

S.F. No. 2249 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

RECONSIDERATION

Having voted on the prevailing side, Senator Ring moved that the vote whereby the Conference Committee Report on S.F. No. 1495 was rejected by the Senate and the bill returned to the Conference Committee as formerly constituted on May 21, 2001, be now reconsidered.

CALL OF THE SENATE

Senator Murphy imposed a call of the Senate for the balance of the proceedings on S.F. No. 1495. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Ring motion.

The roll was called, and there were yeas 39 and nays 25, as follows:

Those who voted in the affirmative were:

Berg	Hottinger	Larson	Olson	Stevens
Chaudhary	Johnson, Dave	Lesewski	Pariseau	Stumpf
Cohen	Johnson, Dean	Lessard	Pogemiller	Terwilliger
Day	Kelly, R.C.	Lourey	Ring	Tomassoni
Dille	Kierlin	Metzen	Robling	Vickerman
Fischbach	Kinkel	Moe, R.D.	Sams	Wiener
Fowler	Krentz	Murphy	Scheevel	Wiger
Higgins	Langseth	Neuville	Scheid	

Those who voted in the negative were:

Anderson	Foley	Kiscaden	Oliver	Reiter
Bachmann	Frederickson	Kleis	Orfield	Rest
Belanger	Johnson, Debbie	Knutson	Ourada	Robertson
Berglin	Johnson, Doug	Limmer	Pappas	Samuelson
Betzold	Kelley, S.P.	Marty	Ranum	Schwab

The motion prevailed. So the vote was reconsidered.

Senator Krentz withdrew her motion.

The question recurred on the motion of Senator Murphy that the foregoing recommendations and Conference Committee Report on S.F. No. 1495 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1495 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 42 and nays 24, as follows:

Those who voted in the affirmative were:

Berg	Johnson, Dave	Larson	Pogemiller	Stumpf
Chaudhary	Johnson, Dean	Lesewski	Price	Terwilliger
Day	Kelley, S.P.	Lourey	Ranum	Tomassoni
Dille	Kelly, R.C.	Metzen	Ring	Vickerman
Fischbach	Kierlin	Moe, R.D.	Robling	Wiener
Fowler	Kinkel	Murphy	Sams	Wiger
Frederickson	Kleis	Neuville	Scheevel	
Higgins	Krentz	Olson	Schwab	
Hottinger	Langseth	Pariseau	Stevens	

Those who voted in the negative were:

Anderson	Cohen	Knutson	Orfield	Robertson
Bachmann	Foley	Lessard	Ourada	Sabo
Belanger	Johnson, Debbie	Limmer	Pappas	Samuelson
Berglin	Johnson, Doug	Marty	Reiter	Scheid
Betzold	Kiscaden	Oliver	Rest	

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

RECESS

Senator Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2208: Senators Pogemiller, Fowler and Belanger.

H.F. No. 1541: Senators Sabo, Berglin and Knutson.

Senator Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 103, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 103: A bill for an act relating to civil actions; providing civil remedies for receiving motor fuel from a motor fuel retail business without paying for it; proposing coding for new law in Minnesota Statutes, chapter 332.

Senate File No. 103 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1068, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1068: A bill for an act relating to government data; classifying data; codifying temporary classifications; including metropolitan area towns under the data practices act; clarifying effect of advisory opinions; modifying records management requirements; removing sunset on law governing access to juvenile records for gang investigations; extending authority for special law governing property taxpayer data; amending Minnesota Statutes 2000, sections 13.02, subdivision 11; 13.072, subdivision 2; 13.08, subdivision 4; 13.32, by adding a subdivision; 13.322, subdivision 3; 13.59; 13.594; 13.719, by adding a subdivision; 13.785, by adding a subdivision; 136A.243, by adding a subdivision; 138.17, subdivision 7; 182.659, subdivision 8; 260B.171, subdivision 1; 299C.095, subdivision 1; 299C.13; 299C.61, by adding a subdivision; 386.20, by adding a subdivision; 611A.19; Laws 1997, First Special Session chapter 3, section 27, as amended; repealing Minnesota Statutes 2000, sections 13.081; 13.5921.

Senate File No. 1068 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1407, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1407: A bill for an act relating to human services; modifying provisions in health care access programs; amending Minnesota Statutes 2000, sections 245B.02, by adding a subdivision; 245B.03, subdivision 1; 252.28, subdivisions 3a and 3b; 256B.056, subdivisions 1a, 4, and 5a; 256B.0595, subdivisions 1 and 2; 256B.0625, subdivision 9; 256B.0635, subdivision 1; 256B.071, subdivision 2; 256B.094, subdivisions 6 and 8; 256B.5013, subdivision 1; 256B.69, subdivision 3a; 256D.03, subdivision 3; and 256L.15, subdivision 1a; Laws 1996, chapter 451, article 2, sections 61 and 62; repealing Minnesota Statutes 2000, section 256B.071, subdivision 5; Laws 1995, chapter 178, article 2, section 46, subdivision 10; Laws 1996, chapter 451, article 2, sections 12, 14, 16, 18, 29, and 30.

Senate File No. 1407 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

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. 1310, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1310 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 2001

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1310

A bill for an act relating to construction; giving the state building official final authority for interpreting the State Building Code and prescribing its enforcement; requiring municipalities to submit annual reports on construction-related fees; regulating construction-related fees; prohibiting municipalities from requiring waivers of rights as a condition for issuance of a construction-related permit; amending Minnesota Statutes 2000, sections 16B.61, subdivision 1; 16B.62, subdivision 1; 16B.63, by adding a subdivision; 326.90, subdivision 1; 462.353, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16B; 462.

May 21, 2001

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

We, the undersigned conferees for H.F. No. 1310, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1310 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 16B.61, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION OF CODE.] Subject to sections 16B.59 to 16B.75, the commissioner shall by rule establish a code of standards for the construction, reconstruction, alteration, and repair of buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety, including design and construction standards regarding heat loss control, illumination, and climate control. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States, including a code for building conservation. In the preparation of the code, consideration must be given to the existing statewide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 16B.59 to 16B.75, the commissioner shall administer and enforce the provisions of those sections.

The commissioner shall develop rules addressing the plan review fee assessed to similar buildings without significant modifications including provisions for use of building systems as specified in the industrial/modular program specified in section 16B.75. Additional plan review fees associated with similar plans must be based on costs commensurate with the direct and indirect costs of the service.

Sec. 2. Minnesota Statutes 2000, section 16B.61, subdivision 2, is amended to read:

Subd. 2. [ENFORCEMENT BY CERTAIN BODIES.] Under the direction and supervision of the commissioner, the provisions of the code relating to electrical installations shall be enforced by the state board of electricity, pursuant to the Minnesota Electrical Act, the provisions relating to plumbing shall be enforced by the commissioner of health, the provisions relating to high pressure steam piping and appurtenances shall be enforced by the department of labor and industry. Fees for inspections conducted by the state board of electricity shall be paid in accordance with the

rules of the state board of electricity. Under direction of the commissioner of public safety, the state fire marshal shall enforce the Minnesota Uniform Fire Code as provided in chapter 299F. The commissioner, in consultation with the commissioner of labor and industry, shall adopt amendments to the mechanical code portion of the State Building Code to implement standards for process piping.

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

Sec. 3. Minnesota Statutes 2000, section 16B.62, subdivision 1, is amended to read:

Subdivision 1. **[MUNICIPAL ENFORCEMENT.]** The State Building Code applies statewide and supersedes the building code of any municipality. A municipality must not by ordinance or through development agreement require building code provisions regulating components or systems of any residential structure that are different from any provision of the State Building Code. A municipality may, with the approval of the state building official, adopt an ordinance that is more restrictive than the State Building Code where geological conditions warrant a more restrictive ordinance. A municipality may appeal the disapproval of a more restrictive ordinance to the commissioner. An appeal under this subdivision is subject to the schedule, fee, procedures, cost provisions, and appeal rights set out in section 16B.67. The State Building Code does not apply to agricultural buildings except with respect to state inspections required or rulemaking authorized by sections 103F.141, 216C.19, subdivision 8, and 326.244. All municipalities shall adopt and enforce the State Building Code with respect to new construction within their respective jurisdictions.

If a city has adopted or is enforcing the State Building Code on June 3, 1977, or determines by ordinance after that date to undertake enforcement, it shall enforce the code within the city. A city may by ordinance extend the enforcement of the code to contiguous unincorporated territory not more than two miles distant from its corporate limits in any direction. Where two or more noncontiguous cities which have elected to enforce the code have boundaries less than four miles apart, each is authorized to enforce the code on its side of a line equidistant between them. Once enforcement authority is extended extraterritorially by ordinance, the authority may continue to be exercised in the designated territory even though another city less than four miles distant later elects to enforce the code. After the extension, the city may enforce the code in the designated area to the same extent as if the property were situated within its corporate limits.

A city which, on June 3, 1977, had not adopted the code may not commence enforcement of the code within or outside of its jurisdiction until it has provided written notice to the commissioner, the county auditor, and the town clerk of each town in which it intends to enforce the code. A public hearing on the proposed enforcement must be held not less than 30 days after the notice has been provided. Enforcement of the code by the city outside of its jurisdiction commences on the first day of January in the year following the notice and hearing.

Municipalities may provide for the issuance of permits, inspection, and enforcement within their jurisdictions by means which are convenient, and lawful, including by means of contracts with other municipalities pursuant to section 471.59, and with qualified individuals. The other municipalities or qualified individuals may be reimbursed by retention or remission of some or all of the building permit fee collected or by other means. In areas of the state where inspection and enforcement is unavailable from qualified employees of municipalities, the commissioner shall train and designate individuals available to carry out inspection and enforcement on a fee basis. Nothing in this section prohibits a municipality from adopting ordinances relating to zoning, subdivision, or planning unless the ordinance conflicts with a provision of the State Building Code that regulates components or systems of any residential structure.

Sec. 4. Minnesota Statutes 2000, section 16B.63, is amended by adding a subdivision to read:

Subd. 5. **[INTERPRETATIVE AUTHORITY.]** To achieve uniform and consistent application of the State Building Code, the state building official has final interpretative authority applicable to all codes adopted as part of the State Building Code except for the plumbing code and the electrical code when enforced by the state board of electricity. A final interpretative committee composed of seven members, consisting of three building officials, two inspectors from the

affected field, and two construction industry representatives, shall review requests for final interpretations relating to that field. A request for final interpretation must come from a local or state level building code board of appeals. The state building official must establish procedures for membership of the interpretative committees. The appropriate committee shall review the request and make a recommendation to the state building official for the final interpretation within 30 days of the request. The state building official must issue an interpretation within ten business days from the recommendation from the review committee. A final interpretation may be appealed within 30 days of its issuance to the commissioner under section 16B.67. The final interpretation must be published within ten business days of its issuance and made available to the public. Municipal building officials shall administer all final interpretations issued by the state building official until the final interpretations are considered for adoption as part of the State Building Code.

Sec. 5. [16B.665] [PERMIT FEE LIMITATION ON MINOR RESIDENTIAL IMPROVEMENTS.]

A municipality as defined in section 16B.60, subdivision 3, or a town may not charge a permit fee that exceeds \$15 or 5 percent of the cost of the improvement, installation, or replacement, whichever is greater, for the improvement, installation, or replacement of a residential fixture or appliance that:

- (1) does not require modification to electric or gas service;
- (2) has a total cost of \$500 or less, excluding the cost of the fixture or appliance; and
- (3) is improved, installed, or replaced by the home owner or a licensed contractor.

Sec. 6. [16B.685] [ANNUAL REPORT.]

Beginning with the first report filed by April 1, 2003, each municipality shall annually report by April 1 to the department, in a format prescribed by the department, all construction and development-related fees collected by the municipality from developers, builders, and subcontractors. The report must include:

- (1) the number and valuation of units for which fees were paid;
- (2) the amount of building permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, and other construction and development-related fees; and
- (3) the expenses associated with the municipal activities for which fees were collected.

Sec. 7. Minnesota Statutes 2000, section 326.90, subdivision 1, is amended to read:

Subdivision 1. [LOCAL LICENSE PROHIBITED.] Except as provided in sections 326.991 and 326.90, subdivision 2, and 326.991, a political subdivision may not require a person licensed under sections 326.83 to 326.991 to also be licensed or pay a registration or other fee related to licensure under any ordinance, law, rule, or regulation of the political subdivision. This section does not prohibit charges for building permits or other charges not directly related to licensure.

Sec. 8. Minnesota Statutes 2000, section 327A.01, subdivision 2, is amended to read:

Subd. 2. [BUILDING STANDARDS.] "Building standards" means the structural, mechanical, electrical, and quality standards of the home building industry for the geographic area in which the dwelling is situated State Building Code, adopted by the commissioner of administration pursuant to sections 16B.59 to 16B.75, that is in effect at the time of the construction or remodeling.

Sec. 9. Minnesota Statutes 2000, section 327A.02, subdivision 1, is amended to read:

Subdivision 1. [WARRANTIES BY VENDORS.] In every sale of a completed dwelling, and in every contract for the sale of a dwelling to be completed, the vendor shall warrant to the vendee that:

(a) during the one-year period from and after the warranty date the dwelling shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards;

(b) during the two-year period from and after the warranty date, the dwelling shall be free from defects caused by faulty installation of plumbing, electrical, heating, and cooling systems due to noncompliance with building standards; and

(c) during the ten-year period from and after the warranty date, the dwelling shall be free from major construction defects due to noncompliance with building standards.

Sec. 10. Minnesota Statutes 2000, section 327A.02, subdivision 3, is amended to read:

Subd. 3. [HOME IMPROVEMENT WARRANTIES.] (a) In a sale or in a contract for the sale of home improvement work involving major structural changes or additions to a residential building, the home improvement contractor shall warrant to the owner that:

(1) during the one-year period from and after the warranty date the home improvement shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards; and

(2) during the ten-year period from and after the warranty date the home improvement shall be free from major construction defects due to noncompliance with building standards.

(b) In a sale or in a contract for the sale of home improvement work involving the installation of plumbing, electrical, heating or cooling systems, the home improvement contractor shall warrant to the owner that, during the two-year period from and after the warranty date, the home improvement shall be free from defects caused by the faulty installation of the system or systems due to noncompliance with building standards.

(c) In a sale or in a contract for the sale of any home improvement work not covered by paragraph (a) or (b), the home improvement contractor shall warrant to the owner that, during the one-year period from and after the warranty date, the home improvement shall be free from defects caused by faulty workmanship or defective materials due to noncompliance with building standards.

Sec. 11. Minnesota Statutes 2000, section 462.353, subdivision 4, is amended to read:

Subd. 4. [FEES.] A municipality may prescribe fees sufficient to defray the costs incurred by it in reviewing, investigating, and administering an application for an amendment to an official control established pursuant to sections 462.351 to 462.364 or an application for a permit or other approval required under an official control established pursuant to those sections. Fees as prescribed shall must be by ordinance and must be fair, reasonable, and proportionate to the actual cost of the service for which the fee is imposed. A municipality shall adopt management and accounting procedures to ensure that fees are maintained and used only for the purpose for which they are collected.

If a dispute arises over a specific fee imposed by a municipality related to a specific application, the amount of the fee must be deposited and held in escrow, and the person aggrieved by the fee may appeal under section 462.361. An approved application may proceed as if the fee had been paid, pending a decision on the appeal.

Sec. 12. [462.3531] [WAIVER OF RIGHTS.]

Any waiver of rights of appeal under section 429.081 is effective only for the amount of assessment estimated or for the assessment amount agreed to in the development agreement. An effective waiver of rights of appeal under section 429.081 may contain additional conditions providing for increases in assessments that will not be subject to appeal if:

(1) the increases are a result of requests made by the developer or property owner; or

(2) the increases are otherwise approved by the developer or property owner in a subsequent separate written document.

Sec. 13. Minnesota Statutes 2000, section 462.357, subdivision 2, is amended to read:

Subd. 2. [GENERAL REQUIREMENTS.] (a) At any time after the adoption of a land use plan for the municipality, the planning agency, for the purpose of carrying out the policies and goals of the land use plan, may prepare a proposed zoning ordinance and submit it to the governing body with its recommendations for adoption.

(b) Subject to the requirements of subdivisions 3, 4, and 5, the governing body may adopt and amend a zoning ordinance by a majority vote of all its members. The adoption or amendment of any portion of a zoning ordinance which changes all or part of the existing classification of a zoning district from residential to either commercial or industrial requires a two-thirds majority vote of all its members of the governing body.

(c) The land use plan must provide guidelines for the timing and sequence of the adoption of official controls to ensure planned, orderly, and staged development and redevelopment consistent with the land use plan.

Sec. 14. Minnesota Statutes 2000, section 462.357, subdivision 5, is amended to read:

Subd. 5. [AMENDMENT; CERTAIN CITIES OF THE FIRST CLASS.] The provisions of this subdivision apply to ~~cities~~ the adoption or amendment of any portion of a zoning ordinance which changes all or part of the existing classification of a zoning district from residential to either commercial or industrial of a property located in a city of the first class, except a city of the first class in which a different process is provided through the operation of the city's home rule charter. In a city to which this subdivision applies, amendments to a zoning ordinance shall be made in conformance with this section but only after there shall have been filed in the office of the city clerk a written consent of the owners of two-thirds of the several descriptions of real estate situate within 100 feet of the total contiguous descriptions of real estate held by the same owner or any party purchasing any such contiguous property within one year preceding the request, and after the affirmative vote in favor thereof by a majority of the members of the governing body of any such city. The governing body of such city may, by a two-thirds vote of its members, after hearing, adopt a new zoning ordinance without such written consent whenever the planning commission or planning board of such city shall have made a survey of the whole area of the city or of an area of not less than 40 acres, within which the new ordinance or the amendments or alterations of the existing ordinance would take effect when adopted, and shall have considered whether the number of descriptions of real estate affected by such changes and alterations renders the obtaining of such written consent impractical, and such planning commission or planning board shall report in writing as to whether in its opinion the proposals of the governing body in any case are reasonably related to the overall needs of the community, to existing land use, or to a plan for future land use, and shall have conducted a public hearing on such proposed ordinance, changes or alterations, of which hearing published notice shall have been given in a daily newspaper of general circulation at least once each week for three successive weeks prior to such hearing, which notice shall state the time, place and purpose of such hearing, and shall have reported to the governing body of the city its findings and recommendations in writing.

Sec. 15. [EFFECTIVE DATE.]

(a) Sections 5 and 11 are effective January 1, 2002.

(b) Sections 8 to 10, 13, and 14 are effective the day following final enactment.

(c) Section 12 is effective August 1, 2001, and applies to contracts entered into on or after that date."

Amend the title as follows:

"A bill for an act relating to construction; giving the state building official final authority for interpreting the State Building Code and prescribing its enforcement; regulating

construction-related fees; requiring municipalities to submit annual reports on construction-related fees; providing for adoption of certain amendments to the mechanical code; limiting certain municipal building code ordinances; clarifying certain terms; modifying provisions relating to construction warranties; limiting certain waivers of rights; modifying provisions relating to zoning ordinances; amending Minnesota Statutes 2000, sections 16B.61, subdivisions 1, 2; 16B.62, subdivision 1; 16B.63, by adding a subdivision; 326.90, subdivision 1; 327A.01, subdivision 2; 327A.02, subdivisions 1, 3; 462.353, subdivision 4; 462.357, subdivisions 2, 5; proposing coding for new law in Minnesota Statutes, chapters 16B; 462."

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

House Conferees: (Signed) Ron Abrams, Bob Milbert, Mary Liz Holberg

Senate Conferees: (Signed) Douglas J. Johnson, Ann H. Rest, Dan Stevens

Senator Johnson, Doug moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1310 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. 1310 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 59 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Reiter

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 1261, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1261 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 2001

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1261

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

May 18, 2001

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

We, the undersigned conferees for H.F. No. 1261, report that we have agreed upon the items in dispute and recommend as follows:

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 16B.181, subdivision 2, is amended to read:

Subd. 2. [PUBLIC ENTITIES; PURCHASES FROM CORRECTIONS INDUSTRIES.] (a) The commissioner of corrections, in consultation with the commissioner of administration, shall prepare updated lists of the items available for purchase from department of corrections industries and annually forward a copy of the most recent list to all public entities within the state. A public entity that is supported in whole or in part with funds from the state treasury may purchase items directly from corrections industries. The bid solicitation process is not required for these purchases.

(b) The commissioner of administration shall develop a contract or contracts to enable public entities to purchase items directly from corrections industries. The commissioner of administration, in consultation with the commissioner of corrections, shall determine the fair market price for listed items. The commissioner of administration shall require that all requests for bids or proposals, for items provided by corrections industries, be forwarded to the commissioner of corrections to enable corrections industries to submit bids. The commissioner of corrections shall consult with the commissioner of administration prior to introducing new products to the state agency market.

(c) No public entity may evade the intent of this section by adopting slight variations in specifications, when Minnesota corrections industry items meet the reasonable needs and specifications of the public entity.

(d) The commissioners of administration and corrections shall develop annual performance measures outlining goals to maximize inmate work program participation. The commissioners of administration and corrections shall appoint 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.] (a) ~~Notwithstanding section 15.91, The department of corrections shall issue submit a performance report by November 30 of each year to the chairs and ranking minority members of the senate and house committees and divisions having jurisdiction over criminal justice funding by January 15 of each year. The issuance and content of the report must conform with section 15.91. include the following:~~

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

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

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

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

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

241.018 [PER DIEM CALCULATION.]

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

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

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

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

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

Subdivision 1. [SUPERVISION OVER CORRECTIONAL INSTITUTIONS.] ~~(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. 5. Minnesota Statutes 2000, section 241.021, subdivision 4, is amended to read:

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

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

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

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

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

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

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

Subd. 6. [BACKGROUND STUDIES.] (a) The commissioner of corrections is authorized to do background studies on personnel employed by any facility serving children or youth that is licensed under this section. The commissioner of corrections shall contract with the commissioner of human services to conduct background studies of individuals providing services in secure and nonsecure residential facilities and detention facilities who have direct contact, as defined under

section 245A.04, subdivision 3, with persons served in the facilities. A disqualification of an individual in this section shall disqualify the individual from positions allowing direct contact or access to persons and residents receiving services in programs licensed by the departments of health and human services.

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(d) The commissioner shall establish an advisory task force consisting of county probation~~

officers from Community Corrections Act counties and other counties, court services providers, and other interested officials. The commissioner shall consult with the task force concerning the establishment and operation of the project.

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

241.69 [PSYCHIATRIC MENTAL HEALTH UNIT; ESTABLISHMENT.]

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

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

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

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

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

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

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

Subd. 6. [TRANSFER UPON EXPIRATION OF SENTENCE.] If the sentence of a person who has been adjudicated to be mentally ill and committed to the psychiatric mental health unit established under this section should expire before the person recovers and is discharged therefrom, and, in the judgment of the ~~chief medical officer~~ director of psychological services of the unit, the person requires further hospitalization for mental illness, the person shall be

transferred by the commissioner of corrections to a state hospital designated by the commissioner of human services, there to be detained as in the case of other mentally ill persons under judicial commitment.

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

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

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

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

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

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

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

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

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

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

The chief executive officer of the transferring facility shall attach to such contract a duly certified copy of the warrant of commitment under which such inmate is held, together with copies of such other commitment papers as are required by section 243.49, and such other data relating to the character and condition of such inmates as the officer may deem necessary or may be required by the federal prison authorities. Such copy of the warrant of commitment and accompanying papers shall constitute sufficient authority for the United States to hold such inmate on behalf of the state of Minnesota.

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

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

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

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

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

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

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

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

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

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

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

(1) private medical data under section 13.384 or 144.335, or welfare data under section 13.46 that relate to medical treatment of the offender;

(2) private and confidential court services data under section 13.84;

(3) private and confidential corrections data under section 13.85; and

(4) private criminal history data under section 13.87.

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

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

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

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

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

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

(1) the seriousness of the offense should the offender reoffend. This factor includes consideration of the following:

(i) the degree of likely force or harm;

(ii) the degree of likely physical contact; and

(iii) the age of the likely victim;

(2) the offender's prior offense history. This factor includes consideration of the following:

- (i) the relationship of prior victims to the offender;
 - (ii) the number of prior offenses or victims;
 - (iii) the duration of the offender's prior offense history;
 - (iv) the length of time since the offender's last prior offense while the offender was at risk to commit offenses; and
 - (v) the offender's prior history of other antisocial acts;
- (3) the offender's characteristics. This factor includes consideration of the following:
- (i) the offender's response to prior treatment efforts; and
 - (ii) the offender's history of substance abuse;
- (4) the availability of community supports to the offender. This factor includes consideration of the following:
- (i) the availability and likelihood that the offender will be involved in therapeutic treatment;
 - (ii) the availability of residential supports to the offender, such as a stable and supervised living arrangement in an appropriate location;
 - (iii) the offender's familial and social relationships, including the nature and length of these relationships and the level of support that the offender may receive from these persons; and
 - (iv) the offender's lack of education or employment stability;
- (5) whether the offender has indicated or credible evidence in the record indicates that the offender will reoffend if released into the community; and
- (6) whether the offender demonstrates a physical condition that minimizes the risk of reoffense, including but not limited to, advanced age or a debilitating illness or physical condition.
- (h) Upon the request of the law enforcement agency or the offender's corrections agent, the commissioner may reconvene the end-of-confinement review committee for the purpose of reassessing the risk level to which an offender has been assigned under paragraph (e). In a request for a reassessment, the law enforcement agency which was responsible for the charge resulting in confinement or agent shall list the facts and circumstances arising after the initial assignment or facts and circumstances known to law enforcement or the agent but not considered by the committee under paragraph (e) which support the request for a reassessment. The request for reassessment by the law enforcement agency must occur within 30 days of receipt of the report indicating the offender's risk level assignment. The offender's corrections agent, in consultation with the chief law enforcement officer in the area where the offender resides or intends to reside, may request a review of a risk level at any time if substantial evidence exists that the offender's risk level should be reviewed by an end-of-confinement review committee. This evidence includes, but is not limited to, evidence of treatment failures or completions, evidence of exceptional crime-free community adjustment or lack of appropriate adjustment, evidence of substantial community need to know more about the offender or mitigating circumstances that would narrow the proposed scope of notification, or other practical situations articulated and based in evidence of the offender's behavior while under supervision. Upon review of the request, the end-of-confinement review committee may reassign an offender to a different risk level. If the offender is reassigned to a higher risk level, the offender has the right to seek review of the committee's determination under subdivision 6.
- (i) An offender may request the end-of-confinement review committee to reassess the offender's assigned risk level after three years have elapsed since the committee's initial risk assessment and may renew the request once every two years following subsequent denials. In a request for reassessment, the offender shall list the facts and circumstances which demonstrate that the offender no longer poses the same degree of risk to the community. In order for a request for a

risk level reduction to be granted, the offender must demonstrate full compliance with supervised release conditions, completion of required post-release treatment programming, and full compliance with all registration requirements as detailed in section 243.166. The offender must also not have been convicted of any felony, gross misdemeanor, or misdemeanor offenses subsequent to the assignment of the original risk level. The committee shall follow the process outlined in paragraphs (a) to (e), and (g) (c) in the reassessment. An offender who is incarcerated may not request a reassessment under this paragraph.

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

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

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

244.173 [CHALLENGE INCARCERATION PROGRAM; EVALUATION AND REPORT.]

~~The commissioner shall report to the committees of the house of representatives and senate with jurisdiction over criminal justice policy by January 1, 1996, on the operation of the program.~~

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

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

- (1) community service work placement and supervision;
- (2) restitution collection;
- (3) supervision;
- (4) court ordered investigations; or
- (5) any other court ordered service;
- (6) post-prison supervision or other form of release; or

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

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

Subdivision 1. [DEATHS REQUIRING INQUESTS AND INVESTIGATIONS.] Except as

provided in subdivision 1a, the coroner shall investigate and may conduct inquests in all human deaths of the following types:

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

(2) deaths under unusual or mysterious circumstances;

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

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

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

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

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

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

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

Subd. 11. (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to (f), and 609.345, subdivision 1, clauses (a) to (e), and (h) to ~~(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. 22. Minnesota Statutes 2000, section 609.344, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

(ii) the complainant suffered personal injury; or

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

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

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

(i) during the psychotherapy session; or

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

Consent by the complainant is not a defense;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) the complainant suffered personal injury; or

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

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

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

(i) during the psychotherapy session; or

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

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

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

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

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

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

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

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

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

Subdivision 1. [ASSESSMENT REQUIRED.] ~~When a person is convicted of a violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a charge based on one or more of those sections sex offense, the court shall order an independent professional assessment of the offender's need for sex offender treatment. The court may waive the assessment if: (1) the sentencing guidelines provide a presumptive prison sentence for the offender, or (2) an adequate assessment was conducted prior to the conviction. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders.~~

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

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

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

Subd. 4. [DEFINITION.] As used in this section, "sex offense" means a violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23; or another offense arising out of a charge based on one or more of those sections.

Sec. 27. Minnesota Statutes 2000, section 611A.19, is amended to read:

611A.19 [TESTING OF SEX OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) Upon the request or with the consent of the victim, the prosecutor shall make a motion in camera and the sentencing court shall issue an order requiring an adult convicted of or a juvenile adjudicated delinquent for violating section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or any other violent crime, as defined in section 609.1095, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

(1) the crime involved sexual penetration, however slight, as defined in section 609.341, subdivision 12; or

(2) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during the commission of the crime in a manner which has been demonstrated epidemiologically to transmit the human immunodeficiency virus (HIV).

(b) When the court orders an offender to submit to testing under paragraph (a), the court shall order that the test be performed by an appropriate health professional who is trained to provide the counseling described in section 144.7414, and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services, except in the medical record maintained by the department of corrections.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of a test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. The results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results shall be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.7414. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.384 or 144.335 and destroyed, except for those medical records maintained by the department of corrections.

Sec. 28. Laws 1996, chapter 463, section 16, subdivision 3, as amended by Laws 1997, chapter 238, section 3, is amended to read:

Subd. 3. New Facility

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To complete design and to construct, furnish, and equip a new close-custody correctional facility at custody level four to provide at least 800 beds.

The commissioner of administration may use construction delivery methods as may be appropriate to minimize the cost of the facility and maximize the construction time savings.

Before final contract documents for this project are advertised for construction bids, the commissioners of administration and corrections shall certify to the chairs of the senate finance committee, the senate crime prevention finance division, the house ways and means committee, the house judiciary finance committee, and the

house capital investment committee that the program scope of the project has not increased since the project budget was reviewed in accordance with Minnesota Statutes, section 16B.335.

Upon receipt and evaluation of construction bids and before awarding contracts for the construction phase of the project, the commissioners of administration and finance shall inform the chairs of the house ways and means committee and the senate human resources finance committee and the chairs of the house and senate policy and finance committees and divisions having jurisdiction over criminal justice issues of the project budget necessary to complete that portion of the project. Any portion of this appropriation that exceeds the project budget shall be unallotted by the commissioner of finance.

~~By February 1 of each year, the commissioner shall report to the chairs of the house judiciary committee and senate crime prevention committee on efforts to recruit a workforce for the correctional facility that is proportional to the protected groups in the inmate population, the results of the efforts, and recommendations for achieving the goal of proportional representation of protected class employees in relation to the inmate population.~~

The commissioner of corrections shall construct an access road from state trunk highway 361 to the parking lot of the correctional facility. The commissioner of transportation shall construct any necessary improvements at the intersection of trunk highway 361 and the access road in order to facilitate ingress to and egress from the correctional facility.

Sec. 29. [WORKFORCE REPORTS.]

The department of corrections shall continue to report on its efforts to recruit a diverse workforce as required in Minnesota Statutes, section 43A.191.

Sec. 30. [REPEALER.]

Minnesota Statutes 2000, sections 241.016, subdivision 2, 241.19, and 242.51, are repealed.

Sec. 31. [EFFECTIVE DATE.]

Sections 21 to 23 are effective June 1, 2001, and apply to crimes committed on or after that date. Sections 24 to 26 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to corrections; making various changes to laws involving the department of corrections, including clarifying the community notification law, striking and

repealing obsolete and unnecessary statutory language, clarifying who may be required to pay the costs for the use of a correctional camp, allowing licensed mental health professionals to admit inmates to the mental health unit at MCF-Oak Park Heights, altering the requirements of the department's annual performance report, providing that investigation of inmate deaths be initiated by the commissioner of corrections, continuing the task force for agency purchasing from correctional agencies, creating a peer review committee in the health correctional system; authorizing the commissioner to inspect and certify juvenile facilities licensed by the department of human services; requiring the commissioners of corrections and human services to develop alternative equivalent standards for chemical dependency treatment programs for correctional facilities under certain circumstances; requiring the commissioner of corrections to contract with the commissioner of human services for background studies of individuals providing services in secure and nonsecure juvenile residential and detention facilities; making it a crime for employees, contract personnel, or volunteers of a correctional system to engage in certain sexual activities with offenders in correctional facilities; requiring a sex offender assessment for certain repeat sex offenders; authorizing HIV test results to be maintained in inmate medical records; requiring new per diem methods to be used in annual reports; amending Minnesota Statutes 2000, sections 16B.181, subdivision 2; 241.016, subdivision 1; 241.018; 241.021, subdivisions 1, 4, 4a, 6, by adding a subdivision; 241.67, subdivision 8; 241.69; 242.32, subdivision 1a; 243.05, subdivision 6; 243.51, subdivision 2; 243.53, subdivision 1; 244.052, subdivision 3; 244.173; 244.18, subdivision 1; 390.11, subdivision 1, by adding a subdivision; 390.32, by adding a subdivision; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3452, subdivision 1, by adding subdivisions; 611A.19; Laws 1996, chapter 463, section 16, subdivision 3, as amended; repealing Minnesota Statutes 2000, sections 241.016, subdivision 2; 241.19; 242.51."

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

House Conferees: (Signed) Dave Bishop, John Tuma, Debra Hilstrom

Senate Conferees: (Signed) Satveer Chaudhary, Jane B. Ranum, Grace S. Schwab

Senator Chaudhary moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1261 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. 1261 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 1406, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1406 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 2001

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1406

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

May 21, 2001

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

We, the undersigned conferees for H.F. No. 1406, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1406 be further amended as follows:

Page 1, after line 13, insert:

"Sec. 2. Minnesota Statutes 2000, section 144.335, subdivision 1, is amended to read:

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

(a) "Patient" means a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition, the surviving spouse and parents of a deceased patient, or a person the patient appoints in writing as a representative, including a health care agent acting pursuant to chapter 145C, unless the authority of the agent has been limited by the principal in the principal's health care directive. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is regulated to furnish the services pursuant to chapter 147, 147A, 147B, 147C, 147D, 148, 148B, 148C, 150A, 151, 153, or 153A, or Minnesota Rules, chapter 4666; (2) a home care provider licensed under section 144A.46; (3) a health care facility licensed pursuant to this chapter or chapter 144A; (4) a physician assistant registered under chapter 147A; and (5) an unlicensed mental health practitioner regulated pursuant to sections 148B.60 to 148B.71.

(c) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records."

Page 1, line 25, delete "or traditional midwives"

Page 1, line 26, delete "licensed under chapter 147D,"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "144.335, subdivision 1;"

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

House Conferees: (Signed) Richard Mulder, Carl Jacobson, Thomas Huntley

Senate Conferees: (Signed) Sheila M. Kiscaden, Dallas C. Sams, Leo T. Foley

Senator Kiscaden moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1406 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. 1406 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1769 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1769

A bill for an act relating to transportation; allowing commissioner of transportation to convey interest in certain land to property owners; modifying provisions for speed limits in highway work zones; modifying seasonal highway weight limitations; transferring responsibilities from transportation regulation board to commissioner of transportation; transferring, discontinuing, or changing description of portions of certain trunk highways; making technical and clarifying changes; repealing obsolete or invalid provisions; amending Minnesota Statutes 2000, sections 161.114; 161.115, subdivisions 36, 48, and by adding a subdivision; 161.24, subdivision 4; 161.442; 169.14, subdivision 5d; 169.825, subdivision 11; 174.02, subdivisions 4 and 5; 174.10, subdivisions 1, 3, and 4; 174A.02, subdivisions 1, 2, and 4; 174A.04; 174A.06; 218.031, subdivision 2; 218.041, subdivisions 4, 5, and 6; 219.074, subdivision 2; 219.384, subdivision 2; and 219.402; repealing Minnesota Statutes 2000, sections 174A.01; 174A.02, subdivision 5;

174A.03; 174A.05; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.97; 222.631; 222.632; and 222.633.

May 21, 2001

The Honorable Don Samuelson
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1769, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1769 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 160.292, subdivision 10, is amended to read:

Subd. 10. [SPECIFIC SERVICE.] "Specific service" means restaurants; rural agricultural or tourist-oriented businesses; places of worship; gasoline service stations and other retail motor fuel businesses; and motels, resorts, or recreational camping areas that provide sleeping accommodations for the traveling public. "Tourist-oriented business" means a business, service, or activity that receives the major portion of its income or visitors during the normal business season from motorists not residing in the immediate area of the business or activity. "Tourist-oriented business" includes, but is not limited to: (1) a greenhouse or nursery, (2) a bait and tackle shop, (3) a marina, and (4) a gift or antique shop. "Rural agricultural business" includes but is not limited to: (1) a grain-handling facility; (2) a business providing care and well-being to animals; and (3) the sale of feed or seed.

Sec. 2. Minnesota Statutes 2000, section 161.114, is amended to read:

161.114 [CONSTITUTIONAL TRUNK HIGHWAYS.]

Subdivision 1. [DESIGNATION.] The trunk highway routes, numbered 1 through 70, as described in the constitutional amendment adopted November 2, 1920, are designated as the constitutional routes of the trunk highway system.

Subd. 2. [DESCRIPTIONS.] The constitutional routes are described as follows:

Route No. 1. Beginning at a point on the boundary line between the states of Minnesota and Iowa, southeasterly at Albert Lea and thence extending in a northwesterly direction to a point in Albert Lea and thence extending in a northerly direction to a point and on the southerly limits of the city of St. Paul and then beginning at a point on the northerly limits of the city of St. Paul and thence extending in a northerly direction to a point on the westerly limits of the city of Duluth and then beginning at a point on the northerly limits of the city of Duluth and thence extending in a northeasterly direction to a point on the boundary line between the state of Minnesota and the province of Ontario, affording Albert Lea, Owatonna, Faribault, Northfield, Farmington, St. Paul, White Bear, Forest Lake, Wyoming, Rush City, Pine City, Hinckley, Sandstone, Moose Lake, Carlton, Duluth, Two Harbors, Grand Marais and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 2. Beginning at a point on Route No. 1 on the westerly limits of the city of Duluth and thence extending in a southwesterly direction along said Route No. 1 to a point on said route at Carlton and thence extending in a westerly direction to a point on the east bank of the Red River of the North at Moorhead, affording Duluth, Carlton, McGregor, Aitkin, Brainerd, Motley, Staples, Wadena, Detroit, Moorhead and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 3. Beginning at a point on the boundary line between the states of Minnesota and Wisconsin, westerly of La Crosse, Wisconsin, and thence extending in a northwesterly direction to a point on the easterly limits of the city of St. Paul and then beginning at a point on the westerly limits of the city of Minneapolis and thence extending in a northwesterly direction to a point on the east bank of the Red River of the North at Breckenridge, affording La Crescent, Winona, Kellogg, Wabasha, Lake City, Red Wing, Hastings, St. Paul, Minneapolis, Osseo, Champlin, Anoka, Elk River, Big Lake, St. Cloud, Albany, Sauk Centre, Alexandria, Elbow Lake, Fergus Falls, Breckenridge and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 4. Beginning at a point on the boundary line between the states of Minnesota and Iowa, southwesterly of Jackson and thence extending in a northerly direction to a point on Route No. 3, southeasterly of Sauk Centre and thence extending in a northwesterly direction along said Route No. 3 to a point on said route at Sauk Centre and thence extending in a northerly direction to a point at International Falls, affording Jackson, Windom, Sanborn, Redwood Falls, Morton, Olivia, Willmar, Paynesville, Sauk Centre, Long Prairie, Wadena, Park Rapids, Itasca State Park, Bemidji, International Falls and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 5. Beginning at a point on the boundary line between the states of Minnesota and Iowa, southerly of Blue Earth and thence extending in a northeasterly direction to a point on the southerly limits of the city of Minneapolis and then beginning at a point on the northerly limits of the city of Minneapolis and thence extending in a northerly direction to a point in Swan River on Route No. 8, hereinafter described, affording Blue Earth, Winnebago, Mankato, St. Peter, Le Sueur, Jordan, Shakopee, Minneapolis, Cambridge, Mora, McGregor, Swan River and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 6. Beginning at a point on the boundary line between the states of Minnesota and Iowa, southerly of Ash Creek, and thence extending in a northerly direction to a point on the boundary line between the state of Minnesota and the province of Manitoba, near St. Vincent, affording Luverne, Pipestone, Lake Benton, Ivanhoe, Canby, Madison, Bellingham, Odessa, Ortonville, Graceville, Dumont, Wheaton, Breckenridge, Moorhead, Kragnes, Georgetown, Perley, Hendrum, Ada, Crookston, Warren, Donaldson, Hallock and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 7. Beginning at a point on Route No. 3 at Winona and thence extending in a westerly direction to a point on the boundary line between the states of Minnesota and South Dakota, westerly of Lake Benton, affording Winona, St. Charles, Rochester, Kasson, Dodge Center, Claremont, Owatonna, Waseca, Mankato, St. Peter, New Ulm, Springfield, Tracy, Lake Benton and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 8. Beginning at a point on the westerly limits of the city of Duluth and thence extending in a northwesterly direction to a point on Route No. 6 near Crookston and thence extending in a westerly and northerly direction along said Route No. 6 to a point on said route northerly of Crookston and thence extending in a northwesterly direction to a point on the east bank of the Red River of the North at East Grand Forks, affording Duluth, Floodwood, Swan River, Grand Rapids, Cass Lake, Bemidji, Bagley, Erskine, Crookston, East Grand Forks and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 9. Beginning at a point on Route No. 3 at La Crescent and thence extending in a westerly direction to a point on the boundary line between the states of Minnesota and South Dakota southwesterly of Beaver Creek, affording La Crescent, Hokah, Houston, Rushford, Lanesboro, Preston, Fountain, Spring Valley, Austin, Albert Lea, Blue Earth, Fairmont, Jackson, Worthington, Luverne and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 10. Beginning at a point on the westerly limits of the city of Minneapolis and thence extending in a northwesterly direction to a point on Route No. 6 at or near Wheaton, affording Minneapolis, Montrose, Cokato, Litchfield, Willmar, Benson, Morris, Herman, Wheaton and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 11. Beginning at a point on Route No. 8 at the westerly limits of the city of Duluth and thence extending in a northwesterly and northerly direction to a point on Route No. 4 at International Falls and thence extending in a southwesterly direction along said Route No. 4 to a point on said route southwesterly of International Falls and thence extending in a westerly direction to a point on Route No. 6 at Donaldson, affording Duluth, Eveleth, Virginia, Cook, Orr, Cussons, International Falls, Baudette, Warroad, Roseau, Greenbush, Donaldson and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 12. Beginning at a point on the west bank of the St. Croix River near Hudson, Wisconsin and thence extending in a westerly direction to a point on the easterly limits of the city of St. Paul and then beginning at a point on the westerly limits of the city of Minneapolis and thence extending in a westerly direction to a point on Route No. 6 at Madison, affording St. Paul, Minneapolis, Hopkins, Norwood, Glencoe, Olivia, Granite Falls, Montevideo, Dawson, Madison and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 13. Beginning at a point on Route No. 9 at Albert Lea and thence extending in a northerly direction to a point on Route No. 5 at Jordan affording Albert Lea, Waseca, Waterville, Montgomery, New Prague, Jordan and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 14. Beginning at a point on Route No. 6 at Ivanhoe and thence extending in an easterly direction to a point on Route No. 4 at Redwood Falls and thence extending in an easterly direction along said Route No. 4 to a point on said route at Morton and thence extending in an easterly direction to a point on Route No. 22, hereinafter described, at Gaylord affording Ivanhoe, Marshall, Redwood Falls, Morton, Winthrop, Gaylord and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 15. Beginning at a point on the boundary line between the states of Minnesota and Iowa southerly of Fairmont and thence extending in a northerly direction to a point on Route No. 14 at Winthrop, affording Fairmont, Madelia, New Ulm, Winthrop and intervening and adjacent communities a reasonable means of communication each with the other and other places within the state.

Route No. 16. Beginning at a point on Route No. 5 southwesterly of Mankato and thence extending westerly to a point on Route No. 15 at Madelia and thence extending in a southerly direction along said Route No. 15 to a point on said route southerly of Madelia and thence extending in a westerly direction to a point on Route No. 4 northerly of Windom and thence extending in a southerly direction along said Route No. 4 to a point on said route at Windom and thence extending in a westerly direction to a point at Fulda and thence extending in a southerly direction to a point on Route No. 9 at Worthington, affording Mankato, Madelia, St. James, Windom, Fulda, Worthington and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 17. Beginning at a point on Route No. 16 at Fulda and thence extending in a northerly direction to a point on Route No. 12 at Granite Falls, affording Fulda, Slayton, Garvin, Marshall, Granite Falls and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 18. Beginning at a point on Route No. 3 at Elk River and thence extending in a northerly direction to a point on Route No. 2 easterly of Brainerd, affording Elk River, Princeton, Milaca, Onamia and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 19. Beginning at a point on Route No. 2 at Brainerd and thence extending in a northwesterly direction to a point on Route No. 8 at Cass Lake, affording Brainerd, Pine River, Walker, Cass Lake and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 20. Beginning at a point on the boundary line between the states of Minnesota and Iowa near Canton and thence extending in a northwesterly direction to a point on Route No. 9 at or near Preston and thence extending in a northwesterly direction along said Route No. 9 to a point on said route at Fountain and thence extending in a northwesterly direction to a point on Route No. 3 in the town of Douglas, Dakota county (T. 113, R. 17 W.) affording Canton, Harmony, Preston, Fountain, Chatfield, Oronoco, Pine Island, Zumbrota, Cannon Falls and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 21. Beginning at a point on Route No. 20 at Zumbrota and thence extending in a westerly direction to a point on Route No. 5 at St. Peter, affording Zumbrota, Kenyon, Faribault, Le Sueur Center, Cleveland, St. Peter and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 22. Beginning at a point on Route No. 5 at St. Peter and thence extending in a northwesterly direction to a point on Route No. 4 at Paynesville, affording St. Peter, Gaylord, Glencoe, Hutchinson, Litchfield, Paynesville and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 23. Beginning at a point on Route No. 4 at Paynesville and thence extending in a northeasterly direction through the village of Richmond, Coldspring, Rockville and Waite Park to a point on Route No. 3 westerly of St. Cloud, and thence extending in a northeasterly direction to a point on Route No. 5 southerly of Mora, and thence extending in a northerly direction along said Route No. 5 to a point on said route at Mora, and thence extending in an easterly direction to a point on Route No. 1 southerly of Hinckley, affording Paynesville, St. Cloud, Foley, Milaca, Ogilvie, Mora and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 24. Beginning at a point on Route No. 10 at Litchfield and thence extending in a northeasterly direction to a point on Route No. 3 at St. Cloud, affording Litchfield, St. Cloud and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 25. Beginning at a point on Route No. 5 at or near Belle Plaine and thence extending in a northerly direction to a point on Route No. 3 at Big Lake, affording Belle Plaine, Norwood, Watertown, Montrose, Buffalo, Monticello, Big Lake and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 26. Beginning at a point on Route No. 10 at Benson and thence extending in a westerly direction to a point on Route No. 6 near Ortonville, affording Benson, Ortonville and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 27. Beginning at a point on Route No. 3 at St. Cloud and thence extending in a northerly direction to a point on Route No. 2 at Brainerd, affording St. Cloud, Sauk Rapids, Royalton, Little Falls, Brainerd and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 28. Beginning at a point on Route No. 27 at Little Falls and thence extending in a southwesterly direction to a point on the boundary line between the states of Minnesota and South Dakota at Browns Valley, affording Little Falls, Sauk Centre, Glenwood, Starbuck, Morris, Graceville, Browns Valley and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 29. Beginning at a point on Route No. 28 at Glenwood and thence extending in a

northerly direction to a point on Route No. 2 westerly of Wadena affording Glenwood, Alexandria, Parkers Prairie, Deer Creek and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 30. Beginning at a point on Route No. 3 at Fergus Falls, and thence extending in a northerly direction to a point on Route No. 8 at Erskine, affording Fergus Falls, Pelican Rapids, Detroit, Mahnomen, Erskine and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 31. Beginning at a point on Route No. 6 at Ada, and thence extending in an easterly direction to a point on Route No. 30 near Mahnomen, affording Ada, Mahnomen and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 32. Beginning at a point on Route No. 8 easterly of Crookston and thence extending in a northerly direction to a point on Route No. 11 at Greenbush, affording Red Lake Falls, Thief River Falls, Middle River, Greenbush and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 33. Beginning at a point on Route No. 32 at Thief River Falls and thence extending in a northwesterly direction to a point on Route No. 6 at Warren, affording Thief River Falls, Warren and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 34. Beginning at a point on Route No. 2 at Detroit and thence extending in a northeasterly direction to a point on Route No. 8 westerly of Grand Rapids, affording Detroit, Park Rapids, Walker, Remer, Grand Rapids and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 35. Beginning at a point on Route No. 18 near Mille Lacs Lake and thence extending in a northerly direction to a point at Grand Rapids and thence extending in a northeasterly direction to a point at Ely, affording Aitkin, Grand Rapids, Hibbing, Chisholm, Buhl, Mountain Iron, Virginia, Gilbert, McKinley, Biwabik, Aurora, Tower, and Ely and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 36. Beginning at a point on Route No. 3 at Fergus Falls and thence extending in an easterly direction to a point on Route No. 29 easterly of Henning, affording Fergus Falls, Henning and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 37. Beginning at a point on Route No. 27 at Little Falls and thence extending in a northwesterly direction to a point on Route No. 2 at Motley, affording Little Falls, Motley and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 38. Beginning at a point on Route No. 12 at Montevideo and thence extending in a northerly direction to a point on Route No. 28 at Starbuck, affording Montevideo, Benson, Starbuck and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 39. Beginning at a point on Route No. 7 at Mankato and thence extending in a southeasterly direction to a point on Route No. 9 westerly of Albert Lea, affording Mankato, Mapleton, Minnesota Lake, Wells and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 40. Beginning at a point on the boundary line between the states of Minnesota and Iowa at Lyle and thence extending in a northwesterly direction to a point on Route No. 7 at Owatonna, affording Lyle, Austin, Blooming Prairie, Owatonna and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 41. Beginning at a point on Route No. 40 at or near Blooming Prairie and thence extending in an easterly direction to a point on Route No. 56, hereinafter described, near Hayfield, affording Blooming Prairie, Hayfield and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 42. Beginning at a point on Route No. 7 easterly of Rochester and thence extending (1) in a northeasterly direction to a point on Route No. 3 at Kellogg, affording Rochester, Elgin, Plainview, Kellogg and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state and (2) in a southerly direction to a point on Route No. 391.

Route No. 43. Beginning at a point on Route No. 9 at Rushford and thence extending in a northeasterly direction to a point on Route No. 3 at Winona, affording Rushford, Winona and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 44. Beginning at a point on Route No. 9 at Hokah and thence extending in a southwesterly direction to a point on Route No. 20 near Canton, affording Hokah, Caledonia, Canton and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 45. Beginning at a point on the west bank of the St. Croix River at Stillwater and thence extending in a southwesterly direction to a point on the easterly limits of the city of St. Paul, affording Stillwater, Lake Elmo, St. Paul and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 46. Beginning at a point on the west bank of the St. Croix River at Taylors Falls and thence extending in a southwesterly direction to a point on Route No. 1 near Wyoming, affording Taylors Falls, Center City, Wyoming and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 47. Beginning at a point on Route No. 17 at Slayton and thence extending in a westerly direction to a point on Route No. 6 at Pipestone, affording Slayton, Pipestone and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 48. Beginning at a point on Route No. 17 westerly of Granite Falls and thence extending in a westerly direction to a point on Route No. 6 at Canby, affording Granite Falls, Clarkfield, Canby and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 49. Beginning at a point on Route No. 12 easterly of Montevideo and thence extending in a northeasterly direction to a point on Route No. 4 southerly of Willmar, affording Montevideo, Clara City, Willmar and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 50. Beginning at a point on Route No. 20 at Cannon Falls and thence extending in a northwesterly direction to a point on the southerly limits of the city of Minneapolis, affording Cannon Falls, Farmington, Minneapolis and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 51. Beginning at a point on Route No. 5 at Shakopee and thence extending in a northerly direction to a point on Route No. 12 northerly of Shakopee, affording a connection between said Route No. 5 and said Route No. 12.

Route No. 52. Beginning at a point on Route No. 5 south of the city of Minneapolis and thence extending in a northeasterly direction to a point on the westerly limits of the United States Military reservation at Fort Snelling, affording St. Paul and adjacent communities a reasonable communication with said Route No. 5.

Route No. 53. Beginning at a point on Route No. 3 at Hastings and thence extending in a

northwesterly direction to a point on the southerly limits of the city of South St. Paul, affording Hastings, South St. Paul and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 54. Beginning at a point on Route No. 3 at Elbow Lake and thence extending in a southwesterly direction to a point on Route No. 10 at Herman, affording Elbow Lake, Herman and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 55. Beginning at a point on Route No. 2 northwesterly of Carlton and thence extending in a northerly direction to a point in Cloquet, affording Carlton, Cloquet and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 56. Beginning at a point on Route No. 9 easterly of Austin and thence extending in a northerly direction to a point on Route No. 21 at or near Kenyon, affording Brownsdale, Hayfield, Dodge Center, West Concord, Kenyon and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 57. Beginning at a point in Mantorville and extending in a southerly direction to a point on Route No. 7 southerly of Mantorville, affording Mantorville a reasonable means of communication with said Route No. 7.

Route No. 58. Beginning at a point on Route No. 20 at Zumbrota and thence extending in a northeasterly direction to a point on Route No. 3 at Red Wing, affording Zumbrota, Red Wing and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 59. Beginning at a point on the boundary line between the states of Minnesota and Iowa southerly of Spring Valley and thence extending in a northerly direction to a point on No. 3 at Lake City, affording Spring Valley, Stewartville, Rochester, Zumbrota Falls, Lake City and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 60. Beginning at a point on Route No. 1 at Faribault and thence extending in a southwesterly direction to a point on Route No. 7 at or near Madison Lake, affording Faribault, Morristown, Waterville, Madison Lake and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 61. Beginning at a point on Route No. 8 at Deer River and thence extending in a northerly direction to a point on Route No. 4 at or near Big Falls, affording Deer River, Big Falls and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 62. Beginning at a point on Route No. 3 at Anoka and thence extending in a southeasterly direction to a point on the northerly limits of the city of St. Paul, affording Anoka, St. Paul and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 63. Beginning at a point on Route No. 1 southerly of Forest Lake and thence extending in a southwesterly direction to a point on the northerly and easterly limits of the city of Minneapolis, affording a reasonable means of communication between Route No. 1 and Minneapolis.

Route No. 64. Beginning at a point on Route No. 30 northerly of Fergus Falls and thence extending in a northerly and westerly direction to a point on Route No. 6 southerly of Moorhead, affording Fergus Falls, Rothsay, Barnesville, Moorhead and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 65. Beginning at a point on Route No. 8 at Bagley, and thence extending in a northerly and westerly direction to a point on Route No. 32 southerly of Red Lake Falls, affording

Bagley, Clearbrook, Gonvick, Gully, Brooks, Terrebonne and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 66. Beginning at a point on Route No. 12 at Montevideo and thence extending in a northwesterly direction to a point on Route No. 26 northerly of Appleton affording Montevideo, Appleton and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 67. Beginning at a point on Route No. 14 southerly of Echo and thence extending in a northerly and westerly direction to a point on Route No. 17 at or near Granite Falls, affording Echo, Granite Falls and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 68. Beginning at a point on Route No. 14 at Marshall and thence extending in a northwesterly direction to a point on Route No. 6 near Canby, affording Marshall, Minneota, Canby and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 69. Beginning at a point on Route No. 25 at Buffalo and thence extending in a northwesterly direction to a point on Route No. 22 southeasterly of Paynesville, affording Buffalo, Maple Lake, Annandale, Eden Valley, Paynesville and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

Route No. 70. Beginning at a point on Route No. 7 westerly of New Ulm and thence extending in a northerly direction to a point on Route No. 12 at or near the village of Hector, affording Fort Ridgely, Fairfax, Hector and intervening and adjacent communities a reasonable means of communication, each with the other and other places within the state.

[EFFECTIVE DATE.] This section is effective when the transfer of jurisdiction of approximately 3.5 miles of county state-aid highway 7 from marked U.S. highway 14 to interstate highway I-90 is agreed to by the commissioner of transportation and Olmsted county and a copy of the agreement, signed by the commissioner and the chair of the Olmsted county board, has been filed in the office of the commissioner.

Sec. 3. Minnesota Statutes 2000, section 161.115, subdivision 36, is amended to read:

Subd. 36. [ROUTE NO. 105.] Beginning at a point on the southerly limits of Washington avenue in the city of Minneapolis, thence extending in a northeasterly direction through Minneapolis to a point at the beginning of Route No. 5 on the northerly limits of the city of Minneapolis.

[EFFECTIVE DATE.] This section is effective when the transfer of jurisdiction of a portion of legislative route No. 105, from 10th street south to Washington avenue south in Minneapolis, is agreed to by the commissioner of transportation and the city of Minneapolis and a copy of the agreement, signed by the commissioner and the mayor of the city of Minneapolis, has been filed in the office of the commissioner.

Sec. 4. Minnesota Statutes 2000, section 161.115, subdivision 48, is amended to read:

Subd. 48. [ROUTE NO. 117.] Beginning at a point on Route No. 100 as herein established easterly of New Prague, thence extending in a northeasterly direction and crossing the Mississippi River easterly of the city of South St. Paul, thence extending in a northerly direction to a point on Route No. 1 at or near White Bear 393.

[EFFECTIVE DATE.] This section is effective when the transfer of jurisdiction of a portion of legislative route No. 117, marked as trunk highway 120, is agreed to by the commissioner of transportation and the counties of Ramsey and Washington and a copy of the agreement, signed by the commissioner and the chair of the Ramsey county board and the chair of the Washington county board, has been filed in the office of the commissioner.

Sec. 5. Minnesota Statutes 2000, section 161.115, is amended by adding a subdivision to read:

Subd. 268. [ROUTE NO. 337.] From a point on Route No. 2 in the city of Brainerd thence extending southwesterly to its intersection with new, marked trunk highway 371 as signed on the day following final enactment of this subdivision.

Sec. 6. Minnesota Statutes 2000, section 161.24, subdivision 4, is amended to read:

Subd. 4. [ACCESS TO ISOLATED PROPERTY.] When the establishment, construction, or reconstruction of a trunk highway closes off any other highway or street, including a city streets street, private road, or entrance at the boundary of such the trunk highway, the commissioner may, in mitigation of damages, or in the interest of safety and convenient public travel, construct a road either within the limits of the trunk highway, or without outside the limits of the trunk highway, connecting the elosed-off closed-off highway, street, private road, or entrance with another public highway. In determining whether to build the road within or without outside the limits of the trunk highway, the commissioner may take into consideration economy to the state and local traffic needs. The commissioner, in mitigation of damages, may connect the elosed-off closed-off private road with the remaining portion of the private road or with another private road. All lands necessary therefor for connecting a highway, street, private road, or entrance to another public highway or for connecting a closed-off private road to the remaining portion of a private road or to another private road, may be acquired by purchase, gift, or condemnation. Notwithstanding section 161.23, 161.43, 161.431, or 161.44, the commissioner may convey and quitclaim a fee title or easement held or owned by the state in land used to construct a road to connect the closed-off highway, street, entrance, or private road with another public highway or to reconnect the private road to the property served by the road.

Sec. 7. [161.366] [TRANSPORTATION CONSTRUCTION CONTRACT; TACONITE RELIEF AREA.]

The commissioner of transportation, as a condition of awarding a transportation construction contract in the taconite tax relief area, may require the contractor to hire a certain percentage of workers for that contract whose principal place of residence is in the taconite tax relief area. Taconite tax relief area means the tax relief area defined in section 273.134.

Sec. 8. Minnesota Statutes 2000, section 161.442, is amended to read:

161.442 [RECONVEYANCE TO FORMER OWNER.]

Notwithstanding sections 161.23, 161.41, 161.411, 161.43, 161.44, or any other statute, the commissioner of transportation, at the commissioner's sole discretion with the consent of the owner, may transfer, sell, or convey real property including fixtures, and interests in real property including easements, to the owner from whom the property was acquired by the state for trunk highway purposes through a pending eminent domain action. The transfer of title may be by stipulation, partial dismissal, bill of sale, or conveyance. Any resulting change in the state's acquisition must be explained in the final certificate for that action. This provision does not confer on a landowner the right to compel a reconveyance without the consent of the commissioner.

Sec. 9. Minnesota Statutes 2000, section 169.14, subdivision 5d, is amended to read:

Subd. 5d. [SPEED ZONING IN WORK ZONE; SURCHARGE.] (a) The commissioner, on trunk highways and temporary trunk highways, and local authorities, on streets and highways under their jurisdiction, may authorize the use of reduced maximum speed limits in highway work zones. The commissioner or local authority is not required to conduct an engineering and traffic investigation before authorizing a reduced speed limit in a highway work zone.

(b) The minimum highway work zone speed limit is 20 miles per hour. The work zone speed limit must not reduce the established speed limit on the affected street or highway by more than 15 miles per hour, except that the highway work zone speed limit shall must not exceed 40 miles per hour. The commissioner or local authority shall post the limits of the work zone. Highway work zone speed limits are effective on erection of appropriate regulatory speed limit signs. The signs must be removed or covered when they are not required. A speed greater than the posted highway work zone speed limit is unlawful.

(c) Notwithstanding paragraph (b), on divided highways the commissioner or local authority may establish a highway work zone speed limit that does not exceed 55 miles per hour.

(e) (d) For purposes of this subdivision, "highway work zone" means a segment of highway or street where a road authority or its agent is constructing, reconstructing, or maintaining the physical structure of the roadway, its shoulders, or features adjacent to the roadway, including underground and overhead utilities and highway appurtenances, when workers are present.

(d) (e) Notwithstanding section 609.0331 or 609.101 or other law to the contrary, a person who violates a speed limit established under paragraph (b) or (c), or who violates any other provision of this section while in a highway work zone, is assessed an additional surcharge equal to the amount of the fine imposed for the speed violation, but not less than \$25.

Sec. 10. Minnesota Statutes 2000, section 169.825, subdivision 11, is amended to read:

Subd. 11. [GROSS WEIGHT SEASONAL INCREASES.] (a) The limitations provided in this section are increased:

(1) by ten percent from January 1 to March 7 between the dates set by the commissioner based on a freezing index model each winter, statewide;

(2) by ten percent from December 1 through December 31 between the dates set by the commissioner based on a freezing index model each winter, in the zone bounded as follows: beginning at Pigeon River in the northeast corner of Minnesota; thence in a southwesterly direction along the north shore of Lake Superior along trunk highway No. 61 to the junction with trunk highway No. 210; thence westerly along trunk highway No. 210 to the junction with trunk highway No. 10; thence northwesterly along trunk highway No. 10 to the Minnesota-North Dakota border; thence northerly along that border to the Minnesota-Canadian Border; thence easterly along said Border to Lake Superior; and

(3) by ten percent from the beginning of harvest to November 30 each year for the movement of sugar beets and potatoes within an area having a 75-mile radius from the field of harvest to the point of the first unloading. The commissioner shall not issue permits under this clause if to do so will result in a loss of federal highway funding to the state.

(b) The duration of a ten percent increase in load limits is subject to limitation by order of the commissioner, subject to implementation of springtime load restrictions, or March 7.

(c) When the ten percent increase is in effect, a permit is required for a motor vehicle, trailer, or semitrailer combination that has a gross weight in excess of 80,000 pounds, an axle group weight in excess of that prescribed in subdivision 10, or a single axle weight in excess of 20,000 pounds and which travels on interstate routes.

(d) In cases where gross weights in an amount less than that set forth in this section are fixed, limited, or restricted on a highway or bridge by or under another section of this chapter, the lesser gross weight as fixed, limited, or restricted may not be exceeded and must control instead of the gross weights set forth in this section.

(e) Notwithstanding any other provision of this subdivision, no vehicle may exceed a total gross vehicle weight of 80,000 pounds on routes which have not been designated by the commissioner under section 169.832, subdivision 11.

(f) The commissioner may, after determining the ability of the highway structure and frost condition to support additional loads, grant a permit extending seasonal increases for vehicles using portions of routes falling within two miles of the southern boundary of the zone described under paragraph (a), clause (2).

Sec. 11. Minnesota Statutes 2000, section 174.02, subdivision 4, is amended to read:

Subd. 4. [APPEARANCES ON PUBLIC TRANSPORTATION MATTERS.] The commissioner may appear as a party on behalf of the public in any proceeding or matter before the

~~interstate commerce commission, the civil aeronautics surface transportation board or any other agency or instrumentality of government which that regulates public services or rates relating to transportation or other matters related to the powers and responsibilities of the commissioner as prescribed by law. The commissioner shall appear as a party on behalf of the public in proceedings before the transportation regulation board as provided by law on matters which that directly relate to the powers and duties of the commissioner or which substantially affect the statewide transportation plan. On all other transportation matters the commissioner may appear before the transportation regulation board.~~

Sec. 12. Minnesota Statutes 2000, section 174.02, subdivision 5, is amended to read:

Subd. 5. [COOPERATION.] To facilitate the development of a unified and coordinated intrastate and interstate transportation system:

(1) the commissioner shall maintain close liaison, coordination and cooperation with the private sectors of transportation, the upper great lakes seaway development commission corporation, and any multistate organization involved in transportation issues affecting the state;

(2) the commissioner shall participate in the planning, regulation and development of the port authorities of the state; and

(3) the commissioner or the commissioner's designee ~~shall be~~ is a nonvoting, ~~ex officio~~ member of the metropolitan airports commission, as organized and established under sections 473.601 to 473.679.;

(4) the commissioner shall cooperate with all federal agencies for the purpose of harmonizing state rules and federal regulations within the state to the extent and in the manner deemed advisable;

(5) the commissioner may conduct joint hearings with any federal agency within or outside the state and, to the extent allowed under federal law or regulation, may approve and establish freight rates and charges that depart from the distance principle required by any state law; and

(6) the commissioner may nominate members to any joint board as provided by federal acts.

Sec. 13. Minnesota Statutes 2000, section 174.10, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF CONTESTED CASE; FEE.] The commissioner in any contested case ~~before the transportation regulation board that involves a motor carrier or common carrier by rail as a party~~ shall give reasonable notice to representatives of associations or other interested groups or persons who have registered their names with the ~~board~~ commissioner for that purpose, to all parties and to cities and municipalities ~~which that the board commissioner deems to be interested in the proceeding.~~ The commissioner may prescribe an annual fee ~~to be credited to the general fund, which fee shall be as a charge to all registered groups or persons. The fee must be credited to the general fund.~~ This charge is to cover the out-of-pocket costs involved in giving such providing the notice.

Sec. 14. Minnesota Statutes 2000, section 174.10, subdivision 3, is amended to read:

Subd. 3. [PROSECUTION.] In proceedings ~~which that involve a hearing before the transportation regulation board motor carrier or common carrier by rail as a party,~~ the matter shall ~~must be investigated and prosecuted before the board heard by the commissioner of transportation representing the interests of the people of this state as authorized by law.~~

Sec. 15. Minnesota Statutes 2000, section 174.10, subdivision 4, is amended to read:

Subd. 4. [WHEN BOARD LACKS LACK OF JURISDICTION.] If, in any proceeding ~~before the transportation regulation board relating to or involving the reasonableness of rates, fares, charges, or classifications,~~ the ~~board~~ commissioner decides that ~~it the department does not have jurisdiction because the traffic covered by the rates, fares, charges, or classifications is interstate commerce,~~ the ~~transportation regulation board~~ commissioner shall issue an order dismissing the

proceeding and stating the ground of the dismissal, ~~which order may be appealed from in like manner as other appealable orders.~~

Sec. 16. Minnesota Statutes 2000, section 174A.02, subdivision 1, is amended to read:

~~Subdivision 1. [COMMISSIONER'S POWERS GENERALLY.] Some of the functions of the transportation regulation board shall be legislative and commissioner of transportation, related to motor carriers and common carriers by rail, are quasi-judicial in nature. It The commissioner may make such investigations and determinations, hold such hearings, prescribe such rules, and issue such orders with respect to the control and conduct of the carrier businesses coming within its the commissioner's jurisdiction as the legislature itself might make but only as it shall from time to time authorize~~ authorized by law.

Sec. 17. Minnesota Statutes 2000, section 174A.02, subdivision 2, is amended to read:

~~Subd. 2. [SPECIFIC FUNCTIONS AND POWERS.] (a) To the extent allowed under federal law or regulation, the board commissioner shall further hold hearings and issue orders in cases brought before it by either the commissioner on the commissioner's own motion or by a third party in the following areas:~~

~~(a) (1) adequacy of services which that carriers are providing to the public, including the continuation, termination or modification of services and facilities;~~

~~(b) The (2) reasonableness of tariffs of rates, fares, and charges, or a part or classification thereof of a tariff; and~~

~~(3) issuing permits.~~

~~(b) For purposes of paragraph (a), clause (2), the board commissioner may authorize common carriers by rail and motor carrier carriers for hire to file tariffs of rates, fares, and charges individually or by group. Carriers participating in group rate making have the free and unrestrained right to take independent action either before or after a determination arrived at through such that procedure.~~

~~(e) The issuing of franchises, permits, or certificates of convenience and necessity.~~

Sec. 18. Minnesota Statutes 2000, section 174A.02, subdivision 4, is amended to read:

Subd. 4. [HEARINGS; NOTICE.] With respect to those matters within its the commissioner's jurisdiction, the ~~board commissioner~~ shall receive, hear, and determine all petitions filed with ~~it the commissioner~~ in accordance with the procedures established by law and may hold hearings and make determinations upon ~~its the commissioner's own motion~~ to the same extent, and in every instance, in which ~~it the commissioner~~ may do so upon petition. Upon receiving petitions filed pursuant to sections 221.121, subdivision 1, 221.151, ~~221.296,~~ and 221.55, the ~~board commissioner~~ shall give notice of the filing of the petition to representatives of associations or other interested groups or persons who have registered their names with the ~~board commissioner~~ for that purpose and to whomever the ~~board commissioner~~ deems to be interested in the petition. The ~~board commissioner~~ may grant or deny the request of the petition 30 days after notice of the filing has been fully given. If the ~~board commissioner~~ receives a written objection and notice of intent to appear at a hearing to object to the petition from any person within 20 days of the notice having been fully given, the request of the petition shall must be granted or denied only after a contested case hearing has been conducted on the petition, unless the objection is withdrawn ~~prior to before the hearing.~~ The ~~board commissioner~~ may elect to hold a contested case hearing if no objections to the petition are received. If a timely objection is not received, or if received and withdrawn, and the request of the petition is denied without hearing, the petitioner may request within 30 days of receiving the notice of denial, and shall must be granted, a contested case hearing on the petition.

Sec. 19. Minnesota Statutes 2000, section 174A.04, is amended to read:

174A.04 [HEARINGS AND APPEALS.]

Subdivision 1. [HEARINGS.] All hearings related to common carriers by rail or motor carriers and required to be conducted by the commissioner of transportation regulation board shall must be conducted pursuant to sections 14.001 to 14.69.

Subd. 2. [APPEALS.] An appeal from an order of the commissioner must be in accordance with chapter 14.

Sec. 20. Minnesota Statutes 2000, section 174A.06, is amended to read:

174A.06 [CONTINUATION OF RULES.]

(a) Orders and directives in force, issued, or promulgated under authority of chapters 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed, modified, or superseded by duly authorized orders or directives of the commissioner of transportation. To the extent allowed under federal law or regulation, rules adopted under authority of the following sections are transferred to the commissioner of transportation and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the commissioner:

(1) section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;

(2) section 219.40;

(3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits or certificates of convenience and necessity under section 221.031, subdivision 1;

(4) rules relating to the sale, assignment, pledge, or other transfer of a stock interest in a corporation holding authority to operate as a permit carrier as prescribed in section 221.151, subdivision 1, ~~or a local cartage carrier under section 221.296, subdivision 8;~~

(5) rules relating to rates, charges, and practices under section 221.161, subdivision 4; and

(6) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under sections 221.121, and 221.151, ~~and 221.296.~~

(b) The commissioner shall review the transferred rules, orders, and directives and, when appropriate, develop and adopt new rules, orders, or directives.

Sec. 21. Minnesota Statutes 2000, section 218.031, subdivision 2, is amended to read:

~~Subd. 2. [INFORMATION FURNISHED COMMISSIONER.] Every common carrier shall furnish to the commissioner:~~

~~(1) all schedules of rates, fares and charges, every part and classification thereof, together with minimum weights and rules with respect thereto, and any and all amendments, modifications or changes therein;~~

~~(2) all information duly required in blanks and forms furnished by the commissioner;~~

~~(3) a copy of all annual reports and valuation data furnished to the Interstate Commerce Commission not later than June 30th, covering the preceding calendar year, together with any additional information regarding valuation of its properties requested by the commissioner;~~

(4) a report of accidents, wrecks, and casualties occurring in this state in such a manner and form and at such the times as prescribed by the commissioner. All such reports administered by the department of public safety shall must be received and administered in accordance with the provisions of section 169.09, subdivision 13. All other reports shall be are open to public inspection but shall are not be admissible in evidence in any suit or action for damages growing out of such accident, wreck, or casualty;

~~(5) all tariff agreements or arrangements with other carriers;~~

~~(6) all joint schedules of rates, fares or classifications.~~

Sec. 22. Minnesota Statutes 2000, section 218.041, subdivision 4, is amended to read:

Subd. 4. [COMMISSIONER DUTIES UPON PETITION.] (a) The commissioner shall, upon petition:

~~(1) at all points of intersection and crossings of different railroads, or where two railroads are not more than one-half mile apart, and at all terminals, prescribe ample facilities by track connection, joint use of tracks, freight platforms and depots, warehouses, docks over which general merchandise is handled and forwarded, and other necessary appliances and conveniences for the transfer, forwarding and handling of general merchandise and parcel freight between such railroads and between such railroads and such docks, warehouses and vessels at such docks;~~

~~(2) determine the proportionate share of each company in the cost of providing connecting and transfer facilities in the event the companies fail to agree;~~

~~(3) direct construction, maintenance and operation at any points prescribed by law of all side tracks and reasonable facilities connecting any road with any grain warehouse or mill, dock, wharf, coal yard, quarry, brick or lime kiln, sand or gravel pit, crushed rock or concrete plant, or manufactory adjacent thereto, and prescribe the terms therefor;~~

~~(4) prescribe reasonable rules for handling property, passenger, baggage, express and mail, partly over privately owned rights-of-way and partly over highways, so that reasonable and adequate accommodations and service may be afforded;~~

~~(5) prescribe the extent to which any designated carrier, upon its petition, may be relieved from the operation of the principles established by section 218.021, subdivision 1, clauses (5), (6) and (7);~~

~~(6),~~ direct the repair, reconstruction, or replacement of any inadequate or unsafe trackage, structure or facility.

(b) Upon receipt of a petition for action pursuant to this subdivision the commissioner shall give notice to all persons known to it the commissioner to have an interest in the matter and publish notice of the petition in the State Register. The commissioner may grant the petition 30 days' after notice has been fully made. If the commissioner receives a written objection to the petition from any person within 20 days after the notice of filing has been fully made, the exemption ~~shall~~ must be granted or denied only after a contested case hearing has been held on the matter. The commissioner may elect to hold a contested case hearing if no objections to the petition or application are received. If a timely objection is not received and the commissioner declines to act without a hearing, the petitioner may request within 30 days of receiving a notice of denial, and ~~shall~~ must be granted, a contested case hearing on the application.

Sec. 23. Minnesota Statutes 2000, section 218.041, subdivision 5, is amended to read:

Subd. 5. [INVESTIGATIVE AND ENFORCEMENT DUTIES.] The commissioner shall:

(1) investigate and determine whether any common carriers are granting rebates or, in any other particular, failing to comply with laws or with orders, rules, or directives of the commissioner; and

~~(2) appear and press before the Interstate Commerce Commission any petition, whether filed by a resident of the state or otherwise, charging any common carrier doing business in this state with any violation of the Interstate Commerce Act of the United States, whenever the department deems the matter to be one of public interest;~~

~~(3) institute and prosecute all actions and proceedings in the appropriate courts for the enforcement of the provisions of this chapter;~~ the orders, rules, and directives of the commissioner issued ~~thereunder~~ under this chapter; and any violations thereof.

Sec. 24. Minnesota Statutes 2000, section 218.041, subdivision 6, is amended to read:

Subd. 6. [INVESTIGATIVE, ADMINISTRATIVE, AND RULEMAKING POWERS.] In the exercise of powers granted in this chapter, the commissioner may:

(1) subpoena books, papers, or accounts kept by any regulated business within or without the state, or compel production of verified copies;

(2) prepare all forms or blanks for ~~the purpose of obtaining information which that the~~ commissioner may deem necessary or useful for the proper exercise of the authority and duties of the commissioner in connection with regulated businesses, and prescribe the time and manner within which the blanks and forms shall must be completed and filed;

(3) inspect, at all reasonable times, and copy the books, records, memoranda, correspondence, or other documents and records of any business under the commissioner's jurisdiction; and

(4) examine, under oath, any officer, agent, or employee of a business under the commissioner's jurisdiction concerning ~~its business and affairs; and~~

~~(5) prescribe rules, duly promulgated in accordance with chapter 14, relating to rates, care in handling and other livestock transportation matters~~ any matter within the commissioner's jurisdiction.

Sec. 25. Minnesota Statutes 2000, section 219.074, subdivision 2, is amended to read:

Subd. 2. [CROSSING VACATION PROGRAM.] On or before July 1, 1992, and on or before July 1 of each of the next four years, and as necessary afterward, the commissioner shall develop a list of grade crossings proposed to be vacated. The list must be developed by applying the standards set forth in the rules adopted under section 219.073. Grade crossings that are part of an abandonment, closing, or removal ~~under section 219.741~~ may not be included in the list. The commissioner shall notify the public officials having the necessary authority and the railway companies operating the railroads of the proposed vacations. Either affected party may request a hearing. If requested, the commissioner shall hold a contested case hearing applying in the commissioner's determination the rules developed under section 219.073. If after the hearing the commissioner determines that the vacation is consistent with the standards adopted under section 219.073, the commissioner may order the crossing vacated. If a request for a hearing on a particular crossing is not received within 30 days of the publication in the State Register, the commissioner shall order the crossing vacated.

Sec. 26. Minnesota Statutes 2000, section 219.402, is amended to read:

219.402 [ADEQUATE CROSSING PROTECTION.]

Crossing warning devices or improvements installed or maintained under this chapter as approved by the commissioner or any predecessor, whether by order or otherwise, are adequate and appropriate warning for the crossing.

Sec. 27. Minnesota Statutes 2000, section 222.632, is amended to read:

222.632 [RIGHT OF FIRST REFUSAL.]

A railroad interest that is in bankruptcy proceedings may not sell or offer for sale an interest in real property that is within the right-of-way, a railroad interest that is abandoning a railroad line may not sell or offer for sale an interest in real property within the right-of-way to be abandoned, and a nonrailroad lessor may not sell or offer for sale an interest in real property within the right-of-way with respect to which it is a nonrailroad lessor, unless it first extends a written offer to sell that interest at a fair market value price to each person who is a leaseholder with respect to the property. Leaseholders must respond to the offer within 60 days of receipt of the notice and the railroad interest must negotiate in good faith with an interested leaseholder for a period of 90 days following the leaseholder's response. ~~After the 90-day negotiation period, either party may file a notice of dispute with the commissioner of transportation under section 222.633.~~ The property may not be sold to a party other than the leaseholder during the response and negotiation periods ~~or while a dispute is pending before the commissioner.~~ This section does not apply to a sale of an

entire operating railroad line by one operating railroad to another for the purpose of operating a railroad.

Sec. 28. [TRANSFERRING CARRIER REGULATORY RESPONSIBILITIES.]

(a) Responsibilities, as defined in Minnesota Statutes, section 15.039, subdivision 1, held by the transportation regulation board including, but not limited to, responsibilities relating to administration, regulation, recordkeeping, operating authority, permitting, rate making, rulemaking, and enforcement of transportation laws, rules, and regulations relating to motor carriers and common carriers by rail under Minnesota Statutes, chapters 218, 219, 221, and 222, are transferred to the commissioner of the Minnesota department of transportation under Minnesota Statutes, section 15.039.

(b) The legislative and quasi-judicial functions and powers conferred on the board under Minnesota Statutes, chapter 174A, are also transferred to the commissioner.

(c) The position of transportation regulation board member and the transportation regulation board as previously constituted are abolished.

Sec. 29. [TRUNK HIGHWAYS DISCONTINUED; REPEALER, CONTINGENT EFFECTIVE DATE.]

(a) Minnesota Statutes 2000, section 161.115, subdivision 164, is repealed on the date the transfer of jurisdiction of legislative route No. 233 is agreed to by the commissioner of transportation and the county of Crow Wing and a copy of the agreement, signed by the commissioner and the chair of the Crow Wing county board, has been filed in the office of the commissioner.

(b) Minnesota Statutes 2000, section 161.115, subdivision 175, is repealed on the date the transfer of jurisdiction of legislative route No. 244 is agreed to by the commissioner of transportation and the counties of Ramsey and Washington and a copy of each agreement, signed by the commissioner and the chair of the Ramsey county board and the chair of the Washington county board, as applicable, has been filed in the office of the commissioner.

(c) Minnesota Statutes 2000, section 161.115, subdivision 236, is repealed on the date the transfer of jurisdiction of legislative route No. 305 is agreed to by the commissioner of transportation and the city of Brainerd and a copy of the agreement, signed by the commissioner and the mayor of the city of Brainerd, has been filed in the office of the commissioner.

(d) Minnesota Statutes 2000, section 161.115, subdivision 253, is repealed on the date the transfer of jurisdiction of legislative route No. 322 is agreed to by the commissioner of transportation and the city of Brainerd and a copy of the agreement, signed by the commissioner and the mayor of the city of Brainerd, has been filed in the office of the commissioner.

Sec. 30. [INSTRUCTIONS TO REVISOR.]

(a) Except when used in the phrases to be changed by the revisor under paragraph (b), the revisor of statutes is directed to change the word "board" or "board's," or similar term or phrase, when it refers to the transportation regulation board, to the term "commissioner," "commissioner's," or "commissioner of transportation," as appropriate, where it appears in:

(1) Minnesota Statutes, sections 174A.02, subdivision 3; 221.025; 221.101; 221.121, subdivisions 1, 2, 3, 4, 5, 6, and 6a; 221.122, subdivisions 1 and 3; 221.123; 221.151; 221.161, subdivisions 2, 3, and 4; 221.165; 221.171, subdivision 1; 221.185, subdivisions 2 and 3a; 221.221, subdivision 2; 221.291, subdivision 5; 221.293; 221.296, subdivisions 3, 4, and 8; and 221.55; and

(2) Minnesota Rules, chapters 7800; 8900; 8910; and 8920.

(b) The revisor of statutes is directed to change the phrases "board or commissioner," "commissioner or board," "board or the commissioner," "commissioner or the board,"

"commissioner and the board," "commissioner and board," "board and the commissioner," "board and commissioner," "department and board," "board or department," and "board and the department," when the word "board" refers to the transportation regulation board, to the term "commissioner," or "commissioner of transportation," as appropriate, where it appears in:

(1) Minnesota Statutes, sections 221.011, subdivision 15; 221.031, subdivision 5; 221.121, subdivisions 1 and 5; 221.122, subdivision 1; 221.151, subdivision 2; 221.221, subdivisions 1 and 3; 221.261; 221.271; 221.291, subdivisions 1 and 3; 221.293; 221.295; 221.296, subdivisions 3 and 4; and 221.68; and

(2) Minnesota Rules, chapter 8850.

(c) Except when amended accordingly in this act, the revisor of statutes is directed to change the words "transportation regulation board" to "commissioner of transportation" wherever they appear in Minnesota Statutes and Minnesota Rules.

(d) In Minnesota Statutes, the revisor of statutes shall renumber sections 174A.02 as 174.64; 174A.04 as 174.65; and 174A.06 as 174.66.

(e) In Minnesota Rules, chapters 7800 and 8830, the revisor of statutes shall change the term "commission" to "commissioner of transportation" or "commissioner," as appropriate.

(f) The revisor of statutes shall change the description of the route identified in section 2 in the next publication of Minnesota Statutes unless the commissioner of transportation informs the revisor that the conditions required to modify the route were not satisfied.

(g) The revisor of statutes shall change the description of each route identified in sections 3 and 4 in the next publication of Minnesota Statutes unless the commissioner of transportation informs the revisor that the conditions required to modify a particular route were not satisfied.

(h) The revisor of statutes shall delete each route identified in section 29 in the next publication of Minnesota Statutes unless the commissioner of transportation informs the revisor that the conditions required to transfer the routes were not satisfied.

(i) The revisor of statutes shall make other changes in chapter titles; section, subdivision, part, and subpart headnotes; and in other terminology necessary as a result of the enactment of this act.

Sec. 31. [REPEALER.]

Minnesota Statutes 2000, sections 174A.01; 174A.02, subdivision 5; 174A.03; 174A.05; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.88; 219.97, subdivisions 6, 7, and 10; and 222.633, are repealed."

Delete the title and insert:

"A bill for an act relating to transportation; modifying provisions relating to highway information signs; transferring, discontinuing, or changing description of portions of certain trunk highways; authorizing commissioner of transportation to set certain highway construction contract conditions in taconite tax relief areas; allowing commissioner of transportation to convey interest in certain land to property owners; modifying provisions for speed limits in highway work zones; modifying seasonal highway weight limitations; transferring responsibilities from transportation regulation board to commissioner of transportation; making technical and clarifying changes; repealing obsolete or invalid provisions; amending Minnesota Statutes 2000, sections 160.292, subdivision 10; 161.114; 161.115, subdivisions 36, 48, by adding a subdivision; 161.24, subdivision 4; 161.442; 169.14, subdivision 5d; 169.825, subdivision 11; 174.02, subdivisions 4,5; 174.10, subdivisions 1, 3, 4; 174A.02, subdivisions 1, 2, 4; 174A.04; 174A.06; 218.031, subdivision 2; 218.041, subdivisions 4, 5, 6; 219.074, subdivision 2; subdivision 2; 219.402; 222.632; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 2000, sections 174A.01; 174A.02, subdivision 5; 174A.03; 174A.05; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.88; 219.97, subdivisions 6, 7, 10; 222.633."

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

Senate Conferees: (Signed) Mark Ourada, James P. Metzen, Dean E. Johnson

House Conferees: (Signed) Tom Workman, Connie Ruth, Al Juhnke

Senator Ourada moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1769 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1769 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 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Larson introduced--

Senate Resolution No. 137: A Senate resolution congratulating Michael Allan Godfrey of Alexandria, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

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

Senate Resolution No. 8: A Senate concurrent resolution relating to adjournment of the Senate and House of Representatives until 2002.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon their adjournments on May 21, 2001, the Senate may set its next day of meeting for Tuesday, January 29, 2002, at 12:00 noon and the House of Representatives may set its next day of meeting for Tuesday, January 29, 2002, at 12:00 noon.

2. By the adoption of this resolution, each house consents to adjournment of the other house for more than three days.

Senator Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 1312, 1054 and 2328.

SPECIAL ORDER

S.F. No. 1312: A bill for an act relating to state government; directing the office of strategic and long-range planning and the department of administration to recommend ways to decentralize state agencies and departments.

Senator Hottinger moved to amend S.F. No. 1312 as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2000, section 3.922, is amended by adding a subdivision to read:

Subd. 10. [RULEMAKING.] Notwithstanding section 116J.64, subdivision 7, or other law, the council does not have authority to adopt, amend, or repeal rules or to adjudicate contested cases or appeals. Rules adopted before the effective date of this subdivision may continue in effect until amended or repealed by law."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "terminating the rulemaking and contested case authority of the Indian affairs council;"

Page 1, line 5, before the period, insert "; amending Minnesota Statutes 2000, section 3.922, by adding a subdivision"

The motion prevailed. So the amendment was adopted.

S.F. No. 1312 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 42 and nays 14, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kleis	Oliver	Stevens
Belanger	Hottinger	Knutson	Reiter	Stumpf
Berg	Johnson, Dave	Langseth	Rest	Terwilliger
Betzold	Johnson, Dean	Larson	Ring	Tomassoni
Chaudhary	Johnson, Debbie	Lesewski	Sams	Vickerman
Cohen	Johnson, Doug	Lessard	Samuelson	Wiener
Day	Kelley, S.P.	Marty	Scheevel	
Fischbach	Kelly, R.C.	Moe, R.D.	Scheid	
Fowler	Kierlin	Neuviller	Schwab	

Those who voted in the negative were:

Bachmann	Higgins	Limmer	Orfield	Robertson
Berglin	Kiscaden	Metzen	Ourada	Wiger
Foley	Krentz	Olson	Pariseau	

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

SPECIAL ORDER

S.F. No. 1054: A bill for an act relating to insurance; regulating insurers, agents, coverages and benefits, costs, claims, investments, and notifications and disclosures; prescribing powers and duties of the commissioner; eliminating the regulation of nonprofit legal services plans; amending Minnesota Statutes 2000, sections 60A.06, subdivision 3; 60A.08, subdivision 13; 60A.11, subdivision 10; 60A.129, subdivision 2; 60A.14, subdivision 1; 60A.16, subdivision 1; 60A.23, subdivision 8; 60K.14, subdivision 2; 61A.072, by adding a subdivision; 61A.09, subdivision 1; 62A.04, subdivision 2; 62A.17, subdivision 1; 62A.20, subdivision 1; 62A.21, subdivision 2a; 62A.302; 62A.31, subdivisions 1a, 1i, 3; 62A.65, subdivision 8; 62E.04, subdivision 4; 62E.06, subdivision 1; 62I.07, subdivision 1; 62J.60, subdivision 3; 62L.05, subdivisions 1, 2; 62M.02, by adding a subdivision; 62M.03, subdivision 2; 62M.05, subdivision 5; 62Q.01, subdivision 6; 62Q.73, subdivision 3; 65A.29, subdivision 7; 65A.30; 65B.04, subdivision 3; 65B.06, subdivisions 1, 4; 65B.16; 65B.19, subdivision 2; 65B.44, subdivision 3; 67A.20, by adding a subdivision; 70A.07; 79A.02, subdivision 1; 79A.03, subdivision 7; 79A.04, subdivision 16; 79A.15; 471.617, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 2000, sections 13.7191, subdivision 11; 60A.111; 62G.01; 62G.02; 62G.03; 62G.04; 62G.05; 62G.06; 62G.07; 62G.08; 62G.09; 62G.10; 62G.11; 62G.12; 62G.13; 62G.14; 62G.15; 62G.16; 62G.17; 62G.18; 62G.19; 62G.20; 62G.21; 62G.22; 62G.23; 62G.24; 62G.25.

Senator Scheid moved to amend S.F. No. 1054 as follows:

Page 14, delete section 8

Pages 15 to 23, delete sections 10 and 11

Page 30, after line 23, insert:

"Sec. 16. [62A.421] [DEMONSTRATION PROJECTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner may establish demonstration projects to allow an issuer of Medicare supplement policies to extend coverage to individuals enrolled in part A or part B, or both, of the Medicare program, Title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq. For purposes of this section, the commissioner may waive compliance with the benefits described in sections 62A.315 and 62A.316 and other applicable statutes and rules if there is reasonable evidence that the statutes or rules prohibit the operation of the demonstration project, but may not waive the six-month guaranteed issue provision. The commissioner shall provide for public comment before any statute or rule is waived.

Subd. 2. [BENEFITS.] A demonstration project must provide health benefits equal to or exceeding the level of benefits provided in Title XVIII of the Social Security Act and an out-of-hospital prescription drug benefit. The out-of-hospital prescription drug benefit may be waived by the commissioner if the issuer presents evidence satisfactory to the commissioner that the inclusion of the benefit would restrict the operation of the demonstration project.

Subd. 3. [APPLICATION.] An issuer electing to participate in a demonstration project shall apply to the commissioner for approval on a form developed by the commissioner. The application shall include at least the following:

- (1) a statement identifying the population that the project is designed to serve;
- (2) a description of the proposed project including a statement projecting a schedule of costs and benefits for the policyholder;
- (3) reference to the sections of Minnesota Statutes and department of commerce rules for which waiver is requested;
- (4) evidence that application of the requirements of applicable Minnesota Statutes and

department of commerce rules would, unless waived, prohibit the operation of the demonstration project;

(5) an estimate of the number of years needed to adequately demonstrate the project's effects; and

(6) other information the commissioner may reasonably require.

Subd. 4. [TIMELINE.] The commissioner shall approve, deny, or refer back to the issuer for modification, the application for a demonstration project within 60 days of the receipt of a complete application.

Subd. 5. [PERIOD SPECIFIED.] The commissioner may approve an application for a demonstration project for a period of six years, with an option to renew.

Subd. 6. [ANNUAL REPORT.] Each issuer for which a demonstration project is approved shall annually file a report with the commissioner summarizing the project's experience at the same time it files its annual report. The report shall be on a form developed by the commissioner and shall be separate from the annual report.

Subd. 7. [RESCISSION OF APPROVAL.] The commissioner may rescind approval of a demonstration project if the commissioner makes any of the findings listed in section 60A.052 or 62D.15, subdivision 1, with respect to the project for which it has not been granted a specific exemption, or if the commissioner finds that the project's operation is contrary to the information contained in the approved application.

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

Pages 36 to 38, delete section 23

Page 38, delete section 26 and insert:

"Sec. 23. [62L.23] [SUSPENSION OF REINSURANCE OPERATIONS; REACTIVATION.]

Subdivision 1. [SUSPENSION.] The commissioner may, by order, suspend the operation of sections 62L.13 to 62L.22, upon receipt of a recommendation for suspension from the association board of directors. The order is effective 30 days after publication in the State Register.

Subd. 2. [SUSPENSION OF REINSURANCE OPERATIONS.] Upon the issuance of an order issued pursuant to subdivision 1, the association shall suspend its operations in an orderly manner supervised by the commissioner and shall provide for the proper storage of the association's records. Notwithstanding the provisions of subdivision 1, the association may continue to levy assessments under section 62L.22 for the purpose of satisfying the association's presuspension expenses and the expenses associated with the association's suspension activities pursuant to this subdivision. The assessments must be approved by the commissioner.

Subd. 3. [NO CANCELLATION PERMITTED.] Effective upon the effective date of an order issued pursuant to subdivision 1, reinsurance must be terminated for any person reinsured by the association pursuant to section 62L.18. No health carrier may cancel or fail to renew a health benefit plan for any person whose reinsurance with the association has been terminated subsequently to the issuance of an order pursuant to subdivision 1 solely because of the termination of reinsurance.

Subd. 4. [REACTIVATION OF REINSURANCE OPERATIONS.] The commissioner may, by order, reactivate the operation of sections 62L.13 to 62L.22, on a finding that the private market for reinsurance of health benefit plans has failed and that commercial reinsurance is unavailable to health carriers operating in the small employer market in Minnesota. The commissioner may not make findings or issue an order pursuant to this subdivision until a hearing is held pursuant to chapter 14.

Subd. 5. [TRANSITION.] After issuance of any order pursuant to subdivision 4, the

commissioner shall immediately appoint an interim board of directors of the association. The terms of members of this interim board must be for a period not to exceed 18 months. The board shall cause the reinsurance operations of the association to be resumed within 180 days of an order issued pursuant to subdivision 4.

Subd. 6. [MODIFICATION OF FIVE-YEAR RULE.] If the commissioner issues an order pursuant to subdivision 4, any health carrier may elect to participate in the reinsurance association, notwithstanding any deparicipation by the health carrier within the preceding five years that, pursuant to section 62L.17, would have otherwise prohibited the health carrier's participation.

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

Page 40, delete section 31

Page 41, delete section 33

Pages 44 and 45, delete section 39

Page 51, line 8, strike "two" and insert "five"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1054 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Lesewski	Pogemiller	Stevens
Bachmann	Higgins	Lessard	Ranum	Stumpf
Belanger	Johnson, Dean	Limmer	Reiter	Terwilliger
Berg	Johnson, Debbie	Marty	Rest	Tomassoni
Berglin	Johnson, Doug	Metzen	Ring	Vickerman
Betzold	Kelley, S.P.	Moe, R.D.	Robertson	Wiener
Chaudhary	Kelly, R.C.	Oliver	Sams	Wiger
Cohen	Kierlin	Olson	Samuelson	
Day	Kiscaden	Orfield	Scheevel	
Foley	Kleis	Ourada	Scheid	
Fowler	Krentz	Pariseau	Schwab	

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

SPECIAL ORDER

S.F. No. 2328: A resolution urging the United States Congress to amend the Railroad Unemployment Insurance Act.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Berglin	Day	Frederickson	Kelly, R.C.
Bachmann	Betzold	Fischbach	Johnson, Dean	Kierlin
Belanger	Chaudhary	Foley	Johnson, Debbie	Kiscaden
Berg	Cohen	Fowler	Johnson, Doug	Kleis

Krentz	Moe, R.D.	Pogemiller	Samuelson	Tomassoni
Larson	Murphy	Ranum	Scheevel	Vickerman
Lesewski	Oliver	Reiter	Scheid	Wiener
Lessard	Olson	Rest	Schwab	Wiger
Limmer	Orfield	Ring	Stevens	
Marty	Pappas	Robertson	Stumpf	
Metzen	Pariseau	Sams	Terwilliger	

So the resolution passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Senators Johnson, Doug and Tomassoni introduced--

S.F. No. 2404: A bill for an act relating to capital improvements; authorizing issuance of state bonds; appropriating money for the Bulldog Sports Center at the University of Minnesota-Duluth.

Referred to the Committee on Finance.

Senator Krentz introduced--

S.F. No. 2405: A bill for an act relating to pollution control standards; establishing a standard limiting phosphorus in rivers and streams; amending Minnesota Statutes 2000, section 115.44, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Senators Ourada; Johnson, Dean; Limmer, Bachmann and Kelly, R.C. introduced--

S.F. No. 2406: A bill for an act relating to crime prevention; requiring certain repeat property offenders to pay full restitution to the victims of their offenses and successfully complete a character-development program; requiring a report on individuals sentenced under these procedures; establishing a task force to propose an industry-based corrections institution where offenders will work to earn money to pay restitution; amending Minnesota Statutes 2000, sections 260B.198, by adding a subdivision; 609A.02, by adding a subdivision; 609A.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Crime Prevention.

RECESS

Senator Moe, R.D. moved that the Senate do now recess until 9:45 p.m. The motion prevailed.

The hour of 9:45 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 229, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 229: A bill for an act relating to criminal records; requiring that crime victims be notified of expungement proceedings and allowed to submit a statement; amending Minnesota Statutes 2000, section 609A.03, subdivisions 2, 3, and 4.

Senate File No. 229 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1464, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1464: A bill for an act relating to health; modifying provisions for lead poisoning prevention; requiring a real property seller provide buyer with well water test results; providing for certain alternative compliance methods for food, beverage, and lodging establishment inspections; repealing certain obsolete laws relating to hotel inspectors, duplication equipment, pay toilets, and enclosed sports arenas; amending Minnesota Statutes 2000, sections 144.9501, subdivisions 3, 4, 10, 11, 17, 17a, 18, 19, 20a, 20b, 20c, 21, 22, 22a, 23, 28a, 29, and by adding subdivisions; 144.9502, subdivision 8; 144.9503; 144.9504, subdivisions 1, 2, 5, 7, and 8; 144.9505; 144.9507, subdivision 5; 144.9508, subdivisions 1, 2, 3, 4, and 5; 144.9509, subdivisions 1 and 3; and 157.20, by adding a subdivision; repealing Minnesota Statutes 2000, sections 144.073; 144.08; 144.1222, subdivision 3; 144.9501, subdivision 32; 144.9502, subdivision 6; 144.9503, subdivision 6; 144.9504, subdivisions 4 and 11; 144.9505, subdivisions 2 and 5; 144.9506; 144.9508, subdivision 6; and 145.425.

Senate File No. 1464 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1541, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1541: A bill for an act relating to commerce; regulating currency exchanges, real estate brokers, real property appraisers, residential contractors, notaries public, and collection agencies; modifying certain continuing education requirements; regulating certain fees, costs, duties, rights, and penalties; regulating nonprofit corporations; requiring a study; appropriating money; amending Minnesota Statutes 2000, sections 45.0295; 53A.081, subdivision 2; 58.10, subdivision 1, by adding a subdivision; 60K.19, subdivision 8; 72B.04, subdivisions 6, 7; 80B.03, subdivision 4a; 82.195, subdivision 2; 82.196, subdivision 2; 82.197, subdivisions 1, 4, by adding

a subdivision; 82.22, subdivision 13; 82.24, subdivision 8; 82.27, subdivision 3; 82.34, subdivision 15, by adding a subdivision; 82B.14; 317A.203; 326.91, subdivision 1; 326.975, subdivision 1; 332.41; 359.02; 507.45, subdivision 3.

Senate File No. 1541 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Mr. President:

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

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

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

Abrams, McElroy and Milbert.

Senate File No. 2208 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 722, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 722: A bill for an act relating to energy; providing for comprehensive energy conservation, production, and regulatory changes; amending Minnesota Statutes 2000, sections 16B.32, subdivision 2; 116C.52, subdivisions 4, 10; 116C.53, subdivisions 2, 3; 116C.57, subdivisions 1, 2, 4, by adding subdivisions; 116C.58; 116C.59, subdivisions 1, 4; 116C.60; 116C.61, subdivisions 1, 3; 116C.62; 116C.63, subdivision 2; 116C.645; 116C.65; 116C.66; 116C.69; 216B.095; 216B.097, subdivision 1; 216B.16, subdivision 15; 216B.241, subdivisions 1, 1a, 1b, 1c, 2; 216B.2421, subdivision 2; 216B.243, subdivisions 3, 4, 8; 216B.62, subdivision 5; 216C.41; proposing coding for new law in Minnesota Statutes, chapters 16B; 116C; 216B; 452; repealing Minnesota Statutes 2000, sections 116C.55, subdivisions 2, 3; 116C.57, subdivisions 3, 5, 5a; 116C.67; 216B.2421, subdivision 3.

Senate File No. 722 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Mr. President:

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

Senate Concurrent Resolution No. 8: A Senate concurrent resolution relating to adjournment of the Senate and House of Representatives until 2002.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2377: A bill for an act relating to redistricting; adopting legislative and congressional redistricting plans for use in 2002 and thereafter; amending Minnesota Statutes 2000, section 2.031, subdivision 2; repealing Minnesota Statutes 2000, sections 2.043; 2.053; 2.063; 2.073; 2.083; 2.093; 2.103; 2.113; 2.123; 2.133; 2.143; 2.153; 2.163; 2.173; 2.183; 2.193; 2.203; 2.213; 2.223; 2.233; 2.243; 2.253; 2.263; 2.273; 2.283; 2.293; 2.303; 2.313; 2.323; 2.333; 2.343; 2.353; 2.363; 2.373; 2.383; 2.393; 2.403; 2.413; 2.423; 2.433; 2.443; 2.453; 2.463; 2.473; 2.483; 2.493; 2.503; 2.513; 2.523; 2.533; 2.543; 2.553; 2.563; 2.573; 2.583; 2.593; 2.603; 2.613; 2.623; 2.633; 2.643; 2.653; 2.663; 2.673; 2.683; 2.693; 2.703; 2.742; 2.752; 2.762; 2.772; 2.782; 2.792; 2.802; 2.812.

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

Paulsen, Abrams, Boudreau, Siefert and Pelowski.

Senate File No. 2377 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Senator Lesewski introduced--

S.F. No. 2407: A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature; for a grant to the city of Lake Benton for the southwest Minnesota regional depot historic and tourism center project; authorizing issuance of bonds; appropriating money.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 793 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 793: A bill for an act relating to the environment; extending the deadline for repayment obligations for certain solid waste transfer station projects; amending Minnesota Statutes 2000, section 115A.54, subdivision 2a.

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 58 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Johnson, Debbie

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to adopt the Conference Committee Report on Senate File No. 1495 and requests the return of Senate File No. 1495 to the Conference Committee as formerly constituted, for further consideration.

S.F. No. 1495: A bill for an act relating to agriculture; modifying provisions of the value-added agricultural product processing and marketing grant program; eliminating the late fee for the license to use the Minnesota grown label; clarifying the term "private contributions" for the Minnesota grown matching account; modifying provisions of the shared savings loan program and the sustainable agriculture demonstration grant program; modifying provisions of the agriculture best management practices loan program; regulating pesticide application in certain schools; modifying financing limitations for the administration of the state meat inspection program; authorizing the state agricultural society to establish a nonprofit corporation for charitable purposes; modifying provisions relating to the rural finance authority; extending the sunset date and providing for designation of replacement members of the Minnesota agriculture education leadership council; modifying the definition of "agricultural land" for the purpose of recreational trespass; extending the sunset of the dairy producers board, and conditionally voiding its repeal; providing for pesticide application on golf courses; changing certain membership provisions on the state agricultural society; defining biodiesel fuel and requiring it in diesel fuel oil; requiring reports on it; allowing natural gasoline as a petroleum component in E85 fuel; extending the

sunset date for the farmer-lender mediation program; providing a temporary waiver of board of animal health rules for use of biological products on poultry; adding cultivated wild rice to the agricultural commodities promotion act provision; repealing obsolete agricultural statutes; amending Minnesota Statutes 2000, sections 17.101, subdivision 5; 17.102, subdivision 3; 17.109, subdivision 3; 17.115; 17.116; 17.117; 17.53, subdivisions 2, 8, 13; 17.63; 17.76, subdivision 2; 18B.01, by adding a subdivision; 31A.21, subdivision 2; 37.03, subdivision 1; 41B.025, subdivision 1; 41B.03, subdivision 2; 41B.043, subdivisions 1b, 2; 41B.046, subdivision 2; 41D.01, subdivisions 1, 3, 4; 97B.001, subdivision 1; 116O.09, subdivision 1a; 296A.01, subdivision 19; Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapters 18B; 37; 239; repealing Minnesota Statutes 2000, sections 17.987; 24.001; 24.002; 24.12; 24.131; 24.135; 24.141; 24.145; 24.151; 24.155; 24.161; 24.171; 24.175; 24.18; 24.181; 33.09; 33.111.

Senate File No. 1495 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Senator Murphy moved that S.F. No. 1495 and the Conference Committee Report thereon be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2208 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2208

A bill for an act relating to public finance; updating and making technical changes to public finance provisions related to debt obligations, financing of certain equipment and hardware and software; removing election requirements for issuance of certain obligations; authorizing flexibility in stating certain ballot questions; updating and changing the Minnesota Bond Allocation Act; providing for the powers of housing and redevelopment authorities in Scott county and Carver county; authorizing issuance of certain obligations by the city of St. Paul; clarifying an appropriation; amending Minnesota Statutes 2000, sections 103B.555, by adding a subdivision; 165.10, subdivision 2; 275.60; 373.01, subdivision 3; 373.45, subdivision 3; 376.08, subdivisions 1, 3, by adding a subdivision; 410.32; 412.301; 429.091, subdivision 7a; 474A.02, subdivisions 8, 13a, 22a, 22b, 23a; 474A.03, subdivisions 1, 2a, 4; 474A.04, subdivisions 1a, 5; 474A.045; 474A.047, subdivisions 1, 2; 474A.061, subdivisions 1, 2a, 2b, 2c, 4; 474A.091, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 474A.131, subdivisions 1, 2, by adding a subdivision; 474A.14; 475.54, subdivision 1; 475.58, subdivision 1; 475.59; Laws 1974, chapter 473; Laws 1980, chapter 482; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 2000, section 474A.061, subdivision 6.

May 21, 2001

The Honorable Don Samuelson
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2208, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2208 be further amended as follows:

Delete everything after the enacting clause and insert:

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

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

- (1) the levy of special assessments;
- (2) the imposition of rates and charges; and
- (3) the issuance of bonds

to finance improvements that the district may undertake.

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

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

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

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

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

275.60 [LEVY OR BOND REFERENDUM; BALLOT NOTICE.]

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

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

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

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

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

Sec. 4. Minnesota Statutes 2000, section 373.45, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2000, section 376.06, subdivision 1, is amended to read:

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

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

Sec. 6. Minnesota Statutes 2000, section 376.07, is amended to read:

376.07 [ADDITION TO COUNTY HOSPITAL.]

~~When the county board of a county has been authorized by the voters to construct an addition to the county hospital of the county under sections 376.01 to 376.06, whether or not also authorized to equip the addition, and the board has determined that the addition, whether with or without equipment, cannot be completed within the cost authorized, or has determined that, to complete the improvement, certain alterations should be made, or fixtures or equipment added, either in the original building, or in the addition, or both, the board may be authorized to spend a specified additional amount for any of the purposes mentioned in this chapter, either by vote of the people~~

of the county at a general or special election or by petition. If an election is held, the proposition shall be submitted and disposed of in the same manner as provided by sections 376.01 to 376.06. If by petition, the petition must be signed by a majority of those voting at the last preceding general election. The petition may be in the form of one document or of several documents in the same form, and shall be filed with the county auditor. A special election may be called in the manner provided for calling special county elections. When authority is granted by the voters, in either manner provided, the board may proceed accordingly. If the board made or attempted to make a contract or contracts for more than the authority first granted, it may ratify and carry out the contracts. The county board, hospital board, or board of directors of a nonprofit or governmental hospital organization that has leased a county hospital may authorize the remodeling, improvement, alteration, or construction of an addition to the county hospital or of another building on the county hospital's existing premises by a majority vote of the board. Financing for any project under this section is governed by other law, including sections 373.40 and 447.45 and chapter 475.

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

Sec. 7. Minnesota Statutes 2000, section 376.08, subdivision 1, is amended to read:

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

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

Sec. 8. Minnesota Statutes 2000, section 376.08, subdivision 2, is amended to read:

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

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

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

Sec. 9. Minnesota Statutes 2000, section 376.09, is amended to read:

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

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

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

Sec. 10. Minnesota Statutes 2000, section 383B.79, is amended by adding a subdivision to read:

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

Sec. 11. Minnesota Statutes 2000, section 429.091, subdivision 7a, is amended to read:

Subd. 7a. [REVOLVING FUND BONDS.] The council may by resolution establish a revolving fund for the payment of the costs of any improvement or any waterworks systems, sewer systems, or storm sewer systems described in section 444.075, the costs of facilities to maintain streets and water, sewer, and storm sewer systems and for the payment of any obligations issued to pay the costs thereof of the facilities and systems referred to in this subdivision or to refund obligations issued for those purposes. The council may create within the revolving fund a separate construction account into which the municipality may deposit the proceeds of any obligations payable from the fund, the proceeds of any special assessments collected with respect to any improvement, any net revenues of a waterworks, sewer system, or storm sewer system described in section 444.075 or any other available funds of the municipality appropriated to it. Amounts on deposit in the construction account may be used to pay the costs of any improvement or any waterworks, sewer system, or storm sewer system described in section 444.075 or any street or water, sewer, or storm sewer maintenance facilities. No funds may be expended for an improvement unless at least 20 percent of the costs of each such improvement is to be assessed against benefited property. No funds may be expended for a waterworks, sewer system, or storm sewer system, other than a sewer system described in section 115.46, or maintenance facilities unless the council estimates that the costs will be recovered from the net revenues of the system or any combined waterworks, sewer systems, or storm sewer systems operated by the municipality. The council may also create a separate debt service account within the revolving fund for the payment of principal of and interest on any obligations payable therefrom. Notwithstanding subdivision 4, the council is not required to pledge any particular assessments or other revenues to the payment of the obligations. Collections of special assessments or net revenues may be deposited in either the construction account or the debt service account as the council or an officer designated by the council may determine, having due regard for anticipated collections of special assessments and net revenues from improvements or waterworks, sewer systems, or storm sewer systems financed in whole or in part from the construction account, and taxes levied for the payment of the obligations. The council may issue obligations that are payable primarily from the debt service account for the purpose of providing funds to defray in whole or in part any expenses incurred or estimated to be incurred in making the improvement or improvements or in constructing the waterworks, sewer system, or storm sewer system, including every item of cost of the kinds authorized by section 475.65, and street and water, sewer, and storm sewer maintenance facilities or to refund obligations previously issued under this section or section 115.46 or 444.075. The obligations may be general obligations to which the full faith and credit of the municipality are pledged. If the special assessments to be levied and net revenues estimated to be available for their payment are estimated to be at least 20 percent of the principal amount of the obligations, the obligations may be issued without an election and shall not be included in determining the net indebtedness of the municipality under the provisions of any law limiting net indebtedness. The cost of a maintenance facility that may be financed under this subdivision is limited only to the portion of the facility that is fairly allocable to the maintenance of streets and water, sewer, and storm sewer systems.

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

Sec. 12. Minnesota Statutes 2000, section 473.39, is amended by adding a subdivision to read:

Subd. 1h. [OBLIGATIONS.] After July 1, 2001, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, and 1g, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$45,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations, but not for computer software, or for construction, maintenance, or operation of light rail transit or commuter rail.

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

Sec. 13. Minnesota Statutes 2000, section 474A.02, subdivision 8, is amended to read:

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

Sec. 14. Minnesota Statutes 2000, section 474A.02, subdivision 13a, is amended to read:

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

Sec. 15. Minnesota Statutes 2000, section 474A.02, subdivision 22a, is amended to read:

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

Sec. 16. Minnesota Statutes 2000, section 474A.02, subdivision 22b, is amended to read:

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

Sec. 17. Minnesota Statutes 2000, section 474A.02, subdivision 23a, is amended to read:

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

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

- (1) for the purpose of refinancing, refunding, or otherwise defeasing existing debt; and
- (2) more than one calendar year prior to the date of application;

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

- (c) "mortgage bonds";
- (d) "small issue bonds" issued to finance manufacturing projects and the acquisition or improvement of agricultural real or personal property under sections 41C.01 to 41C.13;
- (e) "student loan bonds" issued by or on behalf of the Minnesota higher education services office;
- (f) "redevelopment bonds";
- (g) "governmental bonds" with a nonqualified amount in excess of \$15,000,000 as set forth in section 141(b)5 of federal tax law; and
- (h) "enterprise zone facility bonds" issued to finance facilities located within empowerment zones or enterprise communities, as authorized under Public Law Number 103-66, section 13301.

Sec. 18. Minnesota Statutes 2000, section 474A.03, subdivision 1, is amended to read:

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

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

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

Sec. 19. Minnesota Statutes 2000, section 474A.03, subdivision 2a, is amended to read:

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

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

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

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

Sec. 20. Minnesota Statutes 2000, section 474A.03, subdivision 4, is amended to read:

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

Sec. 21. Minnesota Statutes 2000, section 474A.04, subdivision 1a, is amended to read:

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

Sec. 22. Minnesota Statutes 2000, section 474A.04, subdivision 5, is amended to read:

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

Sec. 23. Minnesota Statutes 2000, section 474A.045, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 24. Minnesota Statutes 2000, section 474A.047, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

~~(b) The maximum rent for a proposed single room occupancy unit under paragraph (a), clause~~

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

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

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

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

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

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

Sec. 25. Minnesota Statutes 2000, section 474A.047, subdivision 2, is amended to read:

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

Sec. 26. Minnesota Statutes 2000, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in July, or in the amount of two percent of the requested allocation on or after the last Monday in July, (5) a public purpose scoring worksheet for manufacturing project and enterprise zone facility project applications, and (6) for residential rental projects, a statement from the applicant or bond counsel as to whether the project preserves existing federally subsidized housing for residential rental project applications and whether the project is restricted to persons who are 55 years of age or older. The issuer must pay the application deposit by a check made payable to the department of finance. The Minnesota housing finance agency, the Minnesota rural finance authority, and the Minnesota higher education services office may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For

purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph does not apply to an application from the Minnesota housing finance agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.

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

Sec. 27. Minnesota Statutes 2000, section 474A.061, subdivision 2a, is amended to read:

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

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

~~(1) the housing program must meet a locally identified housing need and be economically viable;~~

~~(2) the adjusted income of home buyers may not exceed 80 percent of the greater of statewide or area median income as published by the Department of Housing and Urban Development, adjusted for household size;~~

~~(3) house price limits may not exceed the federal price limits established for mortgage revenue bond programs. Data on the home purchase price amount, mortgage amount, income, household size, and race of the households served in the previous year's single-family housing program, if any, must be included in each application; and~~

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

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

~~The Minnesota housing finance agency may accept applications from June 15 through June 30 from cities for single-family housing programs which meet program requirements specified under~~

~~clauses (1) to (4) if bonding authority is available in the housing pool. Applications will be accepted from June 15 to June 30 only from cities that received an allotment in the same calendar year and used at least 75 percent of their allotment by June 1.~~

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

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

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

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

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

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

~~(d)~~ (e) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time after the ~~first Monday~~ second Tuesday in ~~February~~ January and through the last Monday in July, ~~but may request an allocation no later than the last Monday in July.~~ After awarding an allocation and receiving a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposits to the Minnesota housing finance agency to be returned to the participating cities. The commissioner Minnesota housing finance agency shall return any application deposit to a city that paid an application deposit under paragraph (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph (e) (d).

~~(e)~~ (f) A city may choose to issue bonds on its own behalf or through a joint powers agreement ~~or may use bonding authority for mortgage credit certificates and may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and a one percent application deposit to the commissioner no later than the Monday of the week preceding an allocation. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the~~

amount it would have received under the list forwarded by the Minnesota housing finance agency to the commissioner. No city may request or receive an allocation from the commissioner until the list under paragraph (e) (d) has been forwarded to the commissioner. A city must request an allocation from the commissioner no later than 14 days before the unified pool is created pursuant to section 474A.091, subdivision 1 the last Monday in July. ~~On and after the first Monday in February and through the last Monday in July,~~ No city may receive an allocation from the housing pool for mortgage bonds which has not first applied to the Minnesota housing finance agency. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph.

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

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

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

Sec. 28. Minnesota Statutes 2000, section 474A.061, subdivision 2b, is amended to read:

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

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

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

~~or more are eligible for all of the proposed allocation. Proposed projects that receive less than 50 points are eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received.~~

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

Sec. 29. Minnesota Statutes 2000, section 474A.061, subdivision 2c, is amended to read:

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

Sec. 30. Minnesota Statutes 2000, section 474A.061, subdivision 4, is amended to read:

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

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

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

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

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

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

Sec. 31. [474A.062] [HESO 120-DAY ISSUANCE EXEMPTION.]

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

Sec. 32. Minnesota Statutes 2000, section 474A.091, subdivision 2, is amended to read:

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

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

Sec. 33. Minnesota Statutes 2000, section 474A.091, subdivision 3, is amended to read:

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

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

- ~~(1) applications for enterprise zone facility bonds;~~
- ~~(2) applications for small issue bonds for manufacturing projects;~~
- ~~(3) applications for small issue bonds for agricultural development bond loan projects;~~
- ~~(4) applications for residential rental project bonds;~~
- ~~(5) applications for public facility projects funded by public facility bonds;~~
- ~~(6) applications for redevelopment bonds;~~
- ~~(7) applications for mortgage bonds; and~~
- ~~(8) applications for governmental bonds.~~

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

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

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

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

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

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

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

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

~~(e)(1)~~ (g) From the first Monday in August through the last Monday in November, \$20,000,000

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

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

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

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

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

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

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

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

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

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

Sec. 34. Minnesota Statutes 2000, section 474A.091, is amended by adding a subdivision to read:

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

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

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

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

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

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

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

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

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

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

Sec. 35. Minnesota Statutes 2000, section 474A.091, subdivision 4, is amended to read:

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

Sec. 36. Minnesota Statutes 2000, section 474A.091, subdivision 5, is amended to read:

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

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

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

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

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

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

Sec. 37. Minnesota Statutes 2000, section 474A.091, subdivision 6, is amended to read:

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

Sec. 38. Minnesota Statutes 2000, section 474A.131, subdivision 1, is amended to read:

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

(1) the date of issuance of the bonds;

(2) the title of the issue;

(3) the principal amount of the bonds;

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

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

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

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

Sec. 39. Minnesota Statutes 2000, section 474A.131, is amended by adding a subdivision to read:

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

Sec. 40. Minnesota Statutes 2000, section 474A.131, subdivision 2, is amended to read:

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

Sec. 41. Minnesota Statutes 2000, section 474A.14, is amended to read:

474A.14 [NOTICE OF AVAILABLE AUTHORITY.]

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

Sec. 42. Minnesota Statutes 2000, section 475.54, subdivision 1, is amended to read:

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

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

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

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

Sec. 43. Minnesota Statutes 2000, section 475.58, subdivision 1, is amended to read:

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

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

(2) for refunding obligations;

(3) for an improvement or improvement program, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement or by an improvement within the improvement program, or of taxes levied upon the increased value of property within a district for the development of which the improvement is undertaken, including obligations which are the general obligations of the municipality, if the

municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or taxes and not less than 20 percent of the cost of the improvement or the improvement program is to be assessed against benefited property or is to be paid from the proceeds of federal grant funds or a combination thereof, or is estimated to be received from such taxes within the district;

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

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

(6) under the provisions of a law which permits the issuance of obligations of a municipality without an election;

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

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

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

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

Sec. 44. Minnesota Statutes 2000, section 475.59, is amended to read:

475.59 [MANNER OF SUBMISSION; NOTICE.]

When the governing body of a municipality resolves to issue bonds for any purpose requiring the approval of the electors, it shall provide for submission of the proposition of their issuance at a general or special election or town or school district meeting. Notice of such election or meeting shall be given in the manner required by law and shall state the maximum amount and the purpose of the proposed issue. In any school district, the school board or board of education may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance for any one or more of the following, stated conjunctively or in the alternative: acquisition or enlargement of sites, acquisition, betterment, erection, furnishing, equipping of one or more new schoolhouses, remodeling, repairing, improving, adding to, betterment, furnishing, equipping of one or more existing schoolhouses. In any city, town, or county, the governing body may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance, stated conjunctively or in the alternative, for the acquisition, construction, or improvement of any facilities at one or more locations.

Sec. 45. Laws 1974, chapter 473, is amended to read:

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

Sec. 2. [APPLICATION.] Subdivision 1. This act shall not limit or restrict any existing housing and redevelopment authority or prevent a municipality from creating an authority. ~~The county shall not exercise jurisdiction in any municipality where a municipal housing and redevelopment authority is established.~~

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

Sec. 3. [MUNICIPAL APPROVAL.] If any housing or redevelopment project is undertaken in Scott county pursuant to this authorization, and such project is within the boundaries of any incorporated village, city or township, the location of such project shall be approved by the governing body of such village, city or township.

Sec. 4. [ECONOMIC DEVELOPMENT AUTHORITY POWERS.] The Scott county housing and redevelopment authority may exercise any of the powers of an economic development authority (EDA) granted to it by resolution by the Scott county board of commissioners, except for the authority to levy the tax described in Minnesota Statutes, section 469.107. With the prior approval of the Scott county board the authority may increase its levy of the special tax described in Minnesota Statutes, section 469.033, subdivision 6, to an amount not exceeding 0.01813 percent of taxable market value, or any higher limit from time to time authorized under Minnesota Statutes, section 469.107 or 469.033, subdivision 6.

Sec. 5. [OFFERS OF TAX-FORFEITED LANDS.] Scott county may offer to the Scott county housing and redevelopment authority, under the conditions and policies established by the county, and subject to the approval of the city in which the property is located, nonconservation tax-forfeited land prior to making the properties available to cities in Scott county.

~~Sec. 4. Sec. 6. [EFFECTIVE DATE; LOCAL APPROVAL.] This act takes effect when approved by a majority of the board of county commissioners of Scott county and upon compliance with Minnesota Statutes, Section 645.021. This act is effective the day after the governing body of Scott county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.~~

Sec. 46. Laws 1980, chapter 482, is amended to read:

Section 1. [CARVER COUNTY; HOUSING AND REDEVELOPMENT.] Subdivision 1. There is created in the county of Carver a public body corporate and politic, to be known as the Carver county housing and redevelopment authority, having all of the powers and duties of a housing and redevelopment authority under the provisions of the municipal housing and redevelopment act, Minnesota Statutes, ~~Section 462.411 to 462.711~~ sections 469.001 to 469.047, and having those powers of an economic development authority under the provisions of Minnesota Statutes, sections 469.090 to 469.1082, as are granted to it by Carver county as provided in sections 2 to 4. For the purposes of applying the provisions of the municipal housing and redevelopment act Minnesota Statutes, sections 469.001 to 469.047 and 469.090 to 469.1082, to Carver county, the county has all of the powers and duties of a municipality, the county board has all of the powers and duties of a governing body, the chairman of the county board has all of the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.

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

Sec. 2. [ECONOMIC DEVELOPMENT AUTHORITY POWERS.] The Carver county housing and redevelopment authority may exercise any of the powers of an economic

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

Sec. 3. [OFFERS OF TAX-FORFEITED LANDS.] Carver county may offer to the Carver county housing and redevelopment authority, under the conditions and policies established by the county, and subject to the approval of the city in which the property is located, nonconservation tax-forfeited land prior to making the properties available to cities in Carver county.

~~Sec. 2.~~ Sec. 4. [LOCAL APPROVAL.] Before a housing or redevelopment project of the Carver county housing and redevelopment authority is undertaken, the project shall be approved by the local governing body with jurisdiction over all or any part of the area in which the proposed project is located.

~~Sec. 3.~~ Sec. 5. [EFFECTIVE DATE; LOCAL APPROVAL.] This act is effective upon takes effect the day of compliance after the governing body of Carver county complies with Minnesota Statutes, Section 645.021, ~~Subdivision 3~~ subdivisions 2 and 3.

Sec. 47. [CHISAGO LAKES JOINT SEWAGE TREATMENT COMMISSION BONDING AUTHORITY.]

Subdivision 1. [AUTHORITY.] Notwithstanding Minnesota Statutes, section 471.59, subdivision 11, the Chisago lakes joint sewage treatment commission, a joint powers board established by the county of Chisago, and the cities of Lindstrom, Chisago City, and Center City, to own and operate wastewater treatment facilities for the member local governments, may issue and sell general obligation bonds pursuant to Minnesota Statutes, sections 115.46 and 444.075, and chapter 475, to acquire land for, construct, expand, furnish, equip, and modify its wastewater treatment facilities, and pledge the full faith and credit and taxing power of the governmental units that are members of the joint powers board. Bonds issued under this section are not subject to Minnesota Statutes, section 475.58. The joint powers board is a municipality within the meaning of Minnesota Statutes, chapter 475. Each government unit that is a member of the joint powers board must adopt a resolution authorizing the joint powers board to issue and sell the bonds.

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

Sec. 48. [HASSAN TOWNSHIP; ECONOMIC DEVELOPMENT AUTHORITY; ESTABLISHMENT AND POWERS.]

Subdivision 1. [FINDINGS.] The legislature finds that it is appropriate to give Hassan township the powers of an economic development authority because the town is located in an increasingly urbanized area and is the only remaining town in Hennepin county.

Subd. 2. [ESTABLISHMENT.] The board of township supervisors of Hassan township may establish an economic development authority in the manner provided in Minnesota Statutes, sections 469.090 to 469.1081, and may impose limits on the authority enumerated in Minnesota Statutes, section 469.092. The economic development authority has all of the powers and duties granted to or imposed upon economic development authorities under Minnesota Statutes, sections 469.090 to 469.1081. The township economic development authority may create and define the boundaries of economic development districts at any place or places within the township, provided that a project as recommended by the township authority that is to be located within the corporate limits of a city may not be commenced without the approval of the governing body of the city. Minnesota Statutes, section 469.174, subdivision 10, and the contiguity requirement specified under Minnesota Statutes, section 469.101, subdivision 1, do not apply to limit the areas that may be designated as township economic development districts.

Subd. 3. [POWERS.] If an economic development authority is established as provided in subdivision 1, the township may exercise all of the powers relating to an economic development authority granted to a city under Minnesota Statutes, sections 469.090 to 469.1081, or other law, including the power to levy a tax to support the activities of the authority.

Subd. 4. [LOCAL APPROVAL.] This section is effective the day after the town board of supervisors of Hassan township and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 49. [REPEALER.]

(a) Minnesota Statutes 2000, sections 373.40, subdivision 7; and 474A.061, subdivision 6, are repealed.

(b) Minnesota Statutes 2000, section 376.03, is repealed.

Sec. 50. [EFFECTIVE DATE.]

Sections 13 to 42 are effective the day after final enactment except that section 19, paragraph (c), is effective to require submissions by December 31, 2002, and annually thereafter."

Delete the title and insert:

"A bill for an act relating to public finance; updating and making technical changes to public finance and related provisions related to county and county-supported hospitals, municipally owned nursing homes, lake improvement districts, and the metropolitan council; extending a sunset date for certain county capital improvement bonds and limiting the inclusiveness of capital improvements; removing election requirements as preconditions for issuance of certain obligations; requiring reverse referenda in certain cases; clarifying the effect of a state guaranty as not creating constitutional public debt of the state; authorizing some flexibility in stating certain ballot questions; authorizing Scott and Carver counties to grant certain economic development powers to their housing and redevelopment authorities; authorizing the Chisago Lakes joint sewage treatment commission to issue bonds; authorizing expanded funding by the county for certain multijurisdictional program activities in Hennepin county; authorizing Hassan township to create and empower an economic development authority; updating and changing the Minnesota Bond Allocation Act; amending Minnesota Statutes 2000, sections 103B.555, by adding a subdivision; 165.10, subdivision 2; 275.60; 373.45, subdivision 3; 376.06, subdivision 1; 376.07; 376.08, subdivisions 1, 2; 376.09; 383B.79, by adding a subdivision; 429.091, subdivision 7a; 473.39, by adding a subdivision; 474A.02, subdivisions 8, 13a, 22a, 22b, 23a; 474A.03, subdivisions 1, 2a, 4; 474A.04, subdivisions 1a, 5; 474A.045; 474A.047, subdivisions 1, 2; 474A.061, subdivisions 1, 2a, 2b, 2c, 4; 474A.091, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 474A.131, subdivisions 1, 2, by adding a subdivision; 474A.14; 475.54, subdivision 1; 475.58, subdivision 1; 475.59; amending Laws 1974, chapter 473; Laws 1980, chapter 482; proposing coding for new law in Minnesota Statutes, chapters 474A; repealing Minnesota Statutes 2000, sections 373.40, subdivision 7; 376.03; 474A.061, subdivision 6."

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

Senate Conferees: (Signed) Lawrence J. Pogemiller, Chuck Fowler, William V. Belanger, Jr.

House Conferees: (Signed) Ron Abrams, Dan McElroy, Bob Milbert

Senator Pogemiller moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2208 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2208 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 60 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson Pappas

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Berglin moved that H.F. No. 1098, No. 5 on General Orders, be stricken and laid on the table. The motion prevailed.

RECESS

Senator Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2377: Senator Belanger replaces Senator Wiener.

Senator Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No 2249.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1769, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1769: A bill for an act relating to transportation; allowing commissioner of transportation to convey interest in certain land to property owners; modifying provisions for speed limits in highway work zones; modifying seasonal highway weight limitations; transferring responsibilities from transportation regulation board to commissioner of transportation; transferring, discontinuing, or changing description of portions of certain trunk highways; making technical and clarifying changes; repealing obsolete or invalid provisions; amending Minnesota Statutes 2000, sections 161.114; 161.115, subdivisions 36, 48, and by adding a subdivision; 161.24, subdivision 4; 161.442; 169.14, subdivision 5d; 169.825, subdivision 11; 174.02, subdivisions 4 and 5; 174.10, subdivisions 1, 3, and 4; 174A.02, subdivisions 1, 2, and 4; 174A.04; 174A.06; 218.031, subdivision 2; 218.041, subdivisions 4, 5, and 6; 219.074, subdivision 2; 219.384, subdivision 2; and 219.402; repealing Minnesota Statutes 2000, sections 174A.01; 174A.02, subdivision 5; 174A.03; 174A.05; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.97; 222.631; 222.632; and 222.633.

Senate File No. 1769 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 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. 1507: A bill for an act relating to state government; modifying state procurement provisions; amending Minnesota Statutes 2000, sections 16C.02, by adding a subdivision; 16C.03, subdivision 2; 16C.04, by adding a subdivision; 16C.05, subdivision 2; 16C.06, subdivisions 2, 3; 16C.081; 43A.047; 574.26, subdivision 2.

Senate File No. 1507 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

CONCURRENCE AND REPASSAGE

Senator Knutson moved that the Senate concur in the amendments by the House to S.F. No. 1507 and that the bill be placed on its repassage as amended.

Senator Kelley, S.P. moved that the Senate do not concur in the amendments by the House to S.F. No. 1507, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

RECESS

Senator Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1507: Senators Knutson; Johnson, Dave and Scheid.

Senator Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

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. 1541, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1541 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 2001

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1541

A bill for an act relating to landlords and tenants; requiring a study of rental application fees.

May 21, 2001

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

We, the undersigned conferees for H.F. No. 1541, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: (Signed) Joe Mullery, Gregory M. Davids, Bob Gunther

Senate Conferees: (Signed) Julie A. Sabo, Linda Berglin, David L. Knutson

Senator Sabo moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1541 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. 1541 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 1515, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1515 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 2001

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1515

A bill for an act relating to education; providing for family and early childhood education; modifying Head Start program; consolidating child care assistance programs; modifying early childhood screening, early childhood family education, and school readiness programs; directing allocation of federal child care development funds; consolidating certain advisory councils; establishing youth after-school enrichment program; modifying adult basic education program; requiring a report; providing for early childhood program evaluation; making various clarifying and technical changes; appropriating money; amending Minnesota Statutes 2000, sections 119A.12, by adding subdivisions; 119A.13, subdivision 4; 119A.21; 119A.22; 119A.51, by adding a subdivision; 119A.52; 119A.53; 119B.011, subdivisions 5, 7, 11, 12, 18, 19, by adding subdivisions; 119B.02, subdivisions 1, 2, 3, by adding subdivisions; 119B.061, subdivisions 1, 2, 4, 5; 121A.17, subdivision 1; 121A.30; 124D.135, by adding subdivisions; 124D.16, subdivision 2, by adding subdivisions; 124D.19, by adding subdivisions; 124D.20, subdivisions 1, 5, by adding a subdivision; 124D.221, subdivisions 1, 2, by adding a subdivision; 124D.518, subdivision 5; 124D.52, subdivision 2; 124D.522; 124D.531, subdivisions 1, 3, 7; 125A.28; 125B.20, subdivision 1; 134.31, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 119A; 119B; 124D; 134; repealing Minnesota Statutes 2000, sections 119A.13, subdivisions 1, 2, 3; 119A.14, subdivision 2; 119A.23; 119B.011, subdivision 20; 119B.03; 119B.04; 119B.05; 119B.06; 119B.07; 119B.074; 119B.08; 119B.09; 119B.10; 119B.11; 119B.12; 119B.13; 119B.14; 119B.15; 119B.16; 124D.16, subdivision 4; 124D.33; 124D.331; 125B.20, subdivision 3; Minnesota Rules, parts 3530.2610; 3530.2612; 3530.2614; 3530.2616; 3530.2618; 3530.2620; 3530.2622; 3530.2624; 3530.2626; 3530.2628; 3530.2630; 3530.2632; 3530.2634; 3530.2636; 3530.2638; 3530.2640; 3530.2642; 3530.2644.

May 21, 2001

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

We, the undersigned conferees for H.F. No. 1515, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1515 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

CHILDREN AND FAMILY SUPPORT PROGRAMS

Section 1. Minnesota Statutes 2000, section 119B.011, subdivision 19, is amended to read:

Subd. 19. [PROVIDER.] "Provider" means ~~a child care license holder who operates a family child care home, a group family child care home, a child care center, a nursery school, a day nursery, a school age care program; a license exempt school age care program operating under the auspices of a local school board or a park or recreation board of a city of the first class that has adopted school age care guidelines which meet or exceed guidelines recommended by the department, or a nonlicensed individual or child care center or facility, either licensed or unlicensed, providing legal child care services as defined under section 245A.03. A legally unlicensed registered family child care provider who is~~ must be at least 18 years of age, and who is not a member of the MFIP assistance unit or a member of the family receiving child care assistance under this chapter.

Sec. 2. Minnesota Statutes 2000, section 119B.06, is amended by adding a subdivision to read:

Subd. 3. [CHILD CARE DEVELOPMENT FUND PLAN DEVELOPMENT; REVIEW.] In an effort to improve state legislative involvement in the development of the Minnesota child care and development fund plan, the commissioner must present a draft copy of the plan to the legislative finance committees that oversee child care assistance funding no less than 30 days prior to the required deadline for submission of the plan to the federal government. The legislature must submit any adjustments to the plan to the commissioner for consideration within ten business days of receiving the draft plan. The commissioner must present a copy of the final plan to the chairs of the legislative finance committees that oversee child care assistance funding no less than four days prior to the deadline for submission of the plan to the federal government.

Sec. 3. Minnesota Statutes 2000, section 119B.061, subdivision 4, is amended to read:

Subd. 4. [ASSISTANCE.] (a) A family is limited to a lifetime total of 12 months of assistance under ~~this section~~ subdivision 2. The maximum rate of assistance is equal to ~~75~~ 90 percent of the rate established under section 119B.13 for care of infants in licensed family child care in the applicant's county of residence. Assistance must be calculated to reflect the parent fee requirement under section 119B.12 for the family's actual income level and family size while the family is participating in the at-home infant child care program under this section.

(b) A participating family must report income and other family changes as specified in the county's plan under section 119B.08, subdivision 3. ~~The family must treat any assistance received under this section as unearned income.~~

(c) Persons who are admitted to the at-home infant care program retain their position in any basic sliding fee program or on any waiting list attained at the time of admittance. If they are on the waiting list, they must advance as if they had not been admitted to the program. Persons leaving the at-home infant care program re-enter the basic sliding fee program at the position they would have occupied or the waiting list at the position to which they would have advanced. Persons who would have attained eligibility for the basic sliding fee program must be given assistance or advance to the top of the waiting list when they leave the at-home infant care program. Persons admitted to the at-home infant care program who are not on a basic sliding fee

waiting list may apply to the basic sliding fee program, and if eligible, be placed on the waiting list.

(d) The time that a family receives assistance under this section must be deducted from the one-year exemption from work requirements under the MFIP program.

(e) Assistance under this section does not establish an employer-employee relationship between any member of the assisted family and the county or state.

Sec. 4. Minnesota Statutes 2000, section 119B.24, is amended to read:

119B.24 [DUTIES OF COMMISSIONER.]

In addition to the powers and duties already conferred by law, the commissioner of children, families, and learning shall:

(1) administer the child care fund, including the basic sliding fee program authorized under sections 119B.011 to 119B.16;

(2) monitor the child care resource and referral programs established under section 119B.19; and

(3) encourage child care providers to participate in a nationally recognized accreditation system for early childhood and school-age care programs. The commissioner shall reimburse licensed Subject to approval by the commissioner, family child care providers and early childhood and school-age care programs shall be reimbursed for one-half of the direct cost of accreditation fees, upon successful completion of accreditation.

Sec. 5. Minnesota Statutes 2000, section 124D.135, is amended by adding a subdivision to read:

Subd. 8. [RESERVE ACCOUNT LIMIT.] Under this section, the average annual revenue, during the most recent three-year period, in a district's early childhood family education reserve account on June 30 of each year must not be greater than 25 percent of the district's early childhood family education annual revenue for the prior year. If a district's average early childhood family education reserve, over the most recent three-year period, is in excess of 25 percent of the prior year annual revenue, the district's early childhood family education state aid and levy authority must be reduced by the excess reserve amount no more than 30 months after the excess occurs. The commissioner must reallocate aid reduced under this subdivision to other eligible early childhood family education programs.

Sec. 6. Minnesota Statutes 2000, section 124D.135, is amended by adding a subdivision to read:

Subd. 9. [WAIVER.] If a district anticipates that the reserve account may exceed the 25 percent limit established under subdivision 8 because of extenuating circumstances, prior approval to exceed the limit must be obtained in writing from the commissioner.

Sec. 7. Minnesota Statutes 2000, section 124D.16, is amended by adding a subdivision to read:

Subd. 5. [RESERVE ACCOUNT.] School readiness revenue, which includes aids, fees, grants, and all other revenues received by the district school readiness programs, must be maintained in a reserve account within the community service fund.

Sec. 8. Minnesota Statutes 2000, section 124D.16, is amended by adding a subdivision to read:

Subd. 6. [RESERVE ACCOUNT LIMIT.] Under this section, the average annual revenue, during the most recent three-year period, in a district's school readiness reserve account on June 30 of each year must not be greater than 25 percent of the district's school readiness annual revenue for the prior year. If a district's average school readiness reserve, over the most recent three-year period, is in excess of 25 percent of the prior year annual revenue, the district's current year school readiness state aid must be reduced by the excess reserve amount. The commissioner must reallocate aid reduced under this subdivision to other eligible school readiness programs.

Sec. 9. Minnesota Statutes 2000, section 124D.16, is amended by adding a subdivision to read:

Subd. 7. [WAIVER.] If a district anticipates that the reserve account may exceed the 25 percent limit established under subdivision 6 because of extenuating circumstances, prior approval to exceed the limit must be obtained in writing from the commissioner.

Sec. 10. Minnesota Statutes 2000, section 125A.28, is amended to read:

125A.28 [STATE INTERAGENCY COORDINATING COUNCIL.]

An interagency coordinating council of at least 17, but not more than 25 members is established, in compliance with Public Law Number 102-119, section 682. The members must be appointed by the governor. Council members must elect the council chair. The representative of the commissioner may not serve as the chair. The council must be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, local Head Start director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, children, families, and learning, health, human services, a representative from the state agency responsible for child care, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council must meet at least quarterly.

The council must address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

By ~~June~~ September 1, the council must recommend to the governor and the commissioners of children, families, and learning, health, human services, commerce, and economic security policies for a comprehensive and coordinated system.

Notwithstanding any other law to the contrary, the state interagency coordinating council expires on June 30, ~~2004~~ 2003.

Sec. 11. [INTERAGENCY AUTISM COORDINATING COMMITTEE.]

(a) The commissioner of children, families, and learning shall establish an interagency committee to coordinate state efforts related to serving children with autism. The committee shall include representatives of the departments of children, families, and learning and human services; parents or guardians of children with autism; pediatricians; local public health officials; and representatives of private or nonprofit organizations that advocate on behalf of children with autism.

(b) The interagency autism coordinating committee shall study and recommend by December 1, 2001, to the committees in the legislature charged with early childhood through grade 12 education policy and finance matters a plan for improving efforts at early assessment and identification of autism in young children. The plan must consider:

- (1) all existing assessment program options;
- (2) public and private funding sources including programmatic funding for early and periodic screening, diagnosis, and treatment; and
- (3) current, research-based best practice models.

The plan must be designed to make optimal use of existing public resources.

(c) The committee expires June 30, 2003.

Sec. 12. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated, unless otherwise indicated.

Subd. 2. [SCHOOL READINESS PROGRAM REVENUE.] For revenue for school readiness programs according to Minnesota Statutes, sections 124D.15 and 124D.16:

<u>\$10,395,000</u>	<u>.....</u>	<u>2002</u>
<u>\$10,395,000</u>	<u>.....</u>	<u>2003</u>

The 2002 appropriation includes \$1,039,000 for 2001 and \$9,356,000 for 2002.

The 2003 appropriation includes \$1,039,000 for 2002 and \$9,356,000 for 2003.

Any balance in the first year does not cancel but is available in the second year.

Subd. 3. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid according to Minnesota Statutes, section 124D.135:

<u>\$20,758,000</u>	<u>.....</u>	<u>2002</u>
<u>\$20,663,000</u>	<u>.....</u>	<u>2003</u>

The 2002 appropriation includes \$2,036,000 for 2001 and \$18,722,000 for 2002.

The 2003 appropriation includes \$2,081,000 for 2002 and \$18,582,000 for 2003.

Any balance in the first year does not cancel but is available in the second year.

Subd. 4. [HEALTH AND DEVELOPMENTAL SCREENING AID.] For health and developmental screening aid according to Minnesota Statutes, sections 121A.17 and 121A.19:

<u>\$2,661,000</u>	<u>.....</u>	<u>2002</u>
<u>\$2,661,000</u>	<u>.....</u>	<u>2003</u>

The 2002 appropriation includes \$266,000 for 2001 and \$2,395,000 for 2002.

The 2003 appropriation includes \$266,000 for 2002 and \$2,395,000 for 2003.

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. [WAY TO GROW.] For grants for existing way to grow programs according to Minnesota Statutes, section 124D.17:

<u>\$475,000</u>	<u>.....</u>	<u>2002</u>
<u>\$475,000</u>	<u>.....</u>	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 6. [HEAD START PROGRAM.] For Head Start programs according to Minnesota Statutes, section 119A.52:

<u>\$18,375,000</u>	.....	<u>2002</u>
<u>\$18,375,000</u>	.....	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 7. [SCHOOL AGE CARE AID.] For school age care aid according to Minnesota Statutes, section 124D.22:

<u>\$221,000</u>	.....	<u>2002</u>
<u>\$133,000</u>	.....	<u>2003</u>

The 2002 appropriation includes \$30,000 for 2001 and \$191,000 for 2002.

The 2003 appropriation includes \$21,000 for 2002 and \$112,000 for 2003.

Any balance in the first year does not cancel but is available in the second year.

Subd. 8. [BASIC SLIDING FEE.] For child care assistance according to Minnesota Statutes, section 119B.03:

<u>\$51,999,000</u>	.....	<u>2002</u>
<u>\$51,999,000</u>	.....	<u>2003</u>

Subd. 9. [MFIP CHILD CARE.] For child care assistance according to Minnesota Statutes, section 119B.05:

<u>\$82,253,000</u>	.....	<u>2002</u>
<u>\$78,606,000</u>	.....	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 10. [CHILD CARE INTEGRITY.] For the administrative costs of program integrity and fraud prevention for child care assistance under chapter 119B:

<u>\$175,000</u>	.....	<u>2002</u>
<u>\$175,000</u>	.....	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 11. [CHILD CARE DEVELOPMENT.] For child care development grants according to Minnesota Statutes, section 119B.21:

<u>\$1,865,000</u>	.....	<u>2002</u>
<u>\$1,865,000</u>	.....	<u>2003</u>

These funds must be used in accordance with section 49, subdivision 2, paragraph (b), clause (2).

Any balance in the first year does not cancel but is available in the second year.

Sec. 13. [SPECIAL REVENUE; CHILD SUPPORT COLLECTIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] Appropriations in this section are from child support collection payments in the special revenue fund pursuant to Minnesota Statutes, section 119B.014. The sums indicated are appropriated to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [CHILD CARE ASSISTANCE.] For child care assistance according to Minnesota Statutes, section 119B.014:

<u>\$2,441,439</u>	<u>2002</u>
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\$2,340,251 2003

Sec. 14. [FEDERAL TANF TRANSFERS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, and LEARNING.] The sums indicated in this section are transferred from the federal TANF fund to the child care and development fund and appropriated to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [BASIC SLIDING FEE.] For child care assistance according to Minnesota Statutes, section 119B.03:

\$20,458,000 2002

\$20,379,000 2003

Any balance the first year does not cancel but is available in the second year.

Subd. 3. [MFIP CHILD CARE.] For childcare assistance according to Minnesota Statutes, section 119B.05:

\$5,015,000 2002

\$4,659,000 2003

Any balance the first year does not cancel but is available in the second year.

Sec. 15. [EFFECTIVE DATE.]

Sections 2 and 11 are effective the day following final enactment.

ARTICLE 2

PREVENTION

Section 1. Minnesota Statutes 2000, section 119A.12, is amended by adding a subdivision to read:

Subd. 4. [AUTHORITY TO DISBURSE FUNDS.] The commissioner may disburse trust fund money to any public or private nonprofit agency to fund a child abuse prevention program. State funds appropriated for child maltreatment prevention grants may be transferred to the children's trust fund special revenue account and are available to carry out this section.

Sec. 2. Minnesota Statutes 2000, section 119A.12, is amended by adding a subdivision to read:

Subd. 5. [PLAN FOR DISBURSEMENT OF FUNDS.] The commissioner shall develop a plan to disburse money from the trust fund. The plan must ensure that all geographic areas of the state have an equal opportunity to establish prevention programs and receive trust fund money.

Sec. 3. Minnesota Statutes 2000, section 119A.12, is amended by adding a subdivision to read:

Subd. 6. [OPERATIONAL COSTS.] \$120,000 each year is appropriated from the children's trust fund to the special revenue fund for administration and indirect costs of the children's trust fund program.

Sec. 4. Minnesota Statutes 2000, section 119A.13, subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITIES OF COMMISSIONER.] (a) The commissioner shall:

(1) provide for the coordination and exchange of information on the establishment and maintenance of prevention programs;

(2) develop and publish criteria for receiving trust fund money by prevention programs;

(3) review, approve, and monitor the spending of trust fund money by prevention programs;

(4) provide statewide educational and public informational seminars to develop public awareness on preventing child abuse; to encourage professional persons and groups to recognize instances of child abuse and work to prevent them; to make information on child abuse prevention available to the public and to organizations and agencies; and to encourage the development of prevention programs, including programs that provide support for adolescent parents, fathering education programs, and other prevention activities designed to prevent teen pregnancy;

(5) establish a procedure for an annual, internal evaluation of the functions, responsibilities, and performance of the commissioner in carrying out Laws 1986, chapter 423;

(6) provide technical assistance to local councils and agencies working in the area of child abuse prevention; and

(7) accept and review grant applications beginning June 1, 1987.

(b) The commissioner shall recommend to the governor changes in state programs, statutes, policies, budgets, and standards that will reduce the problems of child abuse, improve coordination among state agencies that provide prevention services, and improve the condition of children, parents, or guardians in need of prevention program services.

Sec. 5. Minnesota Statutes 2000, section 119A.21, is amended to read:

119A.21 [GRANTS TO SERVICE PROVIDER PROGRAMS.]

Subdivision 1. [GRANTS AWARDED.] The commissioner shall award grants to programs ~~which~~ that provide ~~abused children services to~~ abused or neglected children. Grants shall be awarded in a manner that ensures that they are equitably distributed to programs serving metropolitan and nonmetropolitan populations.

Subd. 2. [APPLICATIONS.] Any public or private nonprofit agency may apply to the commissioner for a grant ~~to provide abused children services~~. The application shall be submitted in on a form approved prescribed by the commissioner ~~after consultation with the abused children advisory council and shall include:~~

(1) ~~a proposal for the provision of abused children services to, or on behalf of, abused children, children at risk, and their families;~~

(2) ~~a proposed budget;~~

(3) ~~evidence of ability to represent the interests of abused children and their families to local law enforcement agencies and courts, social services, and health agencies;~~

(4) ~~evidence of ability to do outreach to unserved and underserved populations and to provide culturally and linguistically appropriate services; and~~

(5) ~~any other information the commissioner may require by policy or by rule adopted under chapter 14, after considering the recommendations of the abused children advisory council.~~

~~Programs which have been approved for grants in prior years may submit materials which indicate changes in items listed in clauses (1) to (5), in order to qualify for renewal funding. Nothing in this subdivision may be construed to require programs to submit complete applications for each year of funding.~~

Subd. 3. [DUTIES.] Every public or private nonprofit agency which receives a grant under this section ~~to provide abused children services~~ shall comply with all requirements of the commissioner related to the administration of the grants.

Subd. 4. [CLASSIFICATION OF DATA COLLECTED BY GRANTEEES.] Personal history information and other information collected, used, or maintained by a grantee from which the identity of any abused child or family members may be determined is private data on individuals as defined in section 13.02, subdivision 12, and the grantee shall maintain the data in accordance with provisions of chapter 13.

Sec. 6. Minnesota Statutes 2000, section 119A.22, is amended to read:

119A.22 [DUTIES OF THE COMMISSIONER.]

The commissioner shall:

(1) review applications and award grants to programs pursuant to section 119A.21 ~~after considering the recommendation of the abused children advisory council;~~

(2) ~~appoint members of the abused children advisory council created under section 119A.23 and provide consultative staff and other administrative services to the council;~~

(3) ~~after considering the recommendation of the abused children advisory council, appoint a program director to perform the duties set forth in this clause. In appointing the program director the commissioner shall give due consideration to the list of applicants submitted to the commissioner pursuant to this section. The program director shall administer the funds appropriated for sections 119A.20 to 119A.23, consult with and provide staff to the advisory council and perform other duties related to abused children's programs as the commissioner may assign;~~

(4) design a uniform method of collecting data ~~on abused children's programs~~ to be used to monitor and assure compliance of the programs funded under section 119A.21;

~~(5)~~ (3) provide technical ~~aid~~ assistance to applicants in the development of grant requests and to programs grantees in meeting the data collection requirements established by the commissioner; and

~~(6)~~ (4) adopt, under chapter 14, all rules necessary to implement the provisions of sections 119A.20 to 119A.23.

Sec. 7. [119A.35] [ADVISORY COUNCIL.]

Subdivision 1. [GENERALLY.] The advisory council is established under section 15.059 to advise the commissioner on the implementation and continued operations of sections 119A.10 to 119A.16 and 119A.20 to 119A.22. The council shall expire June 30, 2005.

Subd. 2. [COUNCIL MEMBERSHIP.] The council shall consist of a total of 22 members. The governor shall appoint 18 of these members. The commissioners of human services and health shall each appoint one member. The senate shall appoint one member from the senate committee with jurisdiction over family and early childhood education and the house of representatives shall appoint one member from the house committee with jurisdiction over family and early childhood education.

Council members shall have knowledge in the areas of child abuse and neglect prevention and intervention and knowledge of the risk factors that can lead to child abuse and neglect. Council members shall be representative of: local government, criminal justice, parents, consumers of services, health and human services professionals, faith community, professional and volunteer providers of child abuse and neglect prevention and intervention services, racial and ethnic minority communities, and the demographic and geographic composition of the state. Ten council members shall reside in the seven-county metropolitan area and eight shall reside in nonmetropolitan areas.

Subd. 3. [RESPONSIBILITIES.] The council shall:

(1) advise the commissioner on planning, policy development, data collection, rulemaking, funding, and evaluation of the programs under the sections listed in subdivision 1;

(2) coordinate and exchange information on the establishment and ongoing operation of the programs listed in subdivision 1;

(3) develop and publish criteria and guidelines for receiving grants relating to child abuse and neglect prevention and safety and support of child victims, including, but not limited to, funds dedicated to the children's trust fund and abused children program;

(4) provide guidance in the development of statewide education and public information activities that increase public awareness in the prevention and intervention of child abuse and neglect and encourage the development of prevention and intervention programs, which includes the safety of child victims;

(5) guide, analyze, and disseminate results in the development of appropriate evaluation procedures for all programs receiving funds under subdivision 1; and

(6) assist the commissioner in identifying service gaps or duplication in services including geographic dispersion of resources, programs reflecting the cycle of child abuse, and the availability of culturally appropriate intervention and prevention services.

Sec. 8. Minnesota Statutes 2000, section 124D.19, is amended by adding a subdivision to read:

Subd. 12. [YOUTH AFTER-SCHOOL ENRICHMENT PROGRAMS.] Each district operating a community education program under this section may establish a youth after-school enrichment program to maintain and expand participation by school-age youth in supervised activities during nonschool hours. The youth after-school enrichment programs must include activities that support development of social, mental, physical, and creative abilities of school-age youth; provide structured youth programs during high-risk times; and design programming to promote youth leadership development and improved academic performance. Youth after-school enrichment programs must collaborate with former after-school enrichment grantees.

Sec. 9. Minnesota Statutes 2000, section 124D.19, is amended by adding a subdivision to read:

Subd. 13. [YOUTH AFTER-SCHOOL ENRICHMENT PROGRAM GOALS.] The goals of youth after-school enrichment programs are to:

(1) collaborate with and leverage existing community resources that have demonstrated effectiveness;

(2) reach out to children and youth, including at-risk youth, in the community;

(3) increase the number of children participating in adult-supervised programs during nonschool hours;

(4) support academic achievement; and

(5) increase skills in technology, the arts, sports, and other activities.

Sec. 10. Minnesota Statutes 2000, section 124D.19, is amended by adding a subdivision to read:

Subd. 14. [COMMUNITY EDUCATION; ANNUAL REPORT.] Each district offering a community education program under this section must annually report to the department of children, families, and learning information regarding the cost per participant and cost per contact hour for each community education program, including youth after-school enrichment programs, that receive aid or levy. The department of children, families, and learning must include cost per participant and cost per contact hour information by program in the community education annual report.

Sec. 11. Minnesota Statutes 2000, section 124D.20, subdivision 1, is amended to read:

Subdivision 1. [TOTAL COMMUNITY EDUCATION REVENUE.] Total community education revenue equals the sum of a district's general community education revenue and, youth service program revenue, and youth after-school enrichment revenue.

Sec. 12. Minnesota Statutes 2000, section 124D.20, is amended by adding a subdivision to read:

Subd. 4a. [YOUTH AFTER-SCHOOL ENRICHMENT REVENUE.] In fiscal year 2003 and thereafter, youth after-school enrichment revenue equals:

(1) 1.85 times the greater of 1,335 or the population of the district, as defined in section 275.14, not to exceed 10,000; and

(2) 0.43 times the population of the district, as defined in section 275.14, in excess of 10,000. Youth after-school enrichment revenue must be reserved for youth after-school enrichment programs.

Sec. 13. Minnesota Statutes 2000, section 124D.20, subdivision 5, is amended to read:

Subd. 5. [TOTAL COMMUNITY EDUCATION LEVY.] To obtain total community education revenue, a district may levy the amount raised by a maximum tax rate of .4795 .7431 percent times the adjusted net tax capacity of the district. This amount reflects a community education levy of .4795 percent times the adjusted net tax capacity of the district plus a youth after-school enrichment levy of .2636 percent times the adjusted net tax capacity of the district. If the amount of the total community education levy would exceed the total community education revenue, the total community education levy shall be determined according to subdivision 6.

Sec. 14. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [FAMILY COLLABORATIVES.] For family collaboratives according to Laws 1995, First Special Session chapter 3, article 4, section 29, subdivision 10, as amended by Laws 1996, chapter 412, article 4, section 27:

<u>\$1,477,000</u>	<u>.....</u>	<u>2002</u>
<u>\$ 863,000</u>	<u>.....</u>	<u>2003</u>

No new family services collaboratives shall be funded with this appropriation.

Any balance in the first year does not cancel but is available in the second year.

Subd. 3. [COMMUNITY EDUCATION AID.] For community education aid according to Minnesota Statutes, section 124D.20:

<u>\$14,209,000</u>	<u>.....</u>	<u>2002</u>
<u>\$13,111,000</u>	<u>.....</u>	<u>2003</u>

The 2002 appropriation includes \$1,528,000 for 2001 and \$12,681,000 for 2002.

The 2003 appropriation includes \$1,409,000 for 2002 and \$11,702,000 for 2003.

Any balance in the first year does not cancel but is available in the second year.

Subd. 4. [ADULTS WITH DISABILITIES PROGRAM AID.] For adults with disabilities programs according to Minnesota Statutes, section 124D.56:

<u>\$710,000</u>	<u>.....</u>	<u>2002</u>
<u>\$710,000</u>	<u>.....</u>	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. [HEARING-IMPAIRED ADULTS.] For programs for hearing-impaired adults according to Minnesota Statutes, section 124D.57:

<u>\$70,000</u>	<u>.....</u>	<u>2002</u>
<u>\$70,000</u>	<u>.....</u>	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 6. [VIOLENCE PREVENTION EDUCATION GRANTS.] For violence prevention education grants according to Minnesota Statutes, section 120B.23:

<u>\$1,450,000</u>	.....	<u>2002</u>
<u>\$1,450,000</u>	.....	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 7. [ABUSED CHILDREN.] For abused children programs according to Minnesota Statutes, section 119A.21:

<u>\$945,000</u>	.....	<u>2002</u>
<u>\$945,000</u>	.....	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 8. [CHILDREN'S TRUST FUND.] For children's trust fund according to Minnesota Statutes, sections 119A.12 and 119A.13:

<u>\$875,000</u>	.....	<u>2002</u>
<u>\$875,000</u>	.....	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 9. [FAMILY VISITATION CENTERS.] (a) For family visitation centers according to Minnesota Statutes, section 119A.37:

<u>\$200,000</u>	.....	<u>2002</u>
<u>\$200,000</u>	.....	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

(b) An additional \$96,000 in fiscal year 2002 and \$96,000 in fiscal year 2003 are appropriated from the special revenue fund under Minnesota Statutes, section 517.08, subdivision 1c, for family visitation centers. Any balance in the first year does not cancel but is available for the second year.

Subd. 10. [AFTER-SCHOOL ENRICHMENT GRANTS.] For after-school enrichment grants according to Minnesota Statutes, section 124D.221:

<u>\$5,510,000</u>	.....	<u>2002</u>
<u>\$5,510,000</u>	.....	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 11. [CHEMICAL ABUSE PREVENTION GRANTS.] (a) For grants with funds received under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (4):

<u>\$200,000</u>	.....	<u>2002</u>
<u>\$200,000</u>	.....	<u>2003</u>

(b) These appropriations are from the alcohol-impaired driver account of the special revenue fund for chemical abuse prevention grants.

(c) \$25,000 in each year is for a grant to the city of St. Louis Park for the Meadowbrook Collaborative Housing Project to continue cooperative activities that support at-risk children and youth programming and to provide advice to the after-school substance abuse prevention program and other grantees that seek to replicate the Meadowbrook Collaborative Housing Project program model.

(d) \$175,000 in each year is to establish an after-school substance abuse prevention grant program to provide eligible community and nonprofit organizations with grants of up to \$20,000 per year for after-school substance abuse prevention programs.

Sec. 15. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor shall renumber Minnesota Statutes, section 119A.13, subdivision 4, as Minnesota Statutes, section 119A.12, subdivision 4, and make necessary cross-reference changes consistent with the renumbering.

Sec. 16. [REPEALER.]

Minnesota Statutes 2000, sections 119A.13, subdivisions 1, 2, and 3; 119A.14, subdivision 2; 119A.23; 124D.33; and 124D.331, are repealed.

Sec. 17. [EFFECTIVE DATE.]

Section 12 is effective for revenue for fiscal year 2003.

ARTICLE 3

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2000, section 124D.52, subdivision 2, is amended to read:

Subd. 2. [PROGRAM APPROVAL.] (a) To receive aid under this section, a district, a consortium of districts, the department of corrections, or a private nonprofit organization must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules;
- (10) program expenditures that qualify for aid;
- (11) program ability to provide data related to learner outcomes as required by law; and
- (12) a copy of the memorandum of understanding described in subdivision 1 submitted to the commissioner.

(b) Adult basic education programs may be approved under this subdivision for up to five years. Five-year program approval must be granted to an applicant who has demonstrated the capacity to:

- (1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill need levels;
- (2) provide a participatory and experiential learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:
 - (i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations;

(7) submit accurate and timely performance and fiscal reports;

(8) submit accurate and timely reports related to program outcomes and learner follow-up information; and

(9) spend adult basic education aid on adult basic education purposes only, which are specified in sections 124D.518 to 124D.531.

(c) The commissioner shall require each district to provide notification by February 1, 2001, of its intent to apply for funds under this section as a single district or as part of an identified consortium of districts. A district receiving funds under this section must notify the commissioner by February 1 of its intent to change its application status for applications due the following June 1.

Sec. 2. Minnesota Statutes 2000, section 124D.522, is amended to read:

124D.522 [ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE GRANTS.]

(a) The commissioner, in consultation with the policy review task force under section 124D.521, may make grants to nonprofit organizations to provide services that are not offered by a district adult basic education program or that are supplemental to either the statewide adult basic education program, or a district's adult basic education program. The commissioner may make grants for: staff development for adult basic education teachers and administrators; training for volunteer tutors; training, services, and materials for serving disabled students through adult basic education programs; statewide promotion of adult basic education services and programs; development and dissemination of instructional and administrative technology for adult basic education programs; programs which primarily serve communities of color; adult basic education distance learning projects, including television instruction programs; and other supplemental services to support the mission of adult basic education and innovative delivery of adult basic education services.

(b) The commissioner must establish eligibility criteria and grant application procedures. Grants under this section must support services throughout the state, focus on educational results for adult learners, and promote outcome-based achievement through adult basic education programs. Beginning in fiscal year 2002, the commissioner may make grants under this section from funds specifically appropriated the state total adult basic education aid set aside for

supplemental service grants under section 124D.531. Up to ~~one-third~~ one-fourth of the appropriation for supplemental service grants must be used for grants for adult basic education programs to encourage and support innovations in adult basic education instruction and service delivery. A grant to a single organization cannot exceed \$100,000. Nothing in this section prevents an approved adult basic education program from using state or federal aid to purchase supplemental services.

Sec. 3. Minnesota Statutes 2000, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. [STATE TOTAL ADULT BASIC EDUCATION AID.] (a) The state total adult basic education aid for fiscal year 2001 equals \$30,157,000. The state total adult basic education aid for later years equals:

(1) the state total adult basic education aid for the preceding fiscal year; times

(2) the lesser of:

(i) 1.08, or

(ii) the greater of 1.00 or the ratio of the state total contact hours in the first prior program year to the state total contact hours in the second prior program year. Beginning in fiscal year 2002, two percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

Sec. 4. Minnesota Statutes 2000, section 124D.531, subdivision 3, is amended to read:

Subd. 3. [PROGRAM REVENUE.] Adult basic education programs established under section 124D.52 and approved by the commissioner are eligible for revenue under this subdivision. For fiscal year 2001 and later, adult basic education revenue for each approved program equals the sum of:

(1) the basic population aid under subdivision 2 for districts participating in the program during the current program year; plus

(2) 84 percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the contact hours for students participating in the program during the first prior program year to the state total contact hours during the first prior program year; plus

(3) eight percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the enrollment of students with limited English proficiency during the second prior school year in districts participating in the program during the current program year to the state total enrollment of students with limited English proficiency during the second prior school year in districts participating in adult basic education programs during the current program year; plus

(4) eight percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the latest federal census count of the number of adults aged 20 or older with no diploma residing in the districts participating in the program during the current program year to the latest federal census count of the state total number of adults aged 20 or older with no diploma residing in the districts participating in adult basic education programs during the current program year.

Sec. 5. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor must replace all references to the "Minnesota Foodshelf Association" with "Hunger Solutions."

Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums

indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [MINNESOTA ECONOMIC OPPORTUNITY GRANTS.] For Minnesota economic opportunity grants, sections 119A.374 to 119A.376:

<u>\$8,514,000</u>	<u>.....</u>	<u>2002</u>
<u>\$8,514,000</u>	<u>.....</u>	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 3. [TRANSITIONAL HOUSING PROGRAMS.] For transitional housing programs according to Minnesota Statutes, section 119A.43:

<u>\$1,988,000</u>	<u>.....</u>	<u>2002</u>
<u>\$1,988,000</u>	<u>.....</u>	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 4. [EMERGENCY SERVICES.] For emergency services according to Minnesota Statutes, section 119A.43:

<u>\$350,000</u>	<u>.....</u>	<u>2002</u>
<u>\$350,000</u>	<u>.....</u>	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. [ADULT BASIC EDUCATION AID.] For adult basic education aid according to Minnesota Statutes, section 124D.531:

<u>\$32,150,000</u>	<u>.....</u>	<u>2002</u>
<u>\$34,732,000</u>	<u>.....</u>	<u>2003</u>

The 2002 appropriation includes \$3,019,000 for 2001 and \$29,131,000 for 2002.

The 2003 appropriation includes \$3,237,000 for 2002 and \$31,494,000 for 2003.

Subd. 6. [ADULT BASIC EDUCATION AUDITS; STATE COORDINATOR.]

For adult basic education audits under Minnesota Statutes, section 124D.531 and for a state adult basic education coordinator:

<u>\$175,000</u>	<u>.....</u>	<u>2002</u>
<u>\$175,000</u>	<u>.....</u>	<u>2003</u>

Of this appropriation, \$70,000 in each fiscal year must be used for adult basic education audits and \$75,000 must be used to hire an additional permanent, full-time state adult basic education coordinator. Any balance in the first year does not cancel but is available in the second year.

Subd. 7. [ADULT GRADUATION AID.] For adult graduation aid according to Minnesota Statutes, section 124D.54:

<u>\$3,195,000</u>	<u>.....</u>	<u>2002</u>
<u>\$3,356,000</u>	<u>.....</u>	<u>2003</u>

The 2002 appropriation includes \$305,000 for 2001 and \$2,890,000 for 2002.

The 2003 appropriation includes \$321,000 for 2002 and \$3,035,000 for 2003.

Subd. 8. [GED TESTS.] For payment of 60 percent of the costs of GED tests according to Laws 1993, chapter 224, article 4, section 44, subdivision 10:

<u>\$125,000</u>	.....	<u>2002</u>
<u>\$125,000</u>	.....	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 9. [FOODSHELF PROGRAM.] For foodshelf programs according to Minnesota Statutes, section 119A.44:

<u>\$1,278,000</u>	.....	<u>2002</u>
<u>\$1,278,000</u>	.....	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 10. [FAMILY ASSETS FOR INDEPENDENCE.]

<u>\$500,000</u>	<u>2002</u>
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Any balance in the first year does not cancel but is available in the second year.

Subd. 11. [LEAD ABATEMENT.] For lead abatement according to Minnesota Statutes, section 119A.46:

<u>\$100,000</u>	.....	<u>2002</u>
<u>\$100,000</u>	.....	<u>2003</u>

Any balance in the first year does not cancel but is available in the second year.

Sec. 7. [TANF APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated to the commissioner of children, families, and learning from the federal Temporary Assistance for Needy Families block grant for the fiscal years designated. These amounts are available for expenditure until June 30, 2003. Appropriations under this section are one-time appropriations and are not added to the base for fiscal years 2004 and 2005.

Subd. 2. [INTENSIVE ENGLISH AS A SECOND LANGUAGE.] For intensive English as a second language for eligible MFIP participants under Laws 2000, chapter 489, article 1, section 39:

<u>\$1,100,000</u>	.....	<u>2002</u>
<u>\$1,100,000</u>	.....	<u>2003</u>

Subd. 3. [TRANSITIONAL HOUSING.] For reimbursement grants to transitional housing programs under Minnesota Statutes, section 119A.43:

<u>\$1,900,000</u>	.....	<u>2002</u>
<u>\$1,950,000</u>	.....	<u>2003</u>

These appropriations must be used for up to four months of transitional housing for families with incomes below 200 percent of the federal poverty guidelines. Payment must be made to programs on a reimbursement basis.

ARTICLE 4

LIBRARIES

Section 1. Minnesota Statutes 2000, section 125B.20, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSE.] The purpose of developing a statewide school district telecommunications network is to expand the availability of a broad range of courses and degrees to students throughout the state, to share information resources to improve

access, quality, and efficiency, to improve learning, and distance cooperative learning opportunities, and to promote the exchange of ideas among students, parents, teachers, media generalists, librarians, and the public. In addition, through the development of this statewide telecommunications network emphasizing cost-effective, competitive connections, all Minnesotans will benefit by enhancing access to telecommunications technology throughout the state. Network connections for school districts and public libraries are coordinated and fully integrated into the existing state telecommunications and interactive television networks to achieve comprehensive and efficient interconnectivity of school districts and libraries to higher education institutions, state agencies, other governmental units, agencies, and institutions throughout Minnesota. A school district may apply to the commissioner for a grant under subdivision 2, ~~and a regional public library may apply under subdivision 3.~~ The Minnesota education telecommunications council established in Laws 1995, First Special Session chapter 3, article 12, section 7, shall establish priorities for awarding grants, making grant awards, and being responsible for the coordination of networks.

Sec. 2. Minnesota Statutes 2000, section 134.31, subdivision 5, is amended to read:

Subd. 5. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee of five members to advise the staff of the Minnesota library for the blind and physically handicapped on long-range plans and library services. Members shall be people who use the library. Section 15.059 governs this committee except that the committee shall expire on June 30, ~~2001~~ 2003.

Sec. 3. [134.47] [REGIONAL LIBRARY TELECOMMUNICATIONS AID.]

Subdivision 1. [ELIGIBILITY.] (a) A regional public library system may apply for regional library telecommunications aid. The aid must be used for data and video access costs and other related costs to improve or maintain electronic access and connect the library system with the state information infrastructure administered by the department of administration under section 16B.465. Priority shall be given to public libraries that have not received access. To be eligible, a regional public library system must be officially designated by the commissioner of children, families, and learning as a regional public library system as defined in section 134.34, subdivision 3, and each of its participating cities and counties must meet local support levels defined in section 134.34, subdivision 1. A public library building that receives aid under this section must be open a minimum of 20 hours per week.

(b) Aid received under this section may not be used to substitute for any existing local funds allocated to provide electronic access, equipment for library staff or the public, or local funds dedicated to other library operations.

(c) An application for regional library telecommunications aid must, at a minimum, contain information to document the following:

(1) the connections are adequate and employ an open network architecture that will ensure interconnectivity and interoperability with school districts, post-secondary education, or other governmental agencies;

(2) that the connection is established through the most cost-effective means and that the regional library has explored and coordinated connections through school districts, post-secondary education, or other governmental agencies;

(3) that the regional library system has filed an e-rate application; and

(4) other information, as determined by the commissioner of children, families, and learning, to ensure that connections are coordinated, efficient, and cost-effective, take advantage of discounts, and meet applicable state standards.

The library system may include costs associated with cooperative arrangements with post-secondary institutions, school districts, and other governmental agencies.

Subd. 2. [AWARD OF FUNDS.] The commissioner of children, families, and learning shall

develop an application and a reporting form and procedures for regional library telecommunications aid. Aid shall be based on actual costs of connections and funds available for this purpose. The commissioner shall make payments directly to the regional public library system.

Subd. 3. [EXPIRATION.] This section expires on July 1, 2003.

Sec. 4. Laws 2000, chapter 489, article 5, section 23, is amended to read:

Sec. 23. [COMMISSIONER RECOMMENDATION.]

By February 1, 2002, the commissioner of children, families, and learning, in cooperation with the commissioner of administration and the Minnesota education telecommunication council, shall recommend to the legislature a permanent method for funding telecommunications access as part of the general education revenue formula under Minnesota Statutes, section 126C.10, for school districts and charter schools and a permanent method for funding telecommunications access as part of the basic support grants for public libraries. The commissioner shall consider the following in making the recommendation:

(1) the range of costs for providing a minimum level of telecommunications access for all students and library users;

(2) the flexibility that is necessary to accommodate emerging technological advances in the telecommunications field; and

(3) other related efforts within the state, including the state's higher education and public library systems.

Sec. 5. [REPEALER.]

(a) Minnesota Statutes 2000, section 125B.20, subdivision 3, is repealed.

(b) Minnesota Rules, parts 3530.2610; 3530.2612; 3530.2614; 3530.2616; 3530.2618; 3530.2620; 3530.2622; 3530.2624; 3530.2626; 3530.2628; 3530.2630; 3530.2632; 3530.2634; 3530.2636; 3530.2638; 3530.2640; 3530.2642; and 3530.2644, are repealed.

Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

<u>\$8,570,000</u>	<u>.....</u>	<u>2002</u>
<u>\$8,570,000</u>	<u>.....</u>	<u>2003</u>

The 2002 appropriation includes \$857,000 for 2001 and \$7,713,000 for 2002.

The 2003 appropriation includes \$857,000 for 2002 and \$7,713,000 for 2003.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

<u>\$903,000</u>	<u>.....</u>	<u>2002</u>
<u>\$903,000</u>	<u>.....</u>	<u>2003</u>

The 2002 appropriation includes \$90,000 for 2001 and \$813,000 for 2002.

The 2003 appropriation includes \$90,000 for 2002 and \$813,000 for 2003.

Any balance in the first year does not cancel but is available in the second year.

Subd. 4. [REGIONAL LIBRARY TELECOMMUNICATIONS AID.] For aid to regional public library systems under Minnesota Statutes, section 134.47:

<u>\$1,200,000</u>	<u>.....</u>	<u>2002</u>
<u>\$1,200,000</u>	<u>.....</u>	<u>2003</u>

This is a one-time appropriation.

Any balance in the first year does not cancel but is available in the second year."

Amend the title accordingly

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

House Conferees: (Signed) Barbara Sykora, Bill Haas, Richard Mulder, Rob Eastlund, Bud Nornes

Senate Conferees: (Signed) Becky Lourey, Julie A. Sabo, Anthony G. Kinkel, John C. Hottinger, Claire A. Robling

Senator Lourey moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1515 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. 1515 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 47 and nays 18, as follows:

Those who voted in the affirmative were:

Bachmann	Frederickson	Knutson	Oliver	Samuelson
Belanger	Hottinger	Krentz	Olson	Scheevel
Berg	Johnson, Dave	Langseth	Ourada	Schwab
Berglin	Johnson, Dean	Larson	Pariseau	Stevens
Betzold	Johnson, Debbie	Lesewski	Price	Vickerman
Cohen	Kelley, S.P.	Lessard	Reiter	Wiener
Day	Kierlin	Limmer	Robertson	Wiger
Dille	Kinkel	Lourey	Robling	
Fischbach	Kiscaden	Murphy	Sabo	
Fowler	Kleis	Neuville	Sams	

Those who voted in the negative were:

Anderson	Johnson, Doug	Orfield	Rest	Terwilliger
Chaudhary	Marty	Pappas	Ring	Tomassoni
Foley	Metzen	Pogemiller	Scheid	
Higgins	Moe, R.D.	Ranum	Stumpf	

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 Senate Files, herewith returned: S.F. Nos. 2328 and 1054.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2208, and repassed said bill in accordance with the report of the Committee, so adopted.

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

Senate File No. 2208 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

Mr. President:

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

S.F. No. 1507: A bill for an act relating to state government; modifying state procurement provisions; amending Minnesota Statutes 2000, sections 16C.02, by adding a subdivision; 16C.03, subdivision 2; 16C.04, by adding a subdivision; 16C.05, subdivision 2; 16C.06, subdivisions 2, 3; 16C.081; 43A.047; 574.26, subdivision 2.

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

Krinkie, Erickson and Kielkucki.

Senate File No. 1507 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 2001

MEMBERS EXCUSED

Senators Limmer, Murphy and Rest were excused from the Session of today from 9:00 to 9:35 a.m. Senator Terwilliger was excused from the Session of today from 9:00 to 9:40 a.m. Senator Bachmann was excused from the Session of today from 9:00 to 9:40 and 10:40 to 10:50 a.m. Senators Berg and Johnson, Doug were excused from the Session of today from 9:00 to 9:45 a.m. Senator Berg was excused from the Session of today from 10:00 to 11:00 a.m. Senator Johnson, Dave was excused from the Session of today from 9:00 to 10:50 a.m. Senator Price was excused from the Session of today from 5:50 to 7:15 and 9:45 to 11:50 p.m. Senator Pogemiller was excused from the Session of today from 6:00 to 6:30 p.m. Senator Neuville was excused from the

Session of today from 8:00 to 8:35 p.m. Senator Dille was excused from the Session of today from 9:45 to 11:15 p.m.

ADJOURNMENT

Senator Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, January 29, 2002. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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