision 5,~~ 60K.49 and 72A.07, the program may use, and pay referral fees, commissions, or other compensation to, agents licensed as ~~life and health agents~~ insurance producers under chapter 60K or licensed under section 62C.17, regardless of whether the agents are appointed to represent the particular health carriers or community integrated service networks that provide the coverage available through the program. When acting under this subdivision, an agent is not an agent of the health carrier or community integrated service network, with respect to that transaction.

Sec. 3. Minnesota Statutes 2000, section 60A.02, subdivision 7, is amended to read:

Subd. 7. [INSURANCE AGENT OR INSURANCE AGENCY.] An "insurance agent" or "insurance agency" is ~~a person~~ an insurance producer licensed under sections 60K.30 to 60K.56 acting under express authority from, and an appointment pursuant to section 60K.02 by, an insurer and on its behalf to solicit insurance, or to appoint other ~~agents~~ insurance producers to solicit insurance, or to write and countersign policies of insurance, or to collect premiums therefor within this state, or to exercise any or all these powers when so authorized by the insurer. The term "person" includes a natural person, a partnership, a corporation, or other entity, including an insurance agency.

Sec. 4. Minnesota Statutes 2000, section 60A.14, is amended to read:

60A.14 [FEES.]

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

- (a) by township mutual fire insurance companies:
 - (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;
 - (2) for filing annual statements, \$15;
 - (3) for each annual certificate of authority, \$15;
 - (4) for filing bylaws \$25 and amendments thereto, \$10.
- (b) by other domestic and foreign companies including fraternal and reciprocal exchanges:
 - (1) for filing certified copy of certificate of articles of incorporation, \$100;
 - (2) for filing annual statement, \$225;
 - (3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;
 - (4) for filing bylaws, \$75 or amendments thereto, \$75;
 - (5) for each company's certificate of authority, \$575, annually.
- (c) the following general fees apply:
 - (1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$25;
 - (2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;
 - (3) for license to procure insurance in unadmitted foreign companies, \$575;
 - (4) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;
 - (5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;
 - (6) for each appointment of an agent filed with the commissioner, ~~a domestic insurer shall remit \$5 and all other insurers shall remit \$3~~ \$10;

- (7) for filing forms and rates, \$75 per filing;
- (8) for annual renewal of surplus lines insurer license, \$300.

The commissioner shall adopt rules to define filings that are subject to a fee.

Subd. 2. [RETALIATORY PROVISIONS.] When, by the laws of any other state or nation, any fines, penalties, licenses, or fees additional to, or in excess of, those imposed by this section upon foreign insurance companies and their agents, are imposed upon insurance companies of this state or their agents doing business in such state, the same fines, penalties, licenses, and fees shall be imposed upon all insurance companies of that state and their agents doing business in this state, so long as such laws of such other state remain in force. This subdivision does not apply to agent appointment fees required under subdivision 1, clause (6).

Sec. 5. Minnesota Statutes 2000, section 60A.171, subdivision 1, is amended to read:

Subdivision 1. (a) After an agency contractual relationship has been in effect for a period of three years, an insurance company writing fire or casualty loss insurance in this state may not terminate the agency contractual relationship with any appointed agent unless the company has attempted to rehabilitate the agent as provided in subdivision 4. The insurer shall provide written notice of intent to rehabilitate.

(b) If the agent and company are not able to reach a mutually acceptable plan of rehabilitation, the company may terminate the agency contractual relationship after providing written notice of termination to the agent at least 90 days in advance.

(c) The notice of termination must include the reasons for termination and a copy of the notice of intent to rehabilitate.

(d) An insurance company may not terminate an agency contract based upon any of the following:

- (1) an adverse loss experience for a single year;
- (2) the geographic location of the agent's auto and homeowners insurance business; or
- (3) the performance of obligations required of an insurer under Minnesota Statutes.

(4) For purposes of this section, "fire or casualty loss insurance" means any line of insurance which an insurance agent with a personal lines, property, or casualty license under sections 60K.30 to 60K.56 may write in this state.

Sec. 6. Minnesota Statutes 2000, section 60A.198, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR OBTAINING LICENSE.] A person licensed as an agent in this state pursuant to other law may obtain a surplus lines license by doing the following:

(a) filing an application in the form and with the information the commissioner may reasonably require to determine the ability of the applicant to act in accordance with sections 60A.195 to 60A.209;

(b) maintaining an agent's license in this state;

(c) agreeing to file with the commissioner of revenue all returns required by chapter 297I and paying to the commissioner of revenue all amounts required under chapter 297I; and

(d) paying a fee as prescribed by section 60K.06, subdivision 2, paragraph (a), clause (4) 60K.55.

Sec. 7. Minnesota Statutes 2000, section 62A.41, subdivision 4, is amended to read:

Subd. 4. [UNLICENSED SALES.] Notwithstanding section ~~60K.02, subdivision 1~~ 60K.32, a person who acts or assumes to act as an insurance agent producer without a valid license for the

purpose of selling or attempting to sell Medicare supplement insurance, and the person who aids or abets the actor, is guilty of a felony and is subject to a civil penalty of not more than \$5,000 per violation.

Sec. 8. Minnesota Statutes 2000, section 62C.17, subdivision 5, is amended to read:

Subd. 5. A person shall not be qualified for a license if upon examination or reexamination it is determined that the person is incompetent to act as ~~an agent or solicitor~~ a producer, if the person has acted in any manner which would disqualify a person to hold a license as an ~~insurance agent or solicitor~~ producer under sections ~~60K.01 to 60K.18~~ 60K.30 to 60K.56, or if the person fails to produce documents subpoenaed by the commissioner, or fails to appear at a hearing to which the person is a party or has been subpoenaed, if the production of documents or appearance is lawfully required.

Sec. 9. Minnesota Statutes 2000, section 62D.22, subdivision 8, is amended to read:

Subd. 8. [INSURANCE AGENTS.] All agents, solicitors, and brokers engaged in soliciting or dealing with enrollees or prospective enrollees of a health maintenance organization, whether employees or under contract to the health maintenance organization, shall be subject to the provisions of sections ~~60K.01 to 60K.18~~ 60K.30 to 60K.56, concerning the licensure of health insurance agents, solicitors, and brokers, ~~producers and lawful rules thereunder~~. Medical doctors and others who merely explain the operation of health maintenance organizations shall be exempt from the provisions of sections ~~60K.01 to 60K.18~~ 60K.30 to 60K.56. Section ~~60K.03~~ 60K.37, subdivision 2 1, shall not apply except as to provide for an examination of an applicant in the applicant's knowledge concerning the operations and benefits of health maintenance organizations and related insurance matters.

Sec. 10. Minnesota Statutes 2000, section 62H.10, subdivision 4, is amended to read:

Subd. 4. [BROKER.] "Broker" means an agent engaged in brokerage business pursuant to section ~~60K.081~~ 60K.49.

Sec. 11. Minnesota Statutes 2000, section 62L.12, subdivision 3, is amended to read:

Subd. 3. [AGENT'S LICENSURE.] An agent licensed under chapter 60K or section 62C.17 who knowingly and willfully breaks apart a small group for the purpose of selling individual health plans to eligible employees and dependents of a small employer that meets the participation and contribution requirements of section 62L.03, subdivision 3, is guilty of an unfair trade practice and subject to disciplinary action, including the revocation or suspension of license, under section ~~60K.11~~ 60K.43 or 62C.17. The action must be by order and subject to the notice, hearing, and appeal procedures specified in section ~~60K.11~~ 60K.43. The action of the commissioner is subject to judicial review as provided under chapter 14.

Sec. 12. Minnesota Statutes 2000, section 62S.30, is amended to read:

62S.30 [APPROPRIATENESS OF RECOMMENDED PURCHASE.]

In recommending the purchase or replacement of a long-term care insurance policy or certificate, an agent shall comply with section ~~60K.14~~ 60K.46, subdivision 4.

Sec. 13. Minnesota Statutes 2000, section 64B.33, is amended to read:

64B.33 [LICENSING OF AGENTS.]

Agents of societies shall be licensed in accordance with the provisions of chapters 60A and 60K regulating the licensing, revocation, suspension, or termination of license of resident and nonresident agents, except as otherwise provided in section ~~60K.05~~ 60K.35.

Sec. 14. Minnesota Statutes 2000, section 65B.09, subdivision 1, is amended to read:

Subdivision 1. [AGENTS' RESPONSIBILITY.] Every person licensed under sections ~~60K.02 and 60K.03~~ 60K.30 to 60K.56 who is authorized to solicit, negotiate or effect automobile insurance on behalf of any member shall:

(1) offer to place coverage through the facility for any qualified applicant who is ineligible or unacceptable for coverage in the insurer or insurers for whom the agent is authorized to solicit, negotiate or effect automobile insurance. Provided, that the failure of an agent to make such an offer to a qualified applicant shall not subject the agent to any liability to the applicant;

(2) forward to the facility all applications and any deposit premiums which are required by the plan of operation, rules and procedures of the facility, if the qualified applicant accepts the offer to have coverage placed through the facility;

(3) be entitled to receive compensation for placing insurance through the facility at the uniform rates of compensation as provided in the plan of operation, and all members shall pay such compensation.

Sec. 15. Minnesota Statutes 2000, section 72A.07, is amended to read:

72A.07 [VIOLATIONS OF LAWS RELATING TO AGENTS, PENALTIES.]

Any person, firm, or corporation violating, or failing to comply with, any of the provisions of sections ~~60K.01 to 60K.18~~ 60K.30 to 60K.56 and any person who acts in any manner in the negotiation or transaction of unlawful insurance with an insurance company not licensed to do business in the state, or who, as principal or agent, violates any provision of law relating to the negotiation or effecting of contracts of insurance, shall be guilty of a misdemeanor. Upon the filing of a complaint by the commissioner of commerce in a court of competent jurisdiction against any person violating any provisions of this section, the county attorney of the county in which the violation occurred shall prosecute the person. Upon the conviction of any agent of any violation of the provisions of sections ~~60K.01 to 60K.18~~ 60K.30 to 60K.56, the commissioner shall suspend the authority of the agent to transact any insurance business within the state for a period of not less than three months. Any insurer employing an agent and failing to procure an appointment, as required by sections ~~60K.01 to 60K.18~~ 60K.30 to 60K.56, or allowing the agent to transact business for it within the state before an appointment has been procured, shall pay the commissioner, for the use of the state, a penalty of \$25 for each offense. Each sale of an insurance policy by an agent who is not appointed by an insurance company shall constitute a separate offense, but no insurer shall be required to pay more than \$300 in penalties as a result of the activities of a single unappointed agent. In the event of failure to pay a penalty within ten days' after notice from the commissioner, the authority of the insurer to do business in this state shall be revoked by the commissioner until the penalty is paid. No insurer whose authority is revoked shall be readmitted until it shall have complied with all the terms and conditions imposed for admission in the first instance. Any action taken by the commissioner under this section shall be subject to review by the district court of the county in which the office of the commissioner is located.

Sec. 16. Minnesota Statutes 2000, section 72A.125, subdivision 2, is amended to read:

Subd. 2. [SALE BY AUTO RENTAL COMPANIES.] An auto rental company that offers or sells rental vehicle personal accident insurance, personal effects insurance, or liability insurance in this state in conjunction with the rental of a vehicle shall only sell these products if the forms and rates have met the relevant requirements of section 61A.02, 62A.02, or other relevant sections requiring approval of forms and rates taking into account the possible infrequency and severity of loss that may be incurred. An auto rental company offering insurance products for sale shall conduct a training program for its agents or employees, which must be submitted to the commissioner for approval. Sections ~~60K.01 to 60K.19~~ 60K.30 to 60K.56 do not apply if the persons engaged in the sale of these products are employees of the auto rental company who do not receive commissions or other remuneration for selling the product in addition to their regular compensation. Compensation may not be determined in any part by the sale of insurance products. The auto rental company before engaging in the sale of the product must file with the commissioner the following documents:

(1) an appointment of the commissioner as agent for service of process;

(2) an agreement that the auto rental company assumes all responsibility for the authorized actions of all unlicensed employees who sell the insurance product on its behalf in conjunction with the rental of its vehicles;

(3) an agreement that the auto rental company with respect to itself and its employees will be subject to this chapter regarding the marketing of the insurance products and the conduct of those persons involved in the sale of insurance products in the same manner as if it were a licensed agent.

An auto rental company failing to file the documents in clauses (1) to (3) is guilty of an individual violation as to the unlicensed sale of insurance for each sale that occurs after August 1, 1987, until they make the required filings. Each individual sale after August 1, 1987, and prior to the filing required by this section is subject to, in addition to any other penalties allowable by law, up to a \$200 per violation fine. Further, the sale of the insurance product by an auto rental company or any employee or agent of the company after August 1, 1987, without having complied with this section shall be deemed to be in acceptance of the provisions of this section.

Insurance sold pursuant to this subdivision must be limited in availability to rental vehicle customers though coverage may extend to the customer, other drivers, and passengers using or riding in the rented vehicles; and limited in duration to a period equal to and concurrent with that of the vehicle rental.

Persons purchasing rental vehicle personal accident insurance, personal effects insurance, or liability insurance may be provided a certificate summarizing the policy provisions in lieu of a copy of the policy if a copy of the policy is available for inspection at the place of sale and a free copy of the policy may be obtained from the auto rental company's home office.

The commissioner may, after a hearing, revoke an auto rental company's right to operate under this section if the company has violated the insurance laws of this state and the revocation is in the public interest.

Sec. 17. Minnesota Statutes 2000, section 72A.201, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(1) [ADJUSTER OR ADJUSTERS.] "Adjuster" or "adjusters" is as defined in section 72B.02.

(2) [AGENT.] "Agent" means insurance agents or insurance agencies licensed pursuant to sections ~~60K.01 to 60K.18~~ 60K.30 to 60K.56, and representatives of these agents or agencies.

(3) [CLAIM.] "Claim" means a request or demand made with an insurer for the payment of funds or the provision of services under the terms of any policy, certificate, contract of insurance, binder, or other contracts of temporary insurance. The term does not include a claim under a health insurance policy made by a participating provider with an insurer in accordance with the participating provider's service agreement with the insurer which has been filed with the commissioner of commerce prior to its use.

(4) [CLAIM SETTLEMENT.] "Claim settlement" means all activities of an insurer related directly or indirectly to the determination of the extent of liabilities due or potentially due under coverages afforded by the policy, and which result in claim payment, claim acceptance, compromise, or other disposition.

(5) [CLAIMANT.] "Claimant" means any individual, corporation, association, partnership, or other legal entity asserting a claim against any individual, corporation, association, partnership, or other legal entity which is insured under an insurance policy or insurance contract of an insurer.

(6) [COMPLAINT.] "Complaint" means a communication primarily expressing a grievance.

(7) [INSURANCE POLICY.] "Insurance policy" means any evidence of coverage issued by an insurer including all policies, contracts, certificates, riders, binders, and endorsements which provide or describe coverage. The term includes any contract issuing coverage under a self-insurance plan, group self-insurance plan, or joint self-insurance employee health plans.

(8) [INSURED.] "Insured" means an individual, corporation, association, partnership, or other

legal entity asserting a right to payment under their insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by the policy or contract. The term does not apply to a person who acquires rights under a mortgage.

(9) [INSURER.] "Insurer" includes any individual, corporation, association, partnership, reciprocal exchange, Lloyds, fraternal benefits society, self-insurer, surplus line insurer, self-insurance administrator, and nonprofit service plans under the jurisdiction of the department of commerce.

(10) [INVESTIGATION.] "Investigation" means a reasonable procedure adopted by an insurer to determine whether to accept or reject a claim.

(11) [NOTIFICATION OF CLAIM.] "Notification of claim" means any communication to an insurer by a claimant or an insured which reasonably apprises the insurer of a claim brought under an insurance contract or policy issued by the insurer. Notification of claim to an agent of the insurer is notice to the insurer.

(12) [PROOF OF LOSS.] "Proof of loss" means the necessary documentation required from the insured to establish entitlement to payment under a policy.

(13) [SELF-INSURANCE ADMINISTRATOR.] "Self-insurance administrator" means any vendor of risk management services or entities administering self-insurance plans, licensed pursuant to section 60A.23, subdivision 8.

(14) [SELF-INSURED OR SELF-INSURER.] "Self-insured" or "self-insurer" means any entity authorized pursuant to section 65B.48, subdivision 3; chapter 62H; section 176.181, subdivision 2; Laws of Minnesota 1983, chapter 290, section 171; section 471.617; or section 471.981 and includes any entity which, for a fee, employs the services of vendors of risk management services in the administration of a self-insurance plan as defined by section 60A.23, subdivision 8, clause (2), subclauses (a) and (d).

Sec. 18. Minnesota Statutes 2000, section 270B.07, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE TO LICENSING AUTHORITIES.] The commissioner may disclose return information with respect to returns filed under Minnesota tax laws to licensing authorities of the state or political subdivisions of the state to the extent necessary to enforce the license clearance programs under sections ~~60K.12~~ 60K.44, 82.27, 147.091, 148.10, 150A.08, and 270.72.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective July 1, 2002."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "making conforming changes; amending Minnesota Statutes 2000, sections 13.7191, subdivision 6; 43A.317, subdivision 12; 60A.02, subdivision 7; 60A.14; 60A.171, subdivision 1; 60A.198, subdivision 3; 62A.41, subdivision 4; 62C.17, subdivision 5; 62D.22, subdivision 8; 62H.10, subdivision 4; 62L.12, subdivision 3; 62S.30; 64B.33; 65B.09, subdivision 1; 72A.07; 72A.125, subdivision 2; 72A.201, subdivision 3; 270B.07, subdivision 1;"

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

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1264: A bill for an act relating to insurance; no-fault auto; regulating income loss benefits to senior citizens; amending Minnesota Statutes 2000, section 65B.491.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 65B.491, is amended to read:

65B.491 [SENIOR CITIZENS.]

~~After August 1, 1987, no~~ A plan of reparation security issued to or renewed with a person who has attained the age of 65 years ~~may~~ must provide coverage for wage disability and income loss reimbursement that benefits under section 65B.44, subdivision 3, unless the insured will not reasonably be expected to be able to receive. It is the responsibility of the person issuing or renewing the plan to inquire as to the applicability of this section elects not to have this coverage. An election by the insured not to have this coverage remains in effect until revoked by the insured. The reparation obligor shall notify a person of the person's rights under this section at the time of the sale or the first renewal of the policy after the insured has attained the age of 65 years, and at least annually after that. The rate for any plan for which coverage has been excluded or reduced pursuant to this section must be reduced accordingly. This section does apply to self-insurance.

Sec. 2. [REVISOR INSTRUCTION.]

The revisor of statutes shall recode Minnesota Statutes, section 65B.491, as section 65B.44, subdivision 3a."

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

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 970: A bill for an act relating to trade regulations; prohibiting gasoline sales below cost; providing enforcement authority; amending Minnesota Statutes 2000, section 325D.01, subdivision 5, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 325D.

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

Page 2, line 1, after "sale" insert "by way of posted price or indicating meter" and delete "retail" and insert "retailer"

Page 2, line 2, delete "vendor" and after "a" insert "retail" and delete "typically"

Page 2, line 22, after "Any" insert "offer for" and after "retailer" insert "by way of posted price or indicating meter"

Page 2, line 24, before the period, insert ", except that the criminal penalties in section 325D.071 do not apply"

Page 2, after line 31, insert:

"A retailer who offers gasoline for sale at a price below cost as part of a promotion at an individual location for no more than three days in any calendar quarter is not in violation of this section."

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

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

S.F. No. 881: A bill for an act relating to public safety; mental illness; authorizing model policing program pilot projects; creating a community mental health peace officer advisory board; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

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

Delete everything after the enacting clause and insert:

"Section 1. [626.8441] [RESPONDING TO CALLS INVOLVING EMOTIONAL CRISES AND MENTAL ILLNESS; MODEL PROGRAM PILOT PROJECTS.]

Subdivision 1. [MODEL POLICING PROGRAM.] The peace officer standards and training board, in consultation with the community mental health peace officer advisory board named under subdivision 2, may award grants to develop models of community policing that are responsive to the unique needs of the law enforcement and mental health systems in Minnesota, and to promote these models throughout the state. Grants may be awarded to either existing or new projects. The peace officer standards and training board may approve the implementation of community policing pilot projects in metropolitan and rural areas. In order to receive funding, a pilot project must focus on the following:

(1) responding in a knowledgeable and sensitive way to persons exhibiting symptoms of mental illness, to persons having drug-related reactions, and to others who may be in an emotional or mental crisis;

(2) significantly reducing the risk of harm to the individuals who are the subjects of such calls, to the officers responding to the calls, and to the general public;

(3) identifying and implementing a continuum of intervention strategies that will prevent escalation, produce de-escalation, and minimize the use of force; and

(4) creating partnerships with community resources that result in positive resolution, reduction, and prevention of potentially harmful incidents.

Subd. 2. [COMMUNITY MENTAL HEALTH PEACE OFFICER ADVISORY BOARD.] A community mental health peace officer advisory board must be appointed by the peace officer standards and training board and must consist of the following members:

(1) a licensed peace officer;

(2) a representative from the association of chiefs of police;

(3) a representative from the Minnesota state sheriff's association;

(4) a representative from the mental health consumer survivor network;

(5) a representative from the mental health association of Minnesota;

(6) a representative from the alliance for the mentally ill;

(7) a representative from a county social services agency or human services board as defined in section 256E.03;

(8) a community mental health provider;

(9) a mental health professional; and

(10) a law enforcement educator with experience training peace officers to respond to mental illness calls.

In making appointments to the community mental health peace officer advisory board, the peace officer standards and training board must take into consideration metropolitan and rural interests. The community mental health peace officer advisory board must advise the peace officer standards and training board on the model policing programs, and on related areas of concern to persons with mental illnesses, peace officers, and the public. No per diem may be paid to members of the community mental health peace officer advisory board.

Sec. 2. [REPORTS.]

The development, implementation, and outcomes of the pilot projects authorized under Minnesota Statutes, section 626.8441, subdivision 1, must be evaluated by the peace officer standards and training board and a written preliminary report must be submitted to the chairs of the house and senate committees having jurisdiction over crime prevention and judiciary finance issues by January 15, 2002. A final report must be submitted by January 15, 2003.

Sec. 3. [APPROPRIATIONS.]

\$...... is appropriated from the general fund to the peace officer standards and training board to develop and implement up to four model policing program pilot projects required under Minnesota Statutes, section 626.8441, subdivision 1, and to produce required reports. This amount is available until expended and may not be used for any other purposes."

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

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

S.F. No. 1937: A bill for an act relating to corrections; removing obsolete language referencing the secure treatment unit operated by Regions Hospital; requiring predatory offenders who request risk level reassessments to demonstrate full compliance with supervised release and other conditions; designating the department of corrections as the agency to administer the statewide supervision data system; clarifying language allowing the department of corrections to charge counties for the use of a correctional camp; allowing licensed mental health professionals to admit inmates to the mental health unit at MCF-Oak Park Heights; authorizing a corrections agent to request a review of an offender's risk level based on offender behavior in the community; providing that offenders returned to prison as release violators do not have a right to a risk reassessment by the end-of-confinement review committee unless substantial evidence indicates the offender's risk has increased; amending Minnesota Statutes 2000, sections 241.021, subdivision 4; 241.69; 242.32, subdivision 1a; and 244.052, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 241.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 16B.181, subdivision 2, is amended to read:

Subd. 2. [PUBLIC ENTITIES; PURCHASES FROM CORRECTIONS INDUSTRIES.] (a) The commissioner of corrections, in consultation with the commissioner of administration, shall prepare updated lists of the items available for purchase from department of corrections industries and annually forward a copy of the most recent list to all public entities within the state. A public entity that is supported in whole or in part with funds from the state treasury may purchase items directly from corrections industries. The bid solicitation process is not required for these purchases.

(b) The commissioner of administration shall develop a contract or contracts to enable public entities to purchase items directly from corrections industries. The commissioner of administration, in consultation with the commissioner of corrections, shall determine the fair market price for listed items. The commissioner of administration shall require that all requests for bids or proposals, for items provided by corrections industries, be forwarded to the commissioner of corrections to enable corrections industries to submit bids. The commissioner of corrections shall consult with the commissioner of administration prior to introducing new products to the state agency market.

(c) No public entity may evade the intent of this section by adopting slight variations in specifications, when Minnesota corrections industry items meet the reasonable needs and specifications of the public entity.

(d) The commissioners of administration and corrections shall develop annual performance

measures outlining goals to maximize inmate work program participation. The commissioners of administration and corrections shall appoint cochairs for a task force whose purpose is to determine additional methods to achieve the performance goals for public entity purchasing. The task force shall include representatives from the Minnesota house of representatives, Minnesota senate, the Minnesota state colleges and universities, University of Minnesota, Minnesota League of Cities, Minnesota Association of Counties, and administrators with purchasing responsibilities from the Minnesota state departments of corrections, public safety, finance, transportation, natural resources, human services, health, and economic security. Notwithstanding section 15.059, the task force created in this paragraph expires on June 30, 2003.

(e) If performance goals for public entity purchasing are not achieved in two consecutive fiscal years, public entities shall purchase items available from corrections industries. The commissioner of administration shall be responsible for notifying public entities of this requirement.

Sec. 2. Minnesota Statutes 2000, section 241.016, subdivision 1, is amended to read:

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

In addition, each year the department shall, on an alternating basis, complete a detailed recidivism analysis of the adult facility, juvenile services, and the community services divisions and include this analysis in the report.

Sec. 3. Minnesota Statutes 2000, section 241.021, subdivision 1, is amended to read:

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

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

~~(2)~~ (c) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are

substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

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

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

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

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

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

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

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

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

Subd. 4b. [PEER REVIEW COMMITTEE.] The commissioner of corrections shall establish a health care peer review committee. Sections 145.61 to 145.67 apply to the committee. The

committee shall gather, review, and evaluate information relating to the on-site and off-site quality of care and treatment of offenders. The committee shall consist of:

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

Sec. 7. Minnesota Statutes 2000, section 241.021, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 9. Minnesota Statutes 2000, section 241.69, is amended to read:

241.69 [PSYCHIATRIC MENTAL HEALTH UNIT; ESTABLISHMENT.]

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

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

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

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

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

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

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

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

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

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

Sec. 10. Minnesota Statutes 2000, section 242.32, subdivision 1a, is amended to read:

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

Sec. 11. Minnesota Statutes 2000, section 243.05, subdivision 6, is amended to read:

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

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

(c) For the purposes of clauses (a) and (b), and sections 609.115 and 609.135, subdivision 1, the commissioner shall appoint state agents who shall be in the classified service of the state civil service. The commissioner may also appoint suitable persons in any part of the state or enter into agreements with individuals and public or private agencies, for the same purposes, and pay the costs incurred under the agreements. ~~Parole agents shall reside in the various districts of the state in which they are employed.~~ Each agent or person shall perform the duties the commissioner may prescribe in behalf of or in the supervision of those persons described in clause (b). In addition, each agent or person shall act under the orders of the commissioner in the supervision of those persons conditionally released as provided in clause (a). Agents shall provide assistance to

conditionally released persons in obtaining employment, and shall conduct relevant investigations and studies of persons under supervision upon the request of the commissioner. Regional supervisors may also supervise state parole agents as directed by the commissioner of corrections. This duty shall not interfere with the supervisor's responsibility under the County Probation Act, Laws 1959, chapter 698.

Sec. 12. Minnesota Statutes 2000, section 243.51, subdivision 2, is amended to read:

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

The chief executive officer of the transferring facility shall attach to such contract a duly certified copy of the warrant of commitment under which such inmate is held, together with copies of such other commitment papers as are required by section 243.49, and such other data relating to the character and condition of such inmates as the officer may deem necessary or may be required by the federal prison authorities. Such copy of the warrant of commitment and accompanying papers shall constitute sufficient authority for the United States to hold such inmate on behalf of the state of Minnesota.

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

Sec. 13. Minnesota Statutes 2000, section 243.53, subdivision 1, is amended to read:

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

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

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

Sec. 14. Minnesota Statutes 2000, section 244.052, subdivision 3, is amended to read:

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

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

(1) the chief executive officer or head of the correctional or treatment facility where the offender is currently confined, or that person's designee;

(2) a law enforcement officer;

(3) a treatment professional who is trained in the assessment of sex offenders;

(4) a caseworker experienced in supervising sex offenders; and

(5) a victim's services professional.

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

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

(1) private medical data under section 13.384 or 144.335, or welfare data under section 13.46 that relate to medical treatment of the offender;

(2) private and confidential court services data under section 13.84;

(3) private and confidential corrections data under section 13.85; and

(4) private criminal history data under section 13.87.

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

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

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

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

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

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

(1) the seriousness of the offense should the offender reoffend. This factor includes consideration of the following:

- (i) the degree of likely force or harm;
- (ii) the degree of likely physical contact; and
- (iii) the age of the likely victim;

(2) the offender's prior offense history. This factor includes consideration of the following:

- (i) the relationship of prior victims to the offender;
- (ii) the number of prior offenses or victims;
- (iii) the duration of the offender's prior offense history;

(iv) the length of time since the offender's last prior offense while the offender was at risk to commit offenses; and

(v) the offender's prior history of other antisocial acts;

(3) the offender's characteristics. This factor includes consideration of the following:

- (i) the offender's response to prior treatment efforts; and
- (ii) the offender's history of substance abuse;

(4) the availability of community supports to the offender. This factor includes consideration of the following:

- (i) the availability and likelihood that the offender will be involved in therapeutic treatment;
- (ii) the availability of residential supports to the offender, such as a stable and supervised living arrangement in an appropriate location;
- (iii) the offender's familial and social relationships, including the nature and length of these relationships and the level of support that the offender may receive from these persons; and
- (iv) the offender's lack of education or employment stability;

(5) whether the offender has indicated or credible evidence in the record indicates that the offender will reoffend if released into the community; and

(6) whether the offender demonstrates a physical condition that minimizes the risk of reoffense, including but not limited to, advanced age or a debilitating illness or physical condition.

(h) Upon the request of the law enforcement agency or the offender's corrections agent, the commissioner may reconvene the end-of-confinement review committee for the purpose of reassessing the risk level to which an offender has been assigned under paragraph (e). In a request for a reassessment, the law enforcement agency which was responsible for the charge resulting in

confinement or agent shall list the facts and circumstances arising after the initial assignment or facts and circumstances known to law enforcement or the agent but not considered by the committee under paragraph (e) which support the request for a reassessment. The request for reassessment by the law enforcement agency must occur within 30 days of receipt of the report indicating the offender's risk level assignment. The offender's corrections agent, in consultation with the chief law enforcement officer in the area where the offender resides or intends to reside, may request a review of a risk level at any time if substantial evidence exists that the offender's risk level should be reviewed by an end-of-confinement review committee. This evidence includes, but is not limited to, evidence of treatment failures or completions, evidence of exceptional crime-free community adjustment or lack of appropriate adjustment, evidence of substantial community need to know more about the offender or mitigating circumstances that would narrow the proposed scope of notification, or other practical situations articulated and based in evidence of the offender's behavior while under supervision. Upon review of the request, the end-of-confinement review committee may reassign an offender to a different risk level. If the offender is reassigned to a higher risk level, the offender has the right to seek review of the committee's determination under subdivision 6.

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

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

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

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

Sec. 15. Minnesota Statutes 2000, section 244.173, is amended to read:

244.173 [CHALLENGE INCARCERATION PROGRAM; EVALUATION AND REPORT.]

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

Sec. 16. Minnesota Statutes 2000, section 244.18, subdivision 1, is amended to read:

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

- (1) community service work placement and supervision;
- (2) restitution collection;
- (3) supervision;
- (4) court ordered investigations; ~~or~~
- (5) any other court ordered service;
- (6) post-prison supervision or other form of release; or
- (7) supervision or other services provided to probationers or parolees under section 243.16 to be provided by a local probation and parole agency established under section 244.19 or community corrections agency established under chapter 401.

Sec. 17. Minnesota Statutes 2000, section 390.11, subdivision 1, is amended to read:

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

- (1) violent deaths, whether apparently homicidal, suicidal, or accidental, including but not limited to deaths due to thermal, chemical, electrical, or radiational injury, and deaths due to criminal abortion, whether apparently self induced or not;
- (2) deaths under unusual or mysterious circumstances;
- (3) deaths of persons whose bodies are to be cremated, dissected, buried at sea, or otherwise disposed of so that the bodies will later be unavailable for examination; and
- (4) deaths of inmates of public institutions who are not hospitalized for organic disease and whose deaths are not of any type referred to in clause (1) or (2).

Sec. 18. Minnesota Statutes 2000, section 390.11, is amended by adding a subdivision to read:

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

Sec. 19. Minnesota Statutes 2000, section 390.32, is amended by adding a subdivision to read:

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

Sec. 20. Minnesota Statutes 2000, section 609.341, subdivision 11, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 21. Minnesota Statutes 2000, section 609.344, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

(ii) the complainant suffered personal injury; or

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

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

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

(i) during the psychotherapy session; or

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

Consent by the complainant is not a defense;

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

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

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

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

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

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

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

Sec. 22. Minnesota Statutes 2000, section 609.345, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

(ii) the complainant suffered personal injury; or

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

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

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

(i) during the psychotherapy session; or

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

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

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

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

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

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

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

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

Sec. 23. Minnesota Statutes 2000, section 609.3452, subdivision 1, is amended to read:

Subdivision 1. [ASSESSMENT REQUIRED.] When a person is convicted of a ~~violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a charge based on one or more of those sections~~ sex offense, the court shall order an independent professional assessment of the offender's need for sex offender treatment. The court may waive the assessment if: (1) the sentencing guidelines provide a presumptive prison sentence for the offender, or (2) an adequate assessment was conducted prior to the conviction. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders.

Sec. 24. Minnesota Statutes 2000, section 609.3452, is amended by adding a subdivision to read:

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

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

Subd. 4. [DEFINITION.] As used in this section, "sex offense" means a violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23; or another offense arising out of a charge based on one or more of those sections.

Sec. 26. Minnesota Statutes 2000, section 611A.19, is amended to read:

611A.19 [TESTING OF SEX OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) Upon the request or with the consent of the victim, the prosecutor shall make a motion in camera and the sentencing court shall issue an order requiring an adult convicted of or a juvenile adjudicated delinquent for violating section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or any other violent crime, as defined in section 609.1095, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

(1) the crime involved sexual penetration, however slight, as defined in section 609.341, subdivision 12; or

(2) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during the commission of the crime in a manner which has been demonstrated epidemiologically to transmit the human immunodeficiency virus (HIV).

(b) When the court orders an offender to submit to testing under paragraph (a), the court shall order that the test be performed by an appropriate health professional who is trained to provide the counseling described in section 144.7414, and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services, except in the medical record maintained by the department of corrections.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of a test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. The results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results shall be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.7414. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian,

data on the test must be removed from any medical data or health records maintained under section 13.384 or 144.335 and destroyed, except for those medical records maintained by the department of corrections.

Sec. 27. [REPEALER.]

Minnesota Statutes 2000, sections 241.19 and 242.51, are repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 20 to 22 are effective June 1, 2001, and apply to crimes committed on or after that date. Sections 23 to 25 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to corrections; making various changes to laws involving the department of corrections, including clarifying the community notification law, striking and repealing obsolete and unnecessary statutory language, clarifying who may be required to pay the costs for the use of a correctional camp, allowing licensed mental health professionals to admit inmates to the mental health unit at MCF-Oak Park Heights, altering the requirements of the department's annual performance report, providing that investigation of inmate deaths be initiated by the commissioner of corrections, continuing the task force for agency purchasing from correctional agencies, creating a peer review committee in the health correctional system; authorizing the commissioner to inspect and certify juvenile facilities licensed by the department of human services; requiring the commissioners of corrections and human services to develop alternative equivalent standards for chemical dependency treatment programs for correctional facilities under certain circumstances; requiring the commissioner of corrections to contract with the commissioner of human services for background studies of individuals providing services in secure and nonsecure juvenile residential and detention facilities; making it a crime for employees, contract personnel, or volunteers of a correctional system to engage in certain sexual activities with offenders in correctional facilities; requiring a sex offender assessment for certain repeat sex offenders; authorizing HIV test results to be maintained in inmate medical records; amending Minnesota Statutes 2000, sections 16B.181, subdivision 2; 241.016, subdivision 1; 241.021, subdivisions 1, 4, 4a, 6, by adding a subdivision; 241.67, subdivision 8; 241.69; 242.32, subdivision 1a; 243.05, subdivision 6; 243.51, subdivision 2; 243.53, subdivision 1; 244.052, subdivision 3; 244.173; 244.18, subdivision 1; 390.11, subdivision 1, by adding a subdivision; 390.32, by adding a subdivision; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3452, subdivision 1, by adding subdivisions; 611A.19; repealing Minnesota Statutes 2000, sections 241.19; 242.51."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1944, 895, 1495, 795, 1332, 1265, 1215, 222, 1394, 1472, 1899, 1090, 1064, 1614, 1678, 1685, 1312, 1306, 1082, 1263, 1126, 1266, 2106, 1831, 2066, 1392, 1834, 1932, 1045, 2097, 983, 1541, 1826, 1264 and 970 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 323, 707, 1084, 867, 704, 285, 275 and 1160 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Pogemiller moved that his name be stricken as a co-author to S.F. No. 1196. The motion prevailed.

Senator Chaudhary moved that the name of Senator Pogemiller be added as a co-author to S.F. No. 1546. The motion prevailed.

Senator Schwab moved that the name of Senator Limmer be added as a co-author to S.F. No. 2006. The motion prevailed.

Senator Limmer moved that S.F. No. 2190 be withdrawn from the Committee on Transportation and re-referred to the Committee on Finance. The motion prevailed.

Senator Vickerman moved that S.F. No. 2244 be withdrawn from the Committee on Health and Family Security and re-referred to the Committee on Finance. The motion prevailed.

Senator Terwilliger moved that S.F. No. 1017, No. 160 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Senator Samuelson introduced--

Senate Resolution No. 105: A Senate resolution congratulating Harvey G. Caldwell on his retirement from the Brainerd Regional Human Services Center.

Referred to the Committee on Rules and Administration.

Senator Bachmann introduced--

Senate Resolution No. 106: A Senate resolution recognizing Sam Joachim of Afton, Minnesota, for receiving the National Heroism Award.

Referred to the Committee on Rules and Administration.

Senator Sams moved that S.F. No. 194 be withdrawn from the Committee on Finance and re-referred to the Committee on Education. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Senator Pappas moved that the vote whereby S.F. No. 1919 was passed by the Senate on April 5, 2001, be now reconsidered. The motion prevailed. So the vote was reconsidered.

S.F. No. 1919: A bill for an act relating to the city of St. Paul; changing the membership and appointment process of the citizen review panel for neighborhood investments from the city's part of the sales tax; amending Laws 1998, chapter 389, article 8, section 37, subdivision 2.

Senator Pappas moved to amend S.F. No. 1919 as follows:

Page 1, lines 15 to 19, delete the new language and insert "Before making the appointments, the mayor shall consult on each appointment with each state legislator representing a legislative district that contains at least one precinct in the ward from which the appointment is being made."

The motion prevailed. So the amendment was adopted.

S.F. No. 1919 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson
Bachmann
Belanger

Berg
Berglin
Betzold

Chaudhary
Cohen
Day

Fischbach
Foley
Fowler

Frederickson
Higgins
Hottinger

Johnson, Dave	Langseth	Neuville	Reiter	Schwab
Johnson, Dean	Larson	Oliver	Rest	Stevens
Johnson, Doug	Lesewski	Olson	Ring	Stumpf
Kelley, S.P.	Lessard	Orfield	Robertson	Terwilliger
Kelly, R.C.	Limmer	Ourada	Robling	Tomassoni
Kierlin	Lourey	Pappas	Sabo	Vickerman
Kinkel	Marty	Pariseau	Sams	Wiener
Kiscaden	Metzen	Pogemiller	Samuelson	Wiger
Kleis	Moe, R.D.	Price	Scheevel	
Krentz	Murphy	Ranum	Scheid	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Sams moved that S.F. No. 813 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Taxes. The motion prevailed.

Senator Berglin moved that S.F. No. 156 be withdrawn from the Committee on Health and Family Security and re-referred to the Committee on Taxes. The motion prevailed.

Pursuant to Rule 26, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1269 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1269: A bill for an act relating to veterans; providing for placement in the Capitol of a plaque commemorating the soldiers who participated in the Bataan Death March.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Orfield	Sams
Bachmann	Higgins	Larson	Ourada	Samuelson
Belanger	Hottinger	Lesewski	Pappas	Scheevel
Berg	Johnson, Dave	Lessard	Pariseau	Scheid
Berglin	Johnson, Dean	Limmer	Pogemiller	Schwab
Betzold	Johnson, Doug	Lourey	Price	Stevens
Chaudhary	Kelley, S.P.	Marty	Ranum	Stumpf
Cohen	Kelly, R.C.	Metzen	Reiter	Terwilliger
Day	Kierlin	Moe, R.D.	Rest	Tomassoni
Dille	Kinkel	Murphy	Ring	Vickerman
Fischbach	Kiscaden	Neuville	Robertson	Wiener
Foley	Kleis	Oliver	Robling	Wiger
Fowler	Krentz	Olson	Sabo	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Oliver moved that S.F. No. 1541, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

CONSENT CALENDAR

S.F. No. 1999: A bill for an act relating to courts; amending and deleting obsolete references to the judicial system; clarifying warrant issuance and service; amending Minnesota Statutes 2000, sections 609.103; 626.11; 626.13; repealing Minnesota Statutes 2000, sections 260.022; 260.023; 260.024; 260.025; and 260B.193, subdivision 3; Laws 1997, chapter 239, article 3, section 23.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Orfield	Sams
Bachmann	Higgins	Larson	Ourada	Samuelson
Belanger	Hottinger	Lesewski	Pappas	Scheevel
Berg	Johnson, Dave	Lessard	Pariseau	Scheid
Berglin	Johnson, Dean	Limmer	Pogemiller	Schwab
Betzold	Johnson, Doug	Lourey	Price	Stevens
Chaudhary	Kelley, S.P.	Marty	Ranum	Stumpf
Cohen	Kelly, R.C.	Metzen	Reiter	Terwilliger
Day	Kierlin	Moe, R.D.	Rest	Tomassoni
Dille	Kinkel	Murphy	Ring	Vickerman
Fischbach	Kiscaden	Neuville	Robertson	Wiener
Foley	Kleis	Oliver	Robling	Wiger
Fowler	Krentz	Olson	Sabo	

So the bill passed and its title was agreed to.

S.F. No. 1835: A bill for an act relating to employment; regulating an employee's right to receive certain employment termination information; amending Minnesota Statutes 2000, section 181.933, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Orfield	Sams
Bachmann	Higgins	Larson	Ourada	Samuelson
Belanger	Hottinger	Lesewski	Pappas	Scheevel
Berg	Johnson, Dave	Lessard	Pariseau	Scheid
Berglin	Johnson, Dean	Limmer	Pogemiller	Schwab
Betzold	Johnson, Doug	Lourey	Price	Stevens
Chaudhary	Kelley, S.P.	Marty	Ranum	Stumpf
Cohen	Kelly, R.C.	Metzen	Reiter	Terwilliger
Day	Kierlin	Moe, R.D.	Rest	Tomassoni
Dille	Kinkel	Murphy	Ring	Vickerman
Fischbach	Kiscaden	Neuville	Robertson	Wiener
Foley	Kleis	Oliver	Robling	Wiger
Fowler	Krentz	Olson	Sabo	

So the bill passed and its title was agreed to.

S.F. No. 2005: A bill for an act relating to highways; designating the State Trooper Theodore "Ted" Foss Memorial Highway; amending Minnesota Statutes 2000, section 161.14, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Lesewski	Pariseau	Scheid
Bachmann	Higgins	Lessard	Pogemiller	Schwab
Belanger	Hottinger	Limmer	Price	Stevens
Berg	Johnson, Dean	Lourey	Ranum	Stumpf
Berglin	Johnson, Doug	Marty	Reiter	Terwilliger
Betzold	Kelley, S.P.	Metzen	Rest	Tomassoni
Chaudhary	Kelly, R.C.	Moe, R.D.	Ring	Vickerman
Cohen	Kierlin	Murphy	Robertson	Wiener
Day	Kinkel	Neuville	Robling	Wiger
Dille	Kleis	Olson	Sabo	
Fischbach	Krentz	Orfield	Sams	
Foley	Langseth	Ourada	Samuelson	
Fowler	Larson	Pappas	Scheevel	

Those who voted in the negative were:

Oliver

So the bill passed and its title was agreed to.

S.F. No. 974: A bill for an act relating to local government; adding exceptions to the local public officer's conflict of interest law; amending Minnesota Statutes 2000, section 471.88, by adding subdivisions.

Senator Lourey moved to amend S.F. No. 974 as follows:

Page 1, line 17, delete "2,000" and insert "3,000"

The motion prevailed. So the amendment was adopted.

S.F. No. 974 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 60 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Fowler	Langseth	Ourada	Sams
Bachmann	Frederickson	Larson	Pappas	Samuelson
Belanger	Higgins	Lesewski	Pariseau	Scheevel
Berg	Hottinger	Lessard	Pogemiller	Scheid
Berglin	Johnson, Dean	Lourey	Price	Schwab
Betzold	Johnson, Doug	Marty	Ranum	Stevens
Chaudhary	Kelley, S.P.	Metzen	Reiter	Stumpf
Cohen	Kelly, R.C.	Moe, R.D.	Rest	Terwilliger
Day	Kierlin	Murphy	Ring	Tomassoni
Dille	Kinkel	Neuville	Robertson	Vickerman
Fischbach	Kiscaden	Oliver	Robling	Wiener
Foley	Krentz	Olson	Sabo	Wiger

Those who voted in the negative were:

Kleis Limmer

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Senator Olson introduced--

S.F. No. 2280: A bill for an act relating to taxation; proposing an amendment to the Minnesota Constitution, article X, section 1, by adding a section; article XI, sections 4, 6, 7, 9, 12; prohibiting the imposition of ad valorem taxes.

Referred to the Committee on Taxes.

Senators Samuelson, Solon, Metzen and Pariseau introduced--

S.F. No. 2281: A bill for an act relating to taxation; providing that certain personal property of an electric utility is exempt from taxation; providing state aid payments to replace the revenue lost by local governments; providing a state guarantee for certain bonds; appropriating money; amending Minnesota Statutes 2000, sections 272.02, subdivision 9; 273.13, subdivision 24; and 475A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 216B; 273; and 475A.

Referred to the Committee on Taxes.

Senators Knutson, Day, Tomassoni, Sabo and Johnson, Debbie introduced--

S.F. No. 2282: A bill for an act relating to taxation; providing a reduced property tax class rate for certain day care facility property; amending Minnesota Statutes 2000, section 273.13, subdivision 25.

Referred to the Committee on Taxes.

Senator Betzold introduced--

S.F. No. 2283: A bill for an act relating to insurance; regulating the use of genetic information; amending Minnesota Statutes 2000, section 72A.139.

Referred to the Committee on Commerce.

Senators Larson; Johnson, Doug; Solon; Rest and Oliver introduced--

S.F. No. 2284: A bill for an act relating to appropriations; appropriating money for the state's share of the cost of the new Poe Lock at Sault Ste. Marie Narrows.

Referred to the Committee on Finance.

Senators Larson, Tomassoni, Vickerman, Stumpf and Lesewski introduced--

S.F. No. 2285: A bill for an act relating to retirement; teachers retirement association; permitting certain retiring teachers to elect the improved money purchase benefit plan in lieu of the formula benefit plan; amending Minnesota Statutes 2000, section 354.55, subdivision 17.

Referred to the Committee on State and Local Government Operations.

Senator Samuelson introduced--

S.F. No. 2286: A bill for an act relating to natural resources; appropriating money for a woodland education publication.

Referred to the Committee on Finance.

Senator Oliver introduced--

S.F. No. 2287: A bill for an act relating to education; creating a legislative task force on reducing the complexity of kindergarten through grade 12 education funding statutes and rules; appropriating money.

Referred to the Committee on Education.

Senators Tomassoni and Johnson, Doug introduced--

S.F. No. 2288: A bill for an act relating to education finance; appropriating money for a grant to the range association of municipalities and schools to coordinate a response to declining student enrollment in iron range school districts.

Referred to the Committee on Education.

Senators Tomassoni and Johnson, Doug introduced--

S.F. No. 2289: A bill for an act relating to capital improvements; exempting certain iron range resources and rehabilitation board projects from legislative capital project approval requirements; amending Minnesota Statutes 2000, section 298.22, subdivision 2.

Referred to the Committee on Taxes.

Senator Wiger introduced--

S.F. No. 2290: A bill for an act relating to human services; providing a rate increase for a nursing facility in Ramsey county; amending Minnesota Statutes 2000, section 256B.431, by adding a subdivision.

Referred to the Committee on Health and Family Security.

Senator Kelly, R.C. introduced--

S.F. No. 2291: A bill for an act relating to economic development; appropriating money for a grant to the city of St. Paul to purchase the Union Depot.

Referred to the Committee on Finance.

Senators Larson, Schwab, Murphy, Stumpf and Samuelson introduced--

S.F. No. 2292: A bill for an act relating to taxation; property; adding maple syrup to definition of agricultural products; amending Minnesota Statutes, section 273.13, subdivision 23.

Referred to the Committee on Taxes.

Senator Lessard introduced--

S.F. No. 2293: A bill for an act relating to health; allowing persons performing genealogy research to obtain certified copies of certain birth certificates; amending Minnesota Statutes 2000, section 144.225, by adding a subdivision.

Referred to the Committee on Health and Family Security.

Senator Olson introduced--

S.F. No. 2294: A bill for an act relating to education; prescribing certain requirements for statewide tests; amending Minnesota Statutes 2000, section 120B.30, subdivision 1.

Referred to the Committee on Education.

Senator Stumpf introduced--

S.F. No. 2295: A bill for an act relating to education; providing an education alternative to

smaller school districts; appropriating money; amending Minnesota Statutes 2000, sections 123A.64; 124D.10, subdivision 1; and 124D.11, subdivision 1.

Referred to the Committee on Education.

Senators Wiger, Lesewski, Krentz and Chaudhary introduced--

S.F. No. 2296: A bill for an act relating to education; providing students with additional opportunities to learn to read; appropriating money.

Referred to the Committee on Education.

Senators Neuville and Schwab introduced--

S.F. No. 2297: A bill for an act relating to courts; establishing alternative dispute resolution programs in the third and fifth judicial districts; appropriating money.

Referred to the Committee on Finance.

MEMBERS EXCUSED

Senator Johnson, Dave was excused from the Session of today at 12:25 p.m.

ADJOURNMENT

Senator Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 11, 2001. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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