

STATE OF MINNESOTA

# Journal of the Senate

EIGHTY-THIRD LEGISLATURE

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THIRTY-NINTH DAY

St. Paul, Minnesota, Wednesday, April 16, 2003

The Senate met at 9:00 a.m. and was called to order by the President.

## CALL OF THE SENATE

Senator Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by Senator Gary W. Kubly.

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

Anderson	Frederickson	Kubly	Nienow	Scheid
Bachmann	Gaither	Langseth	Olson	Senjem
Bakk	Hann	Larson	Pappas	Skoe
Belanger	Higgins	LeClair	Pariseau	Skoglund
Berglin	Hottinger	Limmer	Pogemiller	Solon
Betzold	Johnson, D.J.	Lourey	Ranum	Sparks
Chaudhary	Jungbauer	Marko	Reiter	Stumpf
Cohen	Kelley	Marty	Rest	Tomassoni
Day	Kierlin	Metzen	Robling	Vickerman
Dibble	Kiscaden	Michel	Rosen	Wergin
Dille	Kleis	Moua	Ruud	Wiger
Fischbach	Knutson	Murphy	Sams	
Foley	Koering	Neuville	Saxhaug	

The President declared a quorum present.

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

## REPORTS OF COMMITTEES

Senator Hottinger moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

**S.F. No. 1340:** A bill for an act relating to workers' compensation; making technical changes; freezing the medical fee schedule conversion factor for one year; instructing the commissioner of commerce to establish a surcharge rate; amending Minnesota Statutes 2002, sections 79A.12, subdivision 2; 176.081, subdivision 1; 176.092, subdivision 1a; 176.129, subdivisions 1b, 2a; 176.135, subdivision 7; 176.136, subdivision 1a; 176.231, subdivision 5; 176.391, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 79.

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

Pages 9 and 10, delete section 8

Page 11, after line 11, insert:

"Sec. 10. [RELATIVE VALUE FEE SCHEDULE; CONVERSION FACTOR ADJUSTMENT OMISSION.]

Notwithstanding Minnesota Statutes, section 176.136, subdivision 1a, the conversion factor for the workers' compensation relative value fee schedule in effect on October 1, 2002, shall remain in effect until October 1, 2004, and shall not be adjusted on October 1, 2003. The adjustment on October 1, 2004, shall not make up for the lack of adjustment on October 1, 2003, and shall be calculated as provided in Minnesota Statutes, section 176.136, subdivision 1a."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "176.136, subdivision 1a;"

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

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

**S.F. No. 1225:** A bill for an act relating to historic sites; limiting involvement of archaeologist to known sites; amending Minnesota Statutes 2002, section 138.40, subdivisions 2, 3.

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

Page 1, delete line 15 and insert "or, based on scientific investigations or, are suspected predicted to exist on public"

Page 2, line 1, reinstate the stricken "or" and before "to" insert ", based on a scientific investigation, are predicted"

Page 2, line 7, after "and" insert "within 30 days of receiving the plans shall"

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

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

**S.F. No. 201:** A bill for an act relating to human services; designating certain nursing facilities as metropolitan facilities for purposes of medical assistance reimbursement; amending Minnesota Statutes 2002, section 256B.431, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 256B.431, is amended by adding a subdivision to read:

Subd. 38. [DESIGNATION OF AREAS TO RECEIVE METROPOLITAN RATES.] For rate years beginning on or after July 1, 2003, nursing facilities located in areas designated as metropolitan areas by the federal Office of Management and Budget using census bureau data shall be considered metropolitan, in order to:

(1) determine rate increases under this section, section 256B.434, or any other section; and

(2) establish nursing facility reimbursement rates for the new nursing facility reimbursement system developed under Laws 2002, chapter 220, article 14, section 35.

**[EFFECTIVE DATE.]** This section is effective July 1, 2003."

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

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

**S.F. No. 962:** A bill for an act relating to human services; authorizing a medical assistance capitated payment option for waived services, day training and habilitation services, and intermediate care facility services for persons with mental retardation or a related condition; amending Minnesota Statutes 2002, sections 252.46, by adding a subdivision; 256B.69, subdivisions 6a, 23; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Page 4, line 10, after the period, insert:

"(b)"

Page 4, line 13, delete "9525.2700" and insert "9525.1930"

Page 4, line 24, delete everything after the period

Page 4, delete lines 25 to 32 and insert "Beginning July 1, 2003, and until two years after the pilot project implementation date, subcontractor participation in the long-term care developmental disability pilot is limited to a nonprofit long-term care system providing ICF/MR services, home and community-based waiver services, and in-home services to no more than 120 consumers with developmental disabilities in Carver, Hennepin, and Scott counties. The commissioner shall report to the legislature prior to expansion of the developmental disability pilot project. This paragraph expires two years after the implementation date of the pilot project."

Page 4, line 33, before "Before" insert "(c)"

Page 5, line 2, strike "(b)" and insert "(d)"

Page 5, after line 7, insert:

"Sec. 5. [NOTIFICATION.]

The commissioner of human services shall notify the revisor of statutes of the implementation date of the pilot project established under Minnesota Statutes, section 256B.69, subdivision 23, paragraph (b)."

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

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

**S.F. No. 418:** A bill for an act relating to occupations and professions; removing the restriction of prescribing only topical legend drugs by board certified optometrists; requiring that legend drugs be used as included in optometry curricula; authorizing the prescription of controlled substances; amending reporting requirement of health professionals to include all legend drugs; requiring optometrists using legend drugs be held to the same standards as physicians; amending Minnesota Statutes 2002, sections 147.111, subdivision 4; 148.574; 148.575, subdivisions 1, 2; 148.576; 148.577; 151.37, subdivision 11; 152.11, subdivision 2; 152.12, subdivisions 1, 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 147.111, subdivision 4, is amended to read:

Subd. 4. [LICENSED PROFESSIONALS.] A licensed health professional and persons holding a residency permit under section 147.0391, shall report to the board personal knowledge of any conduct which the person reasonably believes constitutes grounds for disciplinary action under sections 147.01 to 147.22 by any physician or person holding a residency permit under section 147.0391, including any conduct indicating that the person may be medically incompetent, or may have engaged in unprofessional conduct or may be medically or physically unable to engage safely in the practice of medicine. A licensed physician or other health professional licensed under this chapter shall also report to the board any occurrence of any adverse reaction resulting from an optometrist's prescription, use, or administration of any topical legend drug. Any reports received by the board must be reported to the board of optometry. No report shall be required if the information was obtained in the course of a physician-patient relationship if the patient is a physician or person holding a residency permit under section 147.0391, and the treating physician successfully counsels the person to limit or withdraw from practice to the extent required by the impairment.

Sec. 2. Minnesota Statutes 2002, section 148.574, is amended to read:

148.574 [PROHIBITIONS RELATING TO LEGEND DRUGS; AUTHORIZING SALES BY PHARMACISTS UNDER CERTAIN CONDITIONS.]

An optometrist shall not purchase, possess, administer, prescribe or give any legend drug as defined in section 151.01 or 152.02 to any person except as is expressly authorized by sections 148.571 to 148.577. ~~The authorizations in sections 148.571 to 148.577 apply only to topical legend drugs.~~ Nothing in chapter 151 shall prevent a pharmacist from selling topical ocular drugs to an optometrist authorized to use such drugs according to sections 148.571 to 148.577. Notwithstanding ~~section~~ sections 151.37 and 152.12, an optometrist is prohibited from dispensing legend drugs at retail.

Sec. 3. Minnesota Statutes 2002, section 148.575, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE REQUIRED FOR USE OF TOPICAL LEGEND DRUGS.] A licensed optometrist must be board certified to use topical legend drugs for therapy under section 148.576.

Sec. 4. Minnesota Statutes 2002, section 148.575, subdivision 2, is amended to read:

Subd. 2. [BOARD CERTIFIED DEFINED.] "Board certified" means that a licensed optometrist has been issued a certificate by the board of optometry certifying that the optometrist has complied with the following requirements for the use of topical legend drugs described in section 148.576:

(1) successful completion of at least 60 hours of study in general and ocular pharmacology emphasizing drugs used for examination or treatment purposes, their systemic effects and management or referral of adverse reactions;

(2) successful completion of at least 100 hours of study in the examination, diagnosis, and treatment of conditions of the human eye with topical legend drugs;

(3) successful completion of two years of supervised clinical experience in differential diagnosis of eye disease or disorders as part of optometric training or one year of that experience and ten years of actual clinical experience as a licensed optometrist; and

(4) successful completion of a nationally standardized examination approved by the board on the subject of treatment and management of ocular disease prepared, administered, and graded by the International Association of Boards of Examiners in Optometry or an equivalent national board examination.

Sec. 5. Minnesota Statutes 2002, section 148.576, is amended to read:

148.576 [USE OF TOPICAL LEGEND DRUGS; LIMITATIONS; REPORTS.]

Subdivision 1. [AUTHORITY TO PRESCRIBE OR ADMINISTER.] A licensed optometrist who is board certified under section 148.575 may prescribe or administer ~~topical~~ legend drugs to aid in the diagnosis, cure, mitigation, prevention, treatment, or management of disease, deficiency, deformity, or abnormality of the human eye and adnexa included in the curricula of accredited schools or colleges of optometry. Nothing in this section shall allow (1) legend drugs to be administered intravenously, intramuscularly, or by injection except for treatment of anaphylaxis, (2) invasive surgery including, but not limited to, surgery using lasers, (3) schedule II and III oral legend drugs and oral steroids to be administered or prescribed, (4) oral antivirals to be prescribed or administered for more than ten days, or (5) oral carbonic anhydrase inhibitors to be prescribed or administered for more than seven days.

Subd. 2. [ADVERSE REACTION REPORTS.] An optometrist certified to prescribe ~~topical~~ legend drugs shall file with the board of optometry within ten working days of its occurrence a report on any adverse reaction resulting from the optometrist's administration of a drug. The report must include the optometrist's name, address, and license number; the patient's name, address, and age; the patient's presenting problem; the diagnosis; the agent administered and the method of administration; the reaction; and the subsequent action taken.

Sec. 6. Minnesota Statutes 2002, section 148.577, is amended to read:

148.577 [STANDARD OF CARE.]

A licensed optometrist who is board certified under section 148.575 is held to the same standard of care in the use of those legend drugs as physicians licensed by the state of Minnesota.

Sec. 7. Minnesota Statutes 2002, section 151.37, subdivision 11, is amended to read:

Subd. 11. [COMPLAINT REPORTING.] The board of pharmacy shall report on a quarterly basis to the board of optometry any complaints received regarding the prescription or administration of ~~topical~~ legend drugs under section 148.576.

Sec. 8. Minnesota Statutes 2002, section 152.11, subdivision 2, is amended to read:

Subd. 2. [WRITTEN OR ORAL PRESCRIPTION REQUIREMENT FOR SCHEDULE III OR IV CONTROLLED SUBSTANCES.] No person may dispense a controlled substance included in schedule III or IV of section 152.02 without a written or oral prescription from a doctor of medicine, a doctor of osteopathy licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a doctor of podiatry, a doctor of optometry limited to schedule IV, or a doctor of veterinary medicine, lawfully licensed to prescribe in this state or a state bordering Minnesota, and having a current federal drug enforcement administration registration number. Such prescription may not be dispensed or refilled except with the written or verbal consent of the prescriber, and in no event more than six months after the date on which such prescription was issued and no such prescription may be refilled more than five times.

Sec. 9. Minnesota Statutes 2002, section 152.12, subdivision 1, is amended to read:

Subdivision 1. [PRESCRIBING, DISPENSING, ADMINISTERING CONTROLLED SUBSTANCES IN SCHEDULES II THROUGH V.] A licensed doctor of medicine, a doctor of osteopathy, duly licensed to practice medicine, a doctor of dental surgery, ~~or a doctor of dental medicine, or a licensed doctor of podiatry, or a licensed doctor of optometry limited to schedules IV and V,~~ and in the course of professional practice only, may prescribe, administer, and dispense a controlled substance included in Schedules II through V of section 152.02, may cause the same to be administered by a nurse, an intern or an assistant under the direction and supervision of the doctor, and may cause a person who is an appropriately certified and licensed health care professional to prescribe and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes.

Sec. 10. Minnesota Statutes 2002, section 152.12, subdivision 4, is amended to read:

Subd. 4. [SALE OF CONTROLLED SUBSTANCES NOT PROHIBITED FOR CERTAIN PERSONS AND ENTITIES.] Nothing in this chapter shall prohibit the sale to, or the possession of, a controlled substance in schedule II, III, IV or V by: Registered drug wholesalers, registered manufacturers, registered pharmacies, or any licensed hospital or other licensed institutions wherein sick and injured persons are cared for or treated, or bona fide hospitals wherein animals are treated; or by licensed pharmacists, licensed doctors of medicine, doctors of osteopathy duly licensed to practice medicine, licensed doctors of dental surgery, licensed doctors of dental medicine, licensed doctors of podiatry, licensed doctors of optometry limited to schedules IV and V, or licensed doctors of veterinary medicine when such practitioners use controlled substances within the course of their professional practice only.

Nothing in this chapter shall prohibit the possession of a controlled substance in schedule II, III, IV or V by an employee or agent of a registered drug wholesaler, registered manufacturer, or registered pharmacy, while acting in the course of employment, ~~or~~; by a patient of a licensed doctor of medicine, a doctor of osteopathy duly licensed to practice medicine, ~~or~~ a licensed doctor of dental surgery, a licensed doctor of dental medicine, or a licensed doctor of optometry limited to schedules IV and V; or by the owner of an animal for which a controlled substance has been prescribed by a licensed doctor of veterinary medicine, when such controlled substances are dispensed according to law."

Amend the title as follows:

Page 1, line 6, before "controlled" insert "certain"

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

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

**S.F. No. 1078:** A bill for an act relating to health; requiring certain information related to immunizations to be provided; modifying record keeping requirements; amending Minnesota Statutes 2002, section 121A.15, subdivision 3a.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 121A.15, subdivision 3a, is amended to read:

Subd. 3a. [DISCLOSURES REQUIRED.] (a) This paragraph applies to any written information about immunization requirements for enrollment in a school or child care facility that:

(1) is provided to a person to be immunized or enrolling or enrolled in a school or child care facility, or to the person's parent or guardian if the person is under 18 years of age and not emancipated; and

(2) is provided by the department of health; the department of children, families, and learning; the department of human services; an immunization provider; or a school or child care facility.

Such written information must describe the exemptions from immunizations permitted under subdivision 3, paragraphs (c) and (d). The information on exemptions from immunizations provided according to this paragraph must be in a font size at least equal to the font size of the immunization requirements, in the same font style as the immunization requirements, and on the same page of the written document as the immunization requirements.

(b) Before immunizing a person, an immunization provider must provide the person, or the person's parent or guardian if the person is under 18 years of age and not emancipated, with the following information in writing:

- (1) a list of the immunizations required for enrollment in a school or child care facility;
- (2) a description of the exemptions from immunizations permitted under subdivision 3, paragraphs (c) and (d);
- (3) a list of additional immunizations currently recommended by the commissioner; and
- (4) in accordance with federal law, a copy of the vaccine information sheet from the federal Department of Health and Human Services that lists possible adverse reactions to the immunization to be provided.

(c) The commissioner shall continue the educational campaign to providers and hospitals on vaccine safety, including but not limited to information on the vaccine adverse events reporting system (VAERS), the federal vaccine information statements (VIS), and medical precautions and contraindications to immunizations.

(d) The commissioner shall encourage providers to provide the vaccine information statements at multiple visits and in anticipation of subsequent immunizations.

(e) The commissioner shall encourage providers to use existing screening for immunization precautions and contraindication materials and make proper use of the vaccine adverse events reporting system (VAERS).

(f) In consultation with groups and people identified in subdivision 12, paragraph (a), clause (1), the commissioner shall develop and make available patient education materials on immunizations including, but not limited to, contraindications and precautions regarding vaccines and materials that educate providers about vaccine content.

(g) The commissioner shall encourage health care providers to use thimerosal-free vaccines when available.

Sec. 2. Minnesota Statutes 2002, section 121A.15, subdivision 12, is amended to read:

Subd. 12. [MODIFICATIONS TO SCHEDULE.] (a) The commissioner of health may adopt modifications to the immunization requirements of this section. A proposed modification made under this subdivision must be part of the current immunization recommendations of each of the following organizations: the United States Public Health Service's Advisory Committee on Immunization Practices, the American Academy of Family Physicians, and the American Academy of Pediatrics. In proposing a modification to the immunization schedule, the commissioner must:

(1) consult with the commissioner of children, families, and learning; the commissioner of human services; the chancellor of the Minnesota state colleges and universities; and the president of the University of Minnesota; the Minnesota Natural Health Coalition; Vaccine Awareness Minnesota; Biological Education for Autism Treatment (BEAT); the Minnesota Academy of Family Physicians; the American Academy of Pediatrics-Minnesota Chapter; and the Minnesota Nurses Association; and

(2) consider the following criteria: the epidemiology of the disease, the morbidity and mortality rates for the disease, the safety and efficacy of the vaccine, the cost of a vaccination program, the cost of enforcing vaccination requirements, and a cost-benefit analysis of the vaccination.

(b) Before a proposed modification may be adopted, the commissioner must notify the chairs of the house and senate committees with jurisdiction over health policy issues. If the chairs of the relevant standing committees determine a public hearing regarding the proposed modifications is in order, the hearing must be scheduled within 60 days of receiving notice from the commissioner. If a hearing is scheduled, the commissioner may not adopt any proposed modifications until after the hearing is held.

(c) The commissioner shall comply with the requirements of chapter 14 regarding the adoption of any proposed modifications to the immunization schedule.

(d) In addition to the publication requirements of chapter 14, the commissioner of health must inform all immunization providers of any adopted modifications to the immunization schedule in a timely manner."

Delete the title and insert:

"A bill for an act relating to health; providing for education and precautions regarding vaccines; requiring certain consultation before modifying the schedule of immunizations; amending Minnesota Statutes 2002, section 121A.15, subdivisions 3a, 12."

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

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

**S.F. No. 1152:** A bill for an act relating to health; requiring a study of the need for an additional hospital in central Minnesota.

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

Delete everything after the enacting clause and insert:

"Section 1. [HOSPITAL MORATORIUM STUDY.]

(a) Utilizing existing resources, the commissioner of health, working with the Minnesota Hospital Association and other affected parties, shall study and report to the chairs of the senate health and family security committee and health, human services and corrections budget division and the house of representatives health and human services policy committee and health and human services finance committee by January 15, 2005, on the moratorium on hospital beds. The study and report shall:

(1) evaluate the moratorium's impact on access, cost, and quality of care;

(2) recommend appropriate criteria to be considered by the legislature in judging applications for moratorium exceptions;

(3) assess the impact of "niche" and ambulatory services on a system of controlling capacity;

(4) identify demographic and health care delivery changes that have occurred since the inception of the moratorium, projected future trends in technology, and their impact on future inpatient hospitals' utilization and future demand for inpatient services; and

(5) include a comprehensive national survey of inpatient and outpatient capacity controls.

(b) As an outcome of the study, the commissioner shall recommend:

(1) criteria for judging exception requests;

(2) processes to be used in considering exception requests; and

(3) other changes in the moratorium law needed to work with future trends and demographic changes.

(c) A progress report shall be presented to the chairs of the senate health and family security committee and health, human services and corrections budget division and the house of representatives health and human services policy committee and health and human services finance committee by March 15, 2004."

Delete the title and insert:

"A bill for an act relating to health; requiring a study of the hospital moratorium."



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

**Senator Lourey from the Committee on Health and Family Security, to which was re-referred**

**S.F. No. 343:** A bill for an act relating to insurance; requiring health plan companies to file reports with respect to certain costs; amending Minnesota Statutes 2002, section 62Q.64.

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

Page 1, line 19, after "company" insert "and its affiliates"

Page 1, line 24, after "for" insert "all directors and"

Page 1, line 25, delete "or directors"

Page 2, lines 1, 5, 12, and 14, after "company" insert "and its affiliates"

Page 2, line 18, delete "person" and insert "current or former employee"

Page 2, line 19, after "company" insert "and its affiliates" and delete "\$50,000" and insert "\$100,000"

Page 2, line 20, after the period, insert "This paragraph does not apply to a health plan company that, along with its affiliates, is assessed less than three percent of the total amount assessed by the Minnesota comprehensive health association."

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

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

**S.F. No. 1402:** A bill for an act relating to child care assistance; preventing fraud; amending Minnesota Statutes 2002, sections 119B.011, subdivisions 19, 21, adding a subdivision; 119B.09, by adding a subdivision; 119B.11, subdivision 2a; 119B.13, subdivision 6; 119B.16, subdivision 2, adding subdivisions; 256.046, subdivision 1; 256.0471, subdivision 1; 256.98, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 119B.

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

Page 1, line 18, delete "and"

Page 2, line 9, reinstate the stricken language and before "a" insert "or"

Page 2, line 12, delete the new language

Page 2, line 15, delete everything after "shall" and insert "use the universal application at the initial application or at a redetermination if a universal application has not been previously completed. When using the universal application, the county shall verify the following:"

Page 2, delete line 16

Page 2, line 20, delete everything after "(3)"

Page 2, line 21, delete everything before "age"

Page 2, line 22, delete "(5)" and insert "(4)"

Page 2, line 23, delete "(6)" and insert "(5)"

Page 2, line 24, delete "(7)" and insert "(6)"

Page 2, line 25, delete "(8)" and insert "(7)"

Page 2, line 27, delete "(9)" and insert "(8)" and after the semicolon, insert "and"

Page 2, line 28, delete "(10)" and insert "(9)" and delete the semicolon and insert a period

Page 2, delete lines 29 to 31

Page 3, delete section 5

Page 4, line 3, delete "it" and insert "the family"

Page 4, line 7, delete "and" and insert "but"

Page 5, line 15, delete "unlicensed" and insert "nonlicensed"

Page 9, line 27, delete "DISQUALIFICATION" and insert "AUTHORIZATION"

Page 10, delete lines 13 to 17 and insert:

"Subd. 5. [PROVISIONAL PAYMENT.] After a county receives a completed application from a provider, the county may issue provisional authorization and payment to the provider during the time needed to determine whether to give final authorization to the provider."

Page 10, line 32, reinstate the stricken language

Page 10, line 33, delete the new language and reinstate the stricken language

Page 10, delete lines 34 to 36

Page 11, delete lines 1 to 3

Page 11, line 4, delete "provider must sign the bill."

Page 11, lines 25 and 28, before "false" insert "materially"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "21," insert "by" and delete everything after the semicolon

Page 1, line 5, delete "adding a subdivision;"

Page 1, line 6, after "2," insert "by"

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

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

**S.F. No. 1322:** A bill for an act relating to health; providing for reporting and review of certain provider expenditures; providing for audits of certain referrals; amending Minnesota Statutes 2002, section 62J.23, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

Page 3, lines 4 and 5, delete "an administrative law judge" and insert "the commissioner"

Page 3, line 12, delete "administrative law judge" and insert "commissioner"

Page 3, line 13, delete "administrative" and insert "hearing."

Page 3, delete lines 14 to 16

Page 3, line 17, delete everything before "In"

Page 3, line 24, delete "administrative law judge" and insert "commissioner"

Page 5, lines 8 and 10, delete "administrative law judge" and insert "commissioner"

Page 5, line 12, delete "judge" and insert "commissioner"

Page 5, line 13, delete "administrative law judge" and insert "commissioner"

Page 5, after line 33, insert:

"Sec. 3. Minnesota Statutes 2002, section 144.99, subdivision 1, is amended to read:

Subdivision 1. [REMEDIES AVAILABLE.] The provisions of chapters 103I and 157 and sections 62J.18; 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9509; 144.992; 326.37 to 326.45; 326.57 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section."

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections" and after the semicolon, insert "144.99, subdivision 1;"

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

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

**S.F. No. 990:** A bill for an act relating to agriculture; changing certain procedures and requirements for organic food; providing for compliance with federal law; amending Minnesota Statutes 2002, sections 31.92, subdivision 3, by adding subdivisions; 31.94; proposing coding for new law in Minnesota Statutes, chapter 31; repealing Minnesota Statutes 2002, sections 31.92, subdivisions 2a, 5; 31.93; 31.95.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 30.49, subdivision 6, is amended to read:

Subd. 6. [PACKAGED BLENDED RICE AND CERTAIN READY-TO-EAT RICE.] A package containing a blend of wild rice and at least 40 percent other grains or food products, and ~~puffed or~~ ready-to-eat wild rice that is consumed or packaged on the retail premises, are exempt from this section, except subdivisions 3, 5, and 7.

Sec. 2. Minnesota Statutes 2002, section 31.05, is amended by adding a subdivision to read:

Subd. 5. [EMERGENCY RESPONSE.] In the event of an emergency declared by the governor's order under section 12.31, if the commissioner finds or has probable cause to believe that a food or consumer commodity within a specific area is likely to be adulterated because of the emergency or so misbranded as to be dangerous or fraudulent, or is in violation of section 31.131,

subdivision 1, the commissioner may embargo a geographic area that is included in the declared emergency. The commissioner shall provide notice to the public and to those with custody of the product in as thorough a manner as is practical under the emergency circumstances.

Sec. 3. Minnesota Statutes 2002, section 31.101, subdivision 3, is amended to read:

Subd. 3. [PESTICIDE CHEMICAL RULES.] Federal pesticide chemical regulations ~~in effect on April 1, 2001,~~ adopted under authority of the Federal Insecticide, Fungicide and Rodenticide Act, as provided by United States Code, title 7, chapter 6, are the pesticide chemical rules in this state.

Sec. 4. Minnesota Statutes 2002, section 31.101, subdivision 4, is amended to read:

Subd. 4. [FOOD ADDITIVE RULES.] Federal food additive regulations ~~in effect on April 1, 2001,~~ as provided by Code of Federal Regulations, title 21, parts 170 to 199, are the food additive rules in this state.

Sec. 5. Minnesota Statutes 2002, section 31.101, subdivision 5, is amended to read:

Subd. 5. [COLOR ADDITIVE RULES.] Federal color additive regulations ~~in effect on April 1, 2001,~~ as provided by Code of Federal Regulations, title 21, parts 70 to 82, are the color additive rules in this state.

Sec. 6. Minnesota Statutes 2002, section 31.101, subdivision 6, is amended to read:

Subd. 6. [SPECIAL DIETARY USE RULES.] Federal special dietary use regulations ~~in effect on April 1, 2001,~~ as provided by Code of Federal Regulations, title 21, parts 104 and 105, are the special dietary use rules in this state.

Sec. 7. Minnesota Statutes 2002, section 31.101, subdivision 7, is amended to read:

Subd. 7. [FAIR PACKAGING AND LABELING RULES.] Federal regulations ~~in effect on April 1, 2001,~~ adopted under the Fair Packaging and Labeling Act, as provided by United States Code, title 15, sections 1451 to 1461, are the rules in this state. The commissioner may not adopt amendments to these rules or adopt other rules which are contrary to the labeling requirements for the net quantity of contents required pursuant to section 4 of the Fair Packaging and Labeling Act and the regulations adopted under that act.

Sec. 8. Minnesota Statutes 2002, section 31.101, subdivision 8, is amended to read:

Subd. 8. [FOOD AND DRUGS RULES.] Applicable federal regulations including recodification contained in Code of Federal Regulations, title 21, parts 0-1299, Food and Drugs, ~~in effect April 1, 2001,~~ and not otherwise adopted herein, also are adopted as food rules of this state.

Sec. 9. Minnesota Statutes 2002, section 31.101, subdivision 9, is amended to read:

Subd. 9. [FISHERY PRODUCTS RULES.] Federal regulations ~~in effect on April 1, 2001,~~ as provided by Code of Federal Regulations, title 50, parts 260 to 267, are incorporated as part of the fishery products rules in this state for state inspections performed under a cooperative agreement with the United States Department of Commerce, National Marine Fisheries Service.

Sec. 10. Minnesota Statutes 2002, section 31.101, subdivision 10, is amended to read:

Subd. 10. [MEAT AND POULTRY RULES.] Federal regulations ~~in effect on April 1, 2001,~~ as provided by Code of Federal Regulations, title 9, part 301, et seq., are incorporated as part of the meat and poultry rules in this state.

Sec. 11. Minnesota Statutes 2002, section 31.101, subdivision 11, is amended to read:

Subd. 11. [STANDARDS FOR FRESH FRUITS, VEGETABLES, AND OTHER PRODUCTS.] Federal regulations ~~in effect on April 1, 2001,~~ as provided by Code of Federal Regulations, title 7, parts 51 and 52, are incorporated as part of the rules in this state.

Sec. 12. Minnesota Statutes 2002, section 31.101, subdivision 12, is amended to read:

Subd. 12. [DAIRY GRADE RULES; MANUFACTURING PLANT STANDARDS.] Federal grading and inspection standards for manufacturing dairy plants and products ~~and amendments thereto in effect on April 1, 2001~~, as provided by Code of Federal Regulations, title 7, part 58, subparts B-W, are adopted as the dairy grade rules and manufacturing plant standards in this state.

Sec. 13. Minnesota Statutes 2002, section 31.102, subdivision 1, is amended to read:

Subdivision 1. [IDENTITY, QUANTITY, AND FILL OF CONTAINER RULES.] Federal definitions and standards of identity, quality, and fill of container ~~in effect on April 1, 2001~~, adopted under authority of the federal act, are the definitions and standards of identity, quality, and fill of container in this state. The rules may be amended by the commissioner under chapter 14.

Sec. 14. Minnesota Statutes 2002, section 31.103, subdivision 1, is amended to read:

Subdivision 1. [CONSUMER COMMODITIES LABELING RULES.] All labels of consumer commodities must conform with the requirements for the declaration of net quantity of contents of section 4 of the Fair Packaging and Labeling Act (United States Code, title 15, section 1451 et seq.) and federal regulations ~~in effect on April 1, 2001~~, adopted under authority of that act, except to the extent that the commissioner amends the rules under chapter 14. Consumer commodities exempted from the requirements of section 4 of the Fair Packaging and Labeling Act are also exempt from this subdivision.

Sec. 15. Minnesota Statutes 2002, section 31.92, is amended by adding a subdivision to read:

Subd. 2b. [FEDERAL LAW.] "Federal law" means the Organic Foods Production Act of 1990, United States Code, title 7, sections 6501 et seq. and associated regulations in Code of Federal Regulations, title 7, section 205.

Sec. 16. Minnesota Statutes 2002, section 31.92, subdivision 3, is amended to read:

Subd. 3. [ORGANIC FOOD.] "Organic food" means any food product, including meat, dairy, and beverage, that is marketed using the term "organic" or any derivative of "organic" in its labeling or advertising. "Organic" is a labeling term that refers to an agricultural product produced in accordance with federal law.

Sec. 17. Minnesota Statutes 2002, section 31.92, is amended by adding a subdivision to read:

Subd. 3a. [ORGANIC PRODUCTION.] "Organic production" means a production system that is managed in accordance with federal law to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.

Sec. 18. [31.925] [UNIFORMITY WITH FEDERAL LAW.]

The federal law specified in section 31.92, subdivision 2b, is adopted as the organic food production law and rules in this state.

Sec. 19. Minnesota Statutes 2002, section 31.94, is amended to read:

31.94 [COMMISSIONER DUTIES.]

~~(a) The commissioner shall enforce sections 31.92 to 31.95. The commissioner shall withhold from sale or trade any product sold, labeled, or advertised in violation of sections 31.92 to 31.95.~~

~~(b) The commissioner shall investigate the offering for sale, labeling, or advertising of an article or substance as organically grown, organically processed, or produced in an organic environment if there is reason to believe that action is in violation of sections 31.92 to 31.95.~~

~~(c) The commissioner may adopt rules that further clarify organic food standards and marketing practices.~~

(d) In order to promote opportunities for organic agriculture in Minnesota, the commissioner shall:

(1) survey producers and support services and organizations to determine information and research needs in the area of organic agriculture practices;

(2) work with the University of Minnesota to demonstrate the on-farm applicability of organic agriculture practices to conditions in this state;

(3) direct the programs of the department so as to work toward the promotion of organic agriculture in this state;

(4) inform agencies of how state or federal programs could utilize and support organic agriculture practices; and

(5) work closely with ~~farmers~~ producers, the University of Minnesota, the Minnesota trade office, and other appropriate organizations to identify opportunities and needs as well as ensure coordination and avoid duplication of state agency efforts regarding research, teaching, marketing, and extension work relating to organic agriculture.

(e) (b) By November 15 of each even-numbered year the commissioner, in conjunction with the task force created in ~~section 31.95, subdivision 3a~~ paragraph (c), shall report on the status of organic agriculture in Minnesota to the legislative policy and finance committees and divisions with jurisdiction over agriculture. The report must include:

(1) a description of current state or federal programs directed toward organic agriculture, including significant results and experiences of those programs;

(2) a description of specific actions the department of agriculture is taking in the area of organic agriculture, including the proportion of the department's budget spent on organic agriculture;

(3) a description of current and future research needs at all levels in the area of organic agriculture; and

(4) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect organic agriculture;

(5) a description of market trends and potential for organic products;

(6) information, using currently reliable data, on the price received, yield, and profitability of organic farms, and a comparison with data on conventional farms; and

(7) information, using currently reliable data, on the positive and negative impacts of organic production on the environment and human health.

(c) The commissioner shall appoint a Minnesota organic advisory task force to advise the commissioner on policies and practices to improve organic agriculture in Minnesota. The task force must consist of the following residents of the state:

(1) three farmers using organic agriculture methods;

(2) two organic food wholesalers, retailers, or distributors;

(3) one representative of organic food certification agencies;

(4) two organic food processors;

(5) one representative from the Minnesota extension service;

(6) one representative from a Minnesota postsecondary research institution;

(7) one representative from a nonprofit organization representing producers;

(8) one at-large member;

(9) one representative from the United States Department of Agriculture; and

(10) one organic consumer representative.

Terms, compensation, and removal of members are governed by section 15.059, subdivision 6. The task force must meet at least twice each year and expires on June 30, 2005.

(d) For the purposes of expanding, improving, and developing production and marketing of the organic products of Minnesota agriculture, the commissioner may receive funds from state and federal sources and spend them, including through grants or contracts, to assist producers and processors to achieve certification, to conduct education or marketing activities, to enter into research and development partnerships, or to address production or marketing obstacles to the growth and well-being of the industry. The commissioner may not provide a grant to or contract with an individual or organization that in the previous 36 months has taken, or participated financially in, an action to prevent a person from engaging in agricultural activities or expanding an agricultural operation.

(e) The commissioner may facilitate the registration of state organic production and handling operations including those exempt from organic certification according to Code of Federal Regulations, title 7, section 205.101, and certification agents operating within the state.

Sec. 20. Minnesota Statutes 2002, section 32.01, subdivision 10, is amended to read:

Subd. 10. [DAIRY PRODUCT.] "Dairy product" means milk as defined by Code of Federal Regulations, title 21, cream, any product or by-product of either, or any commodity among the principal constituents or ingredients of which is one or a combination of two or more of them, as determined by standards, grades, or rules duly adopted by the commissioner.

Sec. 21. Minnesota Statutes 2002, section 32.21, subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] (a) A person, other than a milk producer, who violates this section is guilty of a misdemeanor or subject to a civil penalty up to \$1,000.

(b) A milk producer may not change milk plants within 30 days, without permission of the commissioner, after receiving notification from the commissioner under paragraph (c) or (d) that the milk producer has violated this section.

(c) A milk producer who violates subdivision 3, clause (1), (2), (3), (4), or (5), is subject to clauses (1) to (3) of this paragraph.

(1) Upon notification of the first violation in a 12-month period, the producer must meet with the ~~dairy plant field service representative~~ qualified dairy sanitarian to initiate corrective action within 30 days.

(2) Upon the second violation within a 12-month period, the producer is subject to a civil penalty of \$300. The commissioner shall notify the producer by certified mail stating the penalty is payable in 30 days, the consequences of failure to pay the penalty, and the consequences of future violations.

(3) Upon the third violation within a 12-month period, the producer is subject to an additional civil penalty of \$300 and possible revocation of the producer's permit or certification. The commissioner shall notify the producer by certified mail that all civil penalties owed must be paid within 30 days and that the commissioner is initiating administrative procedures to revoke the producer's permit or certification to sell milk for at least 30 days.

(d) The producer's shipment of milk must be immediately suspended if the producer is identified as an individual source of milk containing residues causing a bulk load of milk to test positive in violation of subdivision 3, clause (6) or (7). The Grade A or manufacturing grade permit must be converted to temporary status for not more than 30 days and shipment may resume only after subsequent milk has been sampled by the commissioner or the commissioner's agent and found to contain no residues above established tolerances or safe levels.

The Grade A or manufacturing grade permit may be restored if the producer completes the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, displays the signed certificate in the milkhouse, and sends verification to the commissioner within the 30-day temporary permit status period. If the producer does not comply within the temporary permit status period, the Grade A or manufacturing grade permit must be suspended. A milk producer whose milk supply is in violation of subdivision 3, clause (6) or (7), and has caused a bulk load to test positive is subject to clauses (1) to (3) of this paragraph.

(1) For the first violation in a 12-month period, the penalty is the value of all milk on the contaminated load plus any costs associated with the disposition of the contaminated load. Future pickups are prohibited until subsequent testing reveals the milk is free of drug residue. A farm inspection must be completed by ~~the plant representative~~ a qualified dairy sanitarian and the producer to determine the cause of the residue and actions required to prevent future violations.

(2) For the second violation in a 12-month period, the penalty is the value of all milk on the contaminated load plus any costs associated with the disposition of the contaminated load. Future pickups are prohibited until subsequent testing reveals the milk is free of drug residue. A farm inspection must be completed by the regulatory agency or its agent to determine the cause of the residue and actions required to prevent future violations.

(3) For the third violation in a 12-month period, the penalty is the value of all milk on the contaminated load plus any costs associated with the disposition of the contaminated load. Future pickups are prohibited until subsequent testing reveals the milk is free of drug residue. The commissioner or the commissioner's agent shall also notify the producer by certified mail that the commissioner is initiating administrative procedures to revoke the producer's right to sell milk for a minimum of 30 days.

(4) If a bulk load of milk tests negative for residues and there is a positive producer sample on the load, no civil penalties may be assessed to the producer. The plant must report the positive result within 24 hours and reject further milk shipments from that producer until the producer's milk tests negative. A farm inspection must be completed by the plant representative and the producer to determine the cause of the residue and actions required to prevent future violations. The department shall suspend the producer's permit and count the violation on the producer's record. The Grade A or manufacturing grade permit must be converted to temporary status for not more than 30 days during which time the producer must review the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, display the signed certificate in the milkhouse, and send verification to the commissioner. If these conditions are met, the Grade A or manufacturing grade permit must be reinstated. If the producer does not comply within the temporary permit status period, the Grade A or manufacturing grade permit must be suspended.

(e) A milk producer that has been certified as completing the "Milk and Dairy Beef Residue Prevention Protocol" within 12 months of the first violation of subdivision 3, clause (7), need only review the cause of the violation with a field service representative within three days to maintain Grade A or manufacturing grade permit and shipping status if all other requirements of this section are met.

(f) Civil penalties collected under this section must be deposited in the milk inspection services account established in this chapter.

Sec. 22. Minnesota Statutes 2002, section 32.394, subdivision 4, is amended to read:

Subd. 4. [RULES.] The commissioner shall by rule promulgate identity, production and processing standards for milk, milk products and goat milk which are intended to bear the Grade A label.

In the exercise of the authority to establish requirements for Grade A milk, milk products, and goat milk, the commissioner adopts definitions, standards of identity, and requirements for production and processing contained in the "1999 2001 Grade A Pasteurized Milk Ordinance" and the "1995 Grade A Condensed and Dry Milk Ordinance" of the United States Department of Health and Human Services, in a manner provided for and not in conflict with law.



Sec. 23. Minnesota Statutes 2002, section 32.394, subdivision 8c, is amended to read:

Subd. 8c. [GRADE A OR MANUFACTURING GRADE RAW MILK.] Grade A or manufacturing grade raw milk must not have been stored longer than ~~76~~ 72 hours when it is picked up at the farm by the receiving plant. The commissioner or an agent of the commissioner may waive the ~~76-hour~~ 72-hour time limit in a case of hardship, emergency, or natural disaster. On farms permitted or certified for bulk tank storage, the milk may only be picked up from approved bulk milk tanks in proper working order.

Sec. 24. Minnesota Statutes 2002, section 32.415, is amended to read:

32.415 [MILK FOR MANUFACTURING; QUALITY STANDARDS.]

(a) The commissioner may adopt rules to provide uniform quality standards, and producers of milk used for manufacturing purposes shall conform to the standards contained in Subparts B, C, D, E, and F of the United States Department of Agriculture Consumer and Marketing Service Recommended Requirements for Milk for Manufacturing Purposes and its Production and Processing, as revised through ~~November 12, 1996~~ June 17, 2002, except that the commissioner shall develop methods by which producers can comply with the standards without violation of religious beliefs.

(b) The commissioner shall perform or contract for the performance of the inspections necessary to implement this section or shall certify dairy industry personnel to perform the inspections.

(c) The commissioner and other employees of the department shall make every reasonable effort to assist producers in achieving the milk quality standards at minimum cost and to use the experience and expertise of the University of Minnesota and the agricultural extension service to assist producers in achieving the milk quality standards in the most cost-effective manner.

(d) The commissioner shall consult with producers, processors, and others involved in the dairy industry in order to prepare for the implementation of this section including development of informational and educational materials, meetings, and other methods of informing producers about the implementation of standards under this section.

Sec. 25. Minnesota Statutes 2002, section 35.0661, subdivision 4, is amended to read:

Subd. 4. [EXPIRATION.] This section expires July 31, ~~2003~~ 2005.

Sec. 26. Minnesota Statutes 2002, section 35.243, is amended to read:

35.243 [RULES FOR CONTROL OF BRUCELLOSIS IN CATTLE.]

The board of animal health shall adopt rules to provide for the control of brucellosis in cattle. The rules may include provisions for quarantine, tests, and vaccinations, and such other measures as the board deems appropriate. A prescription from a licensed veterinarian is not required for the sale of modified live vaccines used to prevent common diseases in beef cattle, except for brucellosis, rabies, and anthrax.

Sec. 27. Minnesota Statutes 2002, section 116.07, subdivision 7, is amended to read:

Subd. 7. [COUNTIES; PROCESSING OF APPLICATIONS FOR ANIMAL LOT PERMITS.] Any Minnesota county board may, by resolution, with approval of the pollution control agency, assume responsibility for processing applications for permits required by the pollution control agency under this section for livestock feedlots, poultry lots or other animal lots. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to any appropriate county officer or employee.

(a) For the purposes of this subdivision, the term "processing" includes:

(1) the distribution to applicants of forms provided by the pollution control agency;

(2) the receipt and examination of completed application forms, and the certification, in writing, to the pollution control agency either that the animal lot facility for which a permit is sought by an applicant will comply with applicable rules and standards, or, if the facility will not comply, the respects in which a variance would be required for the issuance of a permit; and

(3) rendering to applicants, upon request, assistance necessary for the proper completion of an application.

(b) For the purposes of this subdivision, the term "processing" may include, at the option of the county board, issuing, denying, modifying, imposing conditions upon, or revoking permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject to review, suspension, and reversal by the pollution control agency. The pollution control agency shall, after written notification, have 15 days to review, suspend, modify, or reverse the issuance of the permit. After this period, the action of the county board is final, subject to appeal as provided in chapter 14. For permit applications filed after October 1, 2001, section 15.99 applies to feedlot permits issued by the agency or a county pursuant to this subdivision.

(c) For the purpose of administration of rules adopted under this subdivision, the commissioner and the agency may provide exceptions for cases where the owner of a feedlot has specific written plans to close the feedlot within five years. These exceptions include waiving requirements for major capital improvements.

(d) For purposes of this subdivision, a discharge caused by an extraordinary natural event such as a precipitation event of greater magnitude than the 25-year, 24-hour event, tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

(e) In adopting and enforcing rules under this subdivision, the commissioner shall cooperate closely with other governmental agencies.

(f) The pollution control agency shall work with the Minnesota extension service, the department of agriculture, the board of water and soil resources, producer groups, local units of government, as well as with appropriate federal agencies such as the Natural Resources Conservation Service and the Farm Service Agency, to notify and educate producers of rules under this subdivision at the time the rules are being developed and adopted and at least every two years thereafter.

(g) The pollution control agency shall adopt rules governing the issuance and denial of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section. Pastures are exempt from the rules authorized under this paragraph. A feedlot permit is not required for livestock feedlots with more than ten but less than 50 animal units; provided they are not in shoreland areas. A livestock feedlot permit does not become required solely because of a change in the ownership of the buildings, grounds, or feedlot. These rules apply both to permits issued by counties and to permits issued by the pollution control agency directly.

(h) The pollution control agency shall exercise supervising authority with respect to the processing of animal lot permit applications by a county.

(i) Any new rules or amendments to existing rules proposed under the authority granted in this subdivision, or to implement new fees on animal feedlots, must be submitted to the members of legislative policy and finance committees with jurisdiction over agriculture and the environment prior to final adoption. The rules must not become effective until 90 days after the proposed rules are submitted to the members.

(j) Until new rules are adopted that provide for plans for manure storage structures, any plans for a liquid manure storage structure must be prepared or approved by a registered professional engineer or a United States Department of Agriculture, Natural Resources Conservation Service employee.

(k) A county may adopt by ordinance standards for animal feedlots that are more stringent than standards in pollution control agency rules.

(l) After January 1, 2001, a county that has not accepted delegation of the feedlot permit program must hold a public meeting prior to the agency issuing a feedlot permit for a feedlot facility with 300 or more animal units, unless another public meeting has been held with regard to the feedlot facility to be permitted.

(m) After the proposed rules published in the State Register, volume 24, number 25, are finally adopted, the agency may not impose additional conditions as a part of a feedlot permit, unless specifically required by law or agreed to by the feedlot operator.

(n) For the purposes of feedlot permitting, a discharge from land-applied manure or a manure stockpile that is managed according to agency rule must not be subject to a fine for a discharge violation.

(o) For the purposes of feedlot permitting, manure that is land applied, or a manure stockpile that is managed according to agency rule, must not be considered a discharge into waters of the state, unless the discharge is to waters of the state, as defined by section 103G.005, subdivision 17, except type 1 or type 2 wetlands, as defined in section 103G.005, subdivision 17b, and does not meet discharge standards established for feedlots under agency rule.

(p) Unless the upgrade is needed to correct an immediate public health threat under section 145A.04, subdivision 8, the agency may not require a feedlot operator:

(1) to spend more than \$3,000 to upgrade an existing feedlot with less than 300 animal units unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade; or

(2) to spend more than \$10,000 to upgrade an existing feedlot with between 300 and 500 animal units, unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade or \$50,000, whichever is less.

(q) For the purposes of this section, "pastures" means areas, including winter feeding areas as part of a grazing area, where grass or other growing plants are used for grazing and where the concentration of animals allows a vegetative cover to be maintained during the growing season except that vegetative cover is not required:

(1) in the immediate vicinity of supplemental feeding or watering devices;

(2) in associated corrals and chutes where livestock are gathered for the purpose of sorting, veterinary services, loading and unloading trucks and trailers, and other necessary activities related to good animal husbandry practices; and

(3) in associated livestock access lanes used to convey livestock to and from areas of the pasture.

Sec. 28. [ORVILLE L. FREEMAN BUILDING.]

The headquarters of the departments of agriculture and health shall be named the Orville L. Freeman building.

Sec. 29. [REPEALER.]

(a) Minnesota Statutes 2002, section 35.251, is repealed.

(b) Minnesota Rules, parts 1700.0800; 1700.1000; 1700.1300; 1705.0550; 1705.0560; 1705.0570; 1705.0580; 1705.0590; 1705.0600; 1705.0610; 1705.0630; and 1715.1430, are repealed.

(c) Minnesota Statutes 2002, sections 31.92, subdivisions 2a and 5; 31.93; 31.95; 32.391, subdivisions 1a, 1b, and 1c, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Section 1 is effective August 1, 2004. Sections 25 and 29, paragraphs (a) and (b), are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; changing certain wild rice provisions; authorizing certain embargoes; clarifying certain food provisions; clarifying an enforcement provision; changing a milk storage requirement; changing certain procedures and requirements for organic food; providing for compliance with federal law; extending a provision authorizing certain emergency restrictions; clarifying the definition of pasture for the purpose of animal feedlot regulation; providing for the headquarters of the departments of agriculture and health to be named after Orville L. Freeman; eliminating a requirement for anaplasmosis testing; amending Minnesota Statutes 2002, sections 30.49, subdivision 6; 31.05, by adding a subdivision; 31.101, subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12; 31.102, subdivision 1; 31.103, subdivision 1; 31.92, subdivision 3, by adding subdivisions; 31.94; 32.01, subdivision 10; 32.21, subdivision 4; 32.394, subdivisions 4, 8c; 32.415; 35.0661, subdivision 4; 35.243; 116.07, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 31; repealing Minnesota Statutes 2002, sections 31.92, subdivisions 2a, 5; 31.93; 31.95; 32.391, subdivisions 1a, 1b, 1c; 35.251; Minnesota Rules, parts 1700.0800; 1700.1000; 1700.1300; 1705.0550; 1705.0560; 1705.0570; 1705.0580; 1705.0590; 1705.0600; 1705.0610; 1705.0630; 1715.1430."

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

**Senator Betzold from the Committee on Judiciary, to which was referred**

**S.F. No. 1103:** A bill for an act relating to real property; acquiring right-of-way from common interest ownership communities; amending Minnesota Statutes 2002, sections 515B.1-107; 515B.3-102; 515B.3-112.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2002, section 171.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION; OTHER INFORMATION.] (a) An application must:

- (1) state the full name, date of birth, sex, and Minnesota residence address of the applicant;
- (2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;
- (3) for a class C, class B, or class A driver's license, state the applicant's social security number or, for a class D driver's license, have a space for the applicant's social security number and state that providing the number is optional, or otherwise convey that the applicant is not required to enter the social security number;
- (4) contain a space where the applicant may indicate a desire to make an anatomical gift according to paragraph (b); and
- (5) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7.

(b) If the applicant does not indicate a desire to make an anatomical gift when the application is made, the applicant must be offered a donor document in accordance with section 171.07, subdivision 5. The application must contain statements sufficient to comply with the requirements of the Uniform Anatomical Gift Act (1987), sections 525.921 to 525.9224, so that execution of the application or donor document will make the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a desire to make an anatomical gift. The application must be

accompanied by information describing Minnesota laws regarding anatomical gifts and the need for and benefits of anatomical gifts, and the legal implications of making an anatomical gift, including the law governing revocation of anatomical gifts. The commissioner shall distribute a notice that must accompany all applications for and renewals of a driver's license or Minnesota identification card. The notice must be prepared in conjunction with a Minnesota organ procurement organization that is certified by the federal Department of Health and Human Services and must include:

(1) a statement that provides a fair and reasonable description of the organ donation process, the care of the donor body after death, and the importance of informing family members of the donation decision; and

(2) a telephone number in a certified Minnesota organ procurement organization that may be called with respect to questions regarding anatomical gifts.

(c) The application must be accompanied also by information containing relevant facts relating to:

(1) the effect of alcohol on driving ability;

(2) the effect of mixing alcohol with drugs;

(3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and

(4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

Sec. 2. Minnesota Statutes 2002, section 171.06, is amended by adding a subdivision to read:

Subd. 3b. [PROOF OF IDENTITY.] (a) An applicant must provide proof of identity and residency satisfactory to the department, which must include a Minnesota driver's license, Minnesota identification card, or permit if one of these has been issued to the applicant. If one of these documents has not been issued to the applicant, the applicant must present one primary document and one secondary document satisfactory to the department.

(b) If there has been a change in the applicant's legal full name as it appears on the presented documents, the applicant must present evidence satisfactory to the commissioner of the change of name.

Sec. 3. Minnesota Statutes 2002, section 171.07, subdivision 1, is amended to read:

Subdivision 1. [LICENSE; CONTENTS.] (a) Upon the payment of the required fee, the department shall issue to every qualifying applicant a license designating the type or class of vehicles the applicant is authorized to drive as applied for. This license must bear a distinguishing number assigned to the licensee, the full name, date of birth, residence address and permanent mailing address if different; a description of the licensee ~~in a manner as the commissioner deems necessary, which consists only of the applicant's height in feet and inches, weight in pounds, eye color, and sex;~~ and the usual signature of the licensee. No license is valid unless it bears the usual signature of the licensee. Every license must bear a colored photograph or an electronically produced image of the licensee.

(b) Every license issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

(c) The department shall use processes in issuing a license that prohibit, as nearly as possible, the ability to alter or reproduce a license, or prohibit the ability to superimpose a photograph or electronically produced image on a license, without ready detection.

(d) A license issued to an applicant age 65 or over must be plainly marked "senior" if requested by the applicant.

Sec. 4. Minnesota Statutes 2002, section 171.07, subdivision 3, is amended to read:

Subd. 3. [IDENTIFICATION CARD; FEE.] (a) Upon payment of the required fee, the department shall issue to every qualifying applicant a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver's license, other than a limited license, from any jurisdiction, or has an identification card from any jurisdiction, unless and until the person's license or identification card from any jurisdiction has been invalidated. The card must bear a distinguishing number assigned to the applicant; a colored photograph or an electronically produced image of the applicant; the applicant's full name, date of birth, and residence address; a description of the applicant in the manner as the commissioner deems necessary, which consists only of the applicant's height in feet and inches, weight in pounds, eye color, and sex; and the usual signature of the applicant.

(b) Each identification card issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

(c) Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

(d) The fee for a Minnesota identification card is 50 cents when issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2; a physically disabled person, as defined in section 169.345, subdivision 2; or, a person with mental illness, as described in section 245.462, subdivision 20, paragraph (c).

Sec. 5. Minnesota Statutes 2002, section 171.07, subdivision 4, is amended to read:

Subd. 4. [EXPIRATION.] (a) Except as otherwise provided in this subdivision, the expiration date of Minnesota identification cards of applicants under the age of 65 shall be the birthday of the applicant in the fourth year following the date of issuance of the card.

(b) Minnesota identification cards issued to applicants age 65 or over shall be valid for the lifetime of the applicant.

(c) The expiration date for an Under-21 identification card is the cardholder's 21st birthday. The commissioner shall issue an identification card to a holder of an Under-21 identification card who applies for the card, pays the required fee, and presents proof of identity and age, unless the commissioner determines that the applicant is not qualified for the identification card.

(d) The expiration date for a Minnesota identification card issued to an applicant with lawful short-term admission status must be the date that coincides with expiration of the federal admission period or four years after the date of issuance, whichever date first occurs.

Sec. 6. Minnesota Statutes 2002, section 171.10, subdivision 1, is amended to read:

Subdivision 1. [DUPLICATE LICENSE.] In the event that an instruction permit, provisional license, or driver's license issued under the provisions of this chapter is lost or destroyed, or becomes illegible, the person to whom the same was issued shall obtain a duplicate thereof, furnishing proof satisfactory to the department that such permit or license has been lost or destroyed or has become illegible, and make payment of the required fee. If the permit or license was originally issued to an applicant with short-term admission status, the licensee may not obtain a duplicate license except in person and upon submission of an identification document satisfactory to the commissioner.

Sec. 7. Minnesota Statutes 2002, section 171.27, is amended to read:

171.27 [EXPIRATION OF LICENSE.]

Subdivision 1. [DRIVER'S LICENSE.] Except as otherwise provided in this section, the expiration date for each driver's license, other than under-21 licenses, is the birthday of the driver in the fourth year following the date of issuance of the license. The birthday of the driver shall be as indicated on the application for a driver's license. A license may be renewed on or before

expiration or within one year after expiration upon application, payment of the required fee, and passing the examination required of all drivers for renewal. Driving privileges shall be extended or renewed on or preceding the expiration date of an existing driver's license unless the commissioner believes that the licensee is no longer qualified as a driver.

Subd. 2. [UNDER-21 LICENSE.] The expiration date for each under-21 license shall be the 21st birthday of the licensee or the date of expiration of short-term admission status, whichever occurs earlier. Upon the licensee attaining the age of 21 and upon the application, payment of the required fee, and passing the examination required of all drivers for renewal, a driver's license shall be issued unless the commissioner determines that the licensee is no longer qualified as a driver.

Subd. 3. [PROVISIONAL LICENSE.] The expiration date for each provisional license is two years after the date of application for the provisional license or the date of expiration of short-term admission status, whichever occurs earlier.

Subd. 4. [LICENSE HELD BY PERSON SERVING IN ARMED FORCES.] Any valid Minnesota driver's license issued to a person then or subsequently on active duty with the Armed Forces of the United States, or the person's spouse, shall continue in full force and effect without requirement for renewal until 90 days after the date of the person's discharge from such service, provided that a spouse's license must be renewed if the spouse is residing within the state at the time the license expires or within 90 days after the spouse returns to Minnesota and resides within the state.

Subd. 5. [LICENSE HELD BY PERSON WITH LAWFUL SHORT-TERM ADMISSION STATUS.] The expiration date for a Minnesota driver's license issued to an applicant with lawful short-term admission status must be the date that coincides with expiration of the federal admission period or four years after the date of issuance, whichever date first occurs.

Subd. 6. [PROOF OF RESIDENCY AT RENEWAL.] Proof of residency is required at the time of application for renewal of a driving permit, driver's license, or state identification card."

Page 4, line 10, delete "and transportation" and insert "right-of-way, and related"

Pages 5 to 7, delete section 3 and insert:

"Sec. 10. [REISSUING DRIVER'S LICENSE OR IDENTIFICATION CARD.]

Upon receipt of payment of the fee specified for a duplicate license under Minnesota Statutes, section 171.06, and surrender of the person's driver's license or identification card bearing the status check notation, the registrar shall issue a duplicate driver's license or duplicate identification card that does not bear a status check notation.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 7 and 10 are effective the day following final enactment."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to transportation; providing for additional identity and residency information to obtain driver's license or identification card; specifying personal information to be shown on license or card; providing for expiration of license or card upon expiration of licensee's federal admission period; requiring identity information and personal appearance to obtain duplicate license; requiring proof of residency at renewal; acquiring right-of-way from common interest ownership communities; directing registrar to reissue certain licenses and cards; amending Minnesota Statutes 2002, sections 171.06, subdivision 3, by adding a subdivision; 171.07, subdivisions 1, 3, 4; 171.10, subdivision 1; 171.27; 515B.1-107; 515B.3-102."

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

**Senator Betzold from the Committee on Judiciary, to which was referred**

**S.F. No. 370:** A bill for an act relating to civil actions; regulating limitation periods of certain actions; enacting the Uniform Conflict of Laws-Limitations Act adopted by the National Conference of Commissioners on Uniform State Laws; proposing coding for new law in Minnesota Statutes, chapter 541.

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

Page 1, line 20, before "(a)" insert "Subdivision 1. [GENERAL.]" and before the comma, insert "and subdivision 2"

Page 2, after line 2, insert:

"Subd. 2. [ACTION ARISING OUT OF STATE; RESIDENT PLAINTIFF.] If a cause of action arises outside of this state and the action is barred under the applicable statute of limitations of the place where it arose, the action may be maintained in this state if the plaintiff is a resident of this state who has owned the cause of action since it accrued and the cause of action is not barred under the applicable statute of limitations of this state."

Page 2, after line 25, insert:

"Sec. 6. [541.35] [UNIFORMITY OF APPLICATION AND CONSTRUCTION.]

Sections 541.30 to 541.34 shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of sections 541.30 to 541.34 among the states enacting them."

Page 2, line 26, delete "[541.35]" and insert "[541.36]"

Page 2, line 27, delete "541.34" and insert "541.35"

Renumber the sections in sequence

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

**Senator Anderson from the Committee on Commerce and Utilities, to which was referred**

**S.F. No. 1252:** A bill for an act relating to cemeteries; providing for correction of interment errors; proposing coding for new law in Minnesota Statutes, chapters 306; 307.

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

Page 1, line 8, delete "is informed or becomes aware that it"

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

**Senator Anderson from the Committee on Commerce and Utilities, to which was referred**

**S.F. No. 143:** A bill for an act relating to liquor; allowing brewpubs to make retail and wholesale sales of the brewpub's own products under certain circumstances; removing limits on the number of on-sale and off-sale liquor licenses that may be issued by a municipality; amending Minnesota Statutes 2002, sections 340A.301, subdivisions 1, 6, 7, 8; 340A.308; 340A.601, subdivision 5; repealing Minnesota Statutes 2002, section 340A.413.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 340A.301, subdivision 1, is amended to read:

Subdivision 1. [LICENSES REQUIRED.] No person may directly or indirectly manufacture or



sell at wholesale intoxicating liquor, or 3.2 percent malt liquor without obtaining an appropriate license from the commissioner, except where otherwise provided in this chapter. A manufacturer's license includes the right to import. Except as otherwise provided in this section, a licensed brewer may sell the brewer's products at wholesale only if the brewer has been issued a wholesaler's license. The commissioner shall issue a wholesaler's license to a brewer only if (1) the commissioner determines that the brewer was selling the brewer's own products at wholesale in Minnesota on January 1, 1991, or (2) the brewer has acquired a wholesaler's business or assets under subdivision 7a, paragraph (c) or (d). A licensed wholesaler of intoxicating malt liquor may sell 3.2 percent malt liquor at wholesale without an additional license.

Sec. 2. Minnesota Statutes 2002, section 340A.301, subdivision 6, is amended to read:

Subd. 6. [FEES.] The annual fees for licenses under this section are as follows:

(a) Manufacturers (except as provided in clauses (b) and (c))	\$15,000
Duplicates	\$ 3,000
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	\$ 500
(c) Brewers other than those described in clauses (d) and (i)	\$ 2,500
(d) Brewers who also hold one or more retail on-sale licenses and who manufacture fewer than 3,500 barrels of malt liquor in a year, at any one licensed premises, the entire production of which is solely for consumption on tap on the licensed premises or for off-sale from that licensed premises. A brewer licensed under this clause must obtain a separate license for each licensed premises where the brewer brews malt liquor. A brewer licensed under this clause may not be licensed as an importer under this chapter	\$ 500
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	\$15,000
Duplicates	\$ 3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	\$ 2,000
(g) Wholesalers of intoxicating malt liquor	\$ 600
Duplicates	\$ 25
(h) Wholesalers of 3.2 percent malt liquor	\$ 10
(i) Brewers who manufacture fewer than 2,000 barrels of malt liquor in a year	\$ 150

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

Sec. 3. Minnesota Statutes 2002, section 340A.301, subdivision 7, is amended to read:

Subd. 7. [INTEREST IN OTHER BUSINESS.] (a) Except as provided in this subdivision, a

holder of a license as a manufacturer, brewer, importer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or 3.2 percent malt liquor license. The commissioner may not issue a license under this section to a manufacturer, brewer, importer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, importer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

(b) A brewer licensed under subdivision 6, clause (d), may be issued an on-sale intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant operated in the place of manufacture. ~~Malt liquor brewed by such a licensee may not be removed from the licensed premises unless the malt liquor is entered in a tasting competition where none of the malt liquor so removed is sold.~~ Notwithstanding section 340A.405, a brewer who holds an on-sale license issued pursuant to this paragraph may, with the approval of the commissioner, be issued a license by a municipality for off-sale of malt liquor produced and packaged on the licensed premises. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brewer is located, and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores. The malt liquor shall be packaged in 64-ounce containers commonly known as "growlers." The containers shall bear a twist type closure, cork, stopper, or plug. At the time of the sale, a paper or plastic adhesive band, strip, or sleeve shall be applied to the container and extend over the top of the twist type closure, cork, stopper, or plug forming a seal that must be broken upon opening of the container. The adhesive band, strip, or sleeve shall bear the name and address of the brewer. The containers shall be identified as malt liquor, contain the name of the malt liquor, bear the name and address of the brewer selling the malt liquor, and shall be considered intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100. A brewer's total retail sales at on- or off-sale under this paragraph may not exceed 3,500 barrels per year, provided that off-sales may not total more than 50 percent of the brewer's production or 1,000 barrels, whichever is less. A brewer licensed under subdivision 6, clause (d), may hold or have an interest in other retail on-sale licenses, but may not have an ownership interest in whole or in part, or be an officer, director, agent, or employee of, any other manufacturer, brewer, importer, or wholesaler, or be an affiliate thereof whether the affiliation is corporate or by management, direction, or control. Notwithstanding this prohibition, a brewer licensed under subdivision 6, clause (d), may be an affiliate or subsidiary company of a brewer licensed in Minnesota or elsewhere if that brewer's only manufacture of malt liquor is:

- (i) manufacture licensed under subdivision 6, clause (d);
- (ii) manufacture in another state for consumption exclusively in a restaurant located in the place of manufacture; or
- (iii) manufacture in another state for consumption primarily in a restaurant located in or immediately adjacent to the place of manufacture if the brewer was licensed under subdivision 6, clause (d), on January 1, 1995.

(c) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a or importer may have any interest, in whole or in part, directly or indirectly, in the license, business, assets, or corporate stock of a licensed malt liquor wholesaler.

Sec. 4. Minnesota Statutes 2002, section 340A.308, is amended to read:

340A.308 [PROHIBITED TRANSACTIONS.]

(a) Except as otherwise provided in section 340A.301, no brewer or malt liquor wholesaler may directly or indirectly, or through an affiliate or subsidiary company, or through an officer, director, stockholder, or partner:

- (1) give, or lend money, credit, or other thing of value to a retailer;

- (2) give, lend, lease, or sell furnishing or equipment to a retailer;
- (3) have an interest in a retail license; or
- (4) be bound for the repayment of a loan to a retailer.

(b) No retailer may solicit any equipment, fixture, supplies, money, or other thing of value from a brewer or malt liquor wholesaler if furnishing of these items by the brewer or wholesaler is prohibited by law and the retailer knew or had reason to know that the furnishing is prohibited by law.

(c) This section does not prohibit a manufacturer or wholesaler from:

(1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to \$400 excluding installation and repair costs;

(2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to \$300 in a year;

(3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to \$100 per tap in a year;

(4) using or renting property owned continually since November 1, 1933, for the purpose of selling intoxicating or 3.2 percent malt liquor at retail;

(5) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, or engaging in cooperative advertising agreements with a retailer in connection with the sale of nonalcoholic beverages only; or

(6) in the case of a wholesaler, with the prior written consent of the commissioner, selling beer on consignment to a holder of a temporary license under section 340A.403, subdivision 2, or 340A.404, subdivision 10.

Sec. 5. Minnesota Statutes 2002, section 340A.318, subdivision 3, is amended to read:

Subd. 3. [POSTING; NOTICE.] Verified lists or statements required by subdivision 2 shall be posted by the commissioner in offices of the department in places available for public inspection not later than the day Monday following receipt. Documents posted shall constitute notice to every distiller, manufacturer, or wholesaler of the information posted. Actual notice, however received, also constitutes notice.

Sec. 6. Minnesota Statutes 2002, section 340A.404, subdivision 2, is amended to read:

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

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

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, and to the American Swedish Institute for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American

Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

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

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, and the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

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

Sec. 7. Minnesota Statutes 2002, section 340A.413, subdivision 4, is amended to read:

Subd. 4. [EXCLUSIONS FROM LICENSE LIMITS.] On-sale intoxicating liquor licenses may be issued to the following entities by a city, in addition to the number authorized by this section:

- (1) clubs, or congressionally chartered veterans organizations;
- (2) ~~restaurants located at a racetrack licensed under chapter 240;~~
- (3) establishments that are issued licenses to sell wine under section 340A.404, subdivision 5; ~~and~~
- (4) ~~theaters that are issued licenses under section 340A.404, subdivision 2;~~
- (5) hotels; and
- (6) bowling centers.

Sec. 8. Minnesota Statutes 2002, section 340A.510, subdivision 1, is amended to read:

Subdivision 1. [SAMPLES AUTHORIZED.] ~~Off-sale licenses~~ Notwithstanding any other law, on- or off-sale retail licensees and municipal liquor stores may provide, or permit a licensed manufacturer or a wholesaler or its agents to provide on the premises of the retail licensee or municipal liquor store, samples of malt liquor, wine, liqueurs, cordials, and distilled spirits intoxicating liquor, which the retail licensee or municipal liquor store currently has in stock and is offering for sale to the general public without obtaining an additional license, provided the wine, liqueur, cordial, and distilled spirits and caps, tee shirts, or other promotional items. The samples are must be dispensed at no charge and consumed on the licensed premises during the permitted hours of off-sale sale in a quantity less than 100 milliliters of malt liquor per variety of malt liquor per customer, 50 milliliters of wine per variety of wine per customer, 25 milliliters of per variety of liqueur or cordial per customer, and 15 milliliters of distilled spirits per variety per customer.

Sec. 9. [CITY OF BLAINE; ON-SALE LICENSES.]

The city of Blaine may issue 15 on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized by this section.

Sec. 10. [CITY OF DULUTH; ON-SALE LICENSE.]

The city of Duluth may issue one on-sale intoxicating liquor license in addition to the number authorized by law for the St. Louis County Heritage and Arts Center, commonly known as the Duluth Depot. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized by this section.

Sec. 11. [CITY OF THIEF RIVER FALLS; LIQUOR LICENSES.]

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

Sec. 12. [CITY OF HASTINGS; ON-SALE LICENSES.]

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

Sec. 13. [CITY OF MAPLE GROVE; LIQUOR LICENSES.]

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

Sec. 14. [CITY OF SARTELL; ON-SALE LICENSES.]

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

Sec. 15. [CITY OF ST. MICHAEL; LIQUOR LICENSES.]

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

Sec. 16. [CITY OF WOODBURY; ON-SALE LICENSES.]

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

Sec. 17. [CITY OF WACONIA; LIQUOR LICENSES.]

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

Sec. 18. [MINNESOTA CENTENNIAL SHOWBOAT.]

The city of St. Paul may issue an on-sale intoxicating liquor license for the Minnesota Centennial Showboat, moored at 110 Yacht Club Road, Harriet Island, notwithstanding any law, local ordinance, or charter provision. The license must be issued to a holder of a river tour boat license under Minnesota Statutes, section 340A.404, subdivision 8. The license authorizes sales on all days of the week.

Sec. 19. [ELKO SPEEDWAY; ON-SALE LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.404, subdivision 1, the city of Elko may issue an on-sale intoxicating liquor license to the Elko Speedway in addition to the number authorized by law. The license may authorize sales only to persons attending racing events at the

speedway. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this provision, apply to the license authorized under this section. The license may be issued for a space that is not compact and contiguous, provided that the licensed premises may include only the space within the fenced grandstand area as described in the approved license application.

Sec. 20. [WINE LICENSES; STATE FAIR.]

(a) Notwithstanding Minnesota Statutes, sections 37.21 and 340A.412, subdivision 4, paragraph (a), clause (3), the city of St. Paul may issue a license to the holder of a state fair concessions contract with the state agricultural society which authorizes the licensee to sell Minnesota-produced wine by the glass at the state fair in connection with the sale of food by the concessionaire. All provisions of Minnesota Statutes, chapter 340A, not inconsistent herewith, apply to licenses issued under this section.

(b) For purposes of this section "Minnesota-produced wine" means wine produced by a farm winery licensed under Minnesota Statutes, section 340A.315, and made from at least 75 percent Minnesota grown grapes, grape juice, other juices, and honey.

Sec. 21. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to liquor; allowing brewpubs to make off-sales of the brewpub's own product under certain circumstances; authorizing certain local on-sale licenses; amending Minnesota Statutes 2002, sections 340A.301, subdivisions 1, 6, 7; 340A.308; 340A.318, subdivision 3; 340A.404, subdivision 2; 340A.413, subdivision 4; 304A.510, subdivision 1."

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

**Senator Anderson from the Committee on Commerce and Utilities, to which was referred**

**S.F. No. 1260:** A bill for an act relating to public utilities; making changes to the telephone assistance plan; amending Minnesota Statutes 2002, sections 237.70, subdivisions 2, 3, 4a, 5, 6, 7; 237.701, subdivision 1.

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

**Senator Anderson from the Committee on Commerce and Utilities, to which was re-referred**

**S.F. No. 613:** A bill for an act relating to health; modifying enrollee cost sharing provisions for health maintenance organizations; amending Minnesota Statutes 2002, section 62D.095, subdivision 2, by adding a subdivision.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Finance without recommendation. Report adopted.

**Senator Anderson from the Committee on Commerce and Utilities, to which was referred**

**S.F. No. 1205:** A bill for an act relating to taxation; property taxes; providing that certain personal property at an electric generation facility is exempt from taxation; amending Minnesota Statutes 2002, section 272.02, by adding a subdivision.

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

**Senator Anderson from the Committee on Commerce and Utilities, to which was referred**

**S.F. No. 776:** A bill for an act relating to insurance; regulating the insurance guaranty association; amending Minnesota Statutes 2002, sections 60C.02, subdivision 1; 60C.03, subdivisions 5, 9; 60C.04; 60C.05, subdivision 1; 60C.07, subdivision 2; 60C.09; 60C.11, subdivision 7; 60C.16; repealing Minnesota Statutes 2002, section 60C.18.

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

Page 2, line 4, after the semicolon, insert "or"

Page 2, delete line 5

Page 2, line 6, delete "(13)" and insert "(12)"

Pages 2 and 3, delete section 4

Page 8, after line 36, insert:

"Sec. 9. Minnesota Statutes 2002, section 72A.501, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] (a) If the authorization is signed to collect information in connection with an application for a property and casualty insurance policy, a policy reinstatement, or a request for a change in benefits, the authorization must not remain valid for longer than one year from the date the authorization is signed or the date the insurer grants or denies coverage, reinstatement, or change in benefits, whichever is sooner.

(b) If the authorization is signed to collect information in connection with an application for a life, disability, and health insurance policy or contract, reinstatement, or request for change in benefits, the authorization may not remain valid for longer than 26 months from the date the authorization is signed.

(c) This section does not apply to the collection and use of a numeric product referred to as an insurance score or credit score that is used by a licensed insurance agent exclusively for the purpose of underwriting or rating an insurance policy, if the agent informs the policyholder or prospective policyholder requesting the insurance coverage that an insurance score or credit score will be obtained for the purpose of underwriting or rating the policy.

Page 9, line 2, after the second comma, insert "subdivision 2,"

Page 9, line 4, delete "10" and insert "8"

Page 9, line 6, after the period, insert "Sections 9 and 10 are effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "regulating the collection and use of certain insurance information;"

Page 1, line 5, delete "60C.04;"

Page 1, line 7, after the semicolon, insert "72A.501, subdivision 2;"

Page 1, line 8, before the period, insert ", subdivision 2"

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

**Senator Anderson from the Committee on Commerce and Utilities, to which was referred**

**S.F. No. 1240:** A bill for an act relating to insurance; making various changes in enforcement of mandatory automobile insurance; amending Minnesota Statutes 2002, sections 169.791,

subdivision 1; 169.792, subdivision 5; 169.796, by adding a subdivision; 169.797, subdivisions 4, 4a; 169.798, subdivision 1, by adding a subdivision; 171.20, subdivision 4; 171.182, subdivision 2; repealing Minnesota Statutes 2002, sections 169.792, subdivision 12; 169.794; 169.799; Minnesota Rules, part 7413.0400.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 169.791, subdivision 1, is amended to read:

Subdivision 1. [TERMS DEFINED.] (a) For purposes of this section and sections 169.792 to ~~169.799~~ 169.798, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of public safety.

(c) "District court administrator" or "court administrator" means the district court administrator or a deputy district court administrator of the district court that has jurisdiction of a violation of this section.

(d) "Insurance identification card" means a card issued by an obligor to an insured stating that security as required by section 65B.48 has been provided for the insured's vehicle.

(e) "Law enforcement agency" means the law enforcement agency that employed the peace officer who demanded proof of insurance under this section or section 169.792.

(f) "Peace officer" or "officer" means an employee of a political subdivision or state law enforcement agency, including the Minnesota state patrol, who is licensed by the Minnesota board of peace officer standards and training and is authorized to make arrests for violations of traffic laws.

(g) "Proof of insurance" means an insurance identification card, written statement, or insurance policy as defined by section 65B.14, subdivision 2.

(h) "Vehicle" means a motor vehicle as defined in section 65B.43, subdivision 2, or a motorcycle as defined in section 65B.43, subdivision 13.

(i) "Written statement" means a written statement by a licensed insurance agent stating the name and address of the insured, the vehicle identification number of the insured's vehicle, that a plan of reparation security as required by section 65B.48 has been provided for the insured's vehicle, and the dates of the coverage.

(j) The definitions in section 65B.43 apply to sections 169.792 to ~~169.799~~ 169.798.

Sec. 2. Minnesota Statutes 2002, section 169.796, is amended by adding a subdivision to read:

Subd. 3. [SAMPLING TO VERIFY INSURANCE COVERAGE.] (a) The commissioner of public safety must implement a monthly sampling program to verify insurance coverage. The sample must annually include at least two percent of all drivers who own motor vehicles, as defined in section 168.011, licensed in the state, half of whom during the previous year have been convicted of at least one vehicle insurance law violation, have had a driver's license revoked or suspended due to habitual violation of traffic laws, have had no insurance in effect at the time of a reportable crash, or have been convicted of an alcohol-related motor vehicle offense. No sample may be selected based on race, religion, physical or mental disability, economic status, or geographic location.

(b) The commissioner must request each vehicle owner included in the sample to furnish insurance coverage information to the commissioner within 30 days. The request must require the owner to state whether or not all motor vehicles owned by that person were insured on the verification date stated in the commissioner's request. The request may require, but is not limited to, a signed statement by the owner that the information is true and correct, the names and addresses of insurers, policy numbers, and expiration or renewal dates of insurance coverage.



(c) The commissioner must conduct a verification of the response by transmitting necessary information to the insurance companies named in the owner's response.

(d) The insurance companies must electronically notify the commissioner, within 30 days of the commissioner's request, of any false statements regarding coverage.

(e) The commissioner must suspend, without preliminary hearing, the driver's license, if any, of a vehicle owner who falsely claims coverage, who indicates that coverage was not in effect at the time specified in the request, or who fails to respond to the commissioner's request to furnish proof of insurance. The commissioner must comply with the notice requirement of section 171.18, subdivision 2.

(f) Before reinstatement of the registration, there must be filed with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in the state stating that security has been provided as required by section 65B.48. The commissioner of public safety may require the certificate of insurance provided to satisfy this subdivision to be certified by the insurance carrier for a period not to exceed one year. The commissioner of public safety may also require a certificate of insurance to be filed with respect to all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been suspended as provided in this section before reinstating the person's driver's license.

Sec. 3. Minnesota Statutes 2002, section 169.797, subdivision 4a, is amended to read:

Subd. 4a. [REGISTRATION REVOCATION AND LICENSE SUSPENSION.] The commissioner of public safety shall revoke the registration of any vehicle and ~~may~~ must suspend the driver's license of any operator, without preliminary hearing upon a showing by department records, including accident reports required to be submitted by section 169.09, or other sufficient evidence that security required by section 65B.48 has not been provided and maintained. Before reinstatement of the registration, there shall be filed with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in the state stating that security has been provided as required by section 65B.48. The commissioner of public safety may require the certificate of insurance provided to satisfy this subdivision to be certified by the insurance carrier to be noncancelable for a period not to exceed one year. The commissioner of public safety may also require a certificate of insurance to be filed with respect to all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been suspended or revoked as provided in this section before reinstating the person's driver's license.

Sec. 4. Minnesota Statutes 2002, section 169.798, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner of public safety shall have the power and perform the duties imposed by sections 65B.41 to 65B.71, this section, and sections 169.797 and ~~169.799~~ 169.798, and may adopt rules to implement and provide effective administration of the provisions requiring security and governing termination of security.

Sec. 5. Minnesota Statutes 2002, section 169.798, is amended by adding a subdivision to read:

Subd. 4. [ATTESTATION OF INSURANCE REQUIRED.] Every owner, when applying for motor vehicle or motorcycle registration, reregistration, or transfer of ownership, must attest that the motor vehicle or motorcycle is covered by an insurance policy.

Sec. 6. Minnesota Statutes 2002, section 171.20, subdivision 4, is amended to read:

Subd. 4. [REINSTATEMENT FEE.] (a) Before the license is reinstated, (1) a person whose driver's license has been suspended under section 171.16, subdivision 2; 171.18, except subdivision 1, clause (10); or 171.182, or who has been disqualified from holding a commercial driver's license under section 171.165, and (2) a person whose driver's license has been suspended under section 171.186 and who is not exempt from such a fee, must pay a fee of \$20.

(b) Before the license is reinstated, a person whose license has been suspended or revoked under sections 169.791 to 169.798 must pay a \$30 reinstatement fee.

(c) When fees are collected by a licensing agent appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fee and surcharge must be deposited in an approved state depository as directed under section 171.061, subdivision 4.

(d) A suspension may be rescinded without fee for good cause.

Sec. 7. [REPEALER.] IN> (a) Minnesota Statutes 2002, section 169.792, subdivision 12, is repealed.

(b) Minnesota Statutes 2002, section 169.794, is repealed.

(c) Minnesota Statutes 2002, section 169.799, is repealed.

(d) Minnesota Rules, part 7413.0400, is repealed.

(e) Minnesota Rules, part 7413.0500, is repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective January 1, 2004."

Delete the title and insert:

"A bill for an act relating to insurance; making various changes in enforcement of mandatory automobile insurance; amending Minnesota Statutes 2002, sections 169.791, subdivision 1; 169.796, by adding a subdivision; 169.797, subdivision 4a; 169.798, subdivision 1, by adding a subdivision; 171.20, subdivision 4; repealing Minnesota Statutes 2002, sections 169.792, subdivision 12; 169.794; 169.799; Minnesota Rules, parts 7413.0400; 7413.0500."

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

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

**S.F. No. 289:** A bill for an act relating to real property; specifying limitation of actions based on breach; amending Minnesota Statutes 2002, section 327A.02, by adding a subdivision.

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

Page 1, after line 16, insert:

"Sec. 2. Minnesota Statutes 2002, section 541.051, subdivision 4, is amended to read:

Subd. 4. [APPLICABILITY.] This section shall not apply to actions based on breach of the statutory warranties set forth in section 327A.02, or to actions based on breach of an express written warranty, provided such actions shall be brought within two years of the discovery of the breach or as otherwise provided in section 327A.02."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections" and before the period, insert "; 541.051, subdivision 4"

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

**Senator Kelley from the Committee on Education, to which was referred**

**S.F. No. 1376:** A bill for an act relating to higher education; Minnesota state colleges and universities; making various clarifying, technical, and conforming changes; making changes to benefit provisions; expanding purchasing and contracting authority; providing for treatment of certain easements; authorizing the board of trustees to accept and manage federal money;

amending Minnesota Statutes 2002, sections 136F.40, subdivision 2; 136F.45, subdivision 1; 136F.581, subdivisions 1, 2; 136F.59, subdivision 3; 136F.60, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 136F; repealing Minnesota Statutes 2002, sections 135A.033; 135A.053, subdivision 2; 136F.13; 136F.56; 136F.582; 136F.59, subdivision 2.

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

Page 2, after line 25, insert:

"Sec. 3. Minnesota Statutes 2002, section 136F.45, subdivision 2, is amended to read:

Subd. 2. [DEPOSITS; PAYMENT.] All amounts so allocated shall be deposited in an annuity account established by the board. Payment of ~~annuity premiums~~ custodial account contributions shall be made when due or in accordance with the salary agreement entered into between the employee and the board. The money in the ~~annuity~~ account is not subject to the budget, allotment, and incumbrance system provided for in chapter 16A."

Page 2, lines 29 and 30, reinstate the stricken language

Page 2, line 34, delete everything before "any"

Page 3, line 23, strike "system" and after "office" insert "of the chancellor"

Page 3, lines 26 to 30, reinstate the stricken language

Page 4, line 1, after "(b)" insert "The board may grant a revocable easement or permit under this paragraph."

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

Page 4, line 29, delete "subdivision 2;"

Page 4, line 32, delete "8" and insert "9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, delete "subdivision" and insert "subdivisions" and before the semicolon, insert ", 2"

Page 1, line 14, delete "135A.033; 135A.053, subdivision 2;"

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

**Senator Hottinger, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 850** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

**GENERAL ORDERS**

H.F. No.            S.F. No.

**CONSENT CALENDAR**

H.F. No.            S.F. No.

850

841

**CALENDAR**

H.F. No.            S.F. No.

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 850 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 850 and insert the language after the enacting clause of S.F. No. 841, the first engrossment; further, delete the title of H.F. No. 850 and insert the title of S.F. No. 841, the first engrossment.

And when so amended H.F. No. 850 will be identical to S.F. No. 841, and further recommends that H.F. No. 850 be substituted for S.F. No. 841, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

**Senator Hottinger, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 1112** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		1112	1185		

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1112 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1112 and insert the language after the enacting clause of S.F. No. 1185, the second engrossment; further, delete the title of H.F. No. 1112 and insert the title of S.F. No. 1185, the second engrossment.

And when so amended H.F. No. 1112 will be identical to S.F. No. 1185, and further recommends that H.F. No. 1112 be substituted for S.F. No. 1185, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

**Senator Anderson from the Committee on Commerce and Utilities, to which was referred**

**S.F. No. 937:** A bill for an act relating to technology business; amending Minnesota Statutes 2002, sections 326.01, subdivision 6m; 326.242, subdivisions 3d, 8, 12; 326.2421, subdivision 2; 326.244, subdivisions 1a, 5; repealing Minnesota Statutes 2002, sections 326.01, subdivision 6d; 326.2421, subdivisions 3, 4, 6, 8.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 326.01, subdivision 6m, is amended to read:

Subd. 6m. [PROCESS CONTROL CIRCUITS OR SYSTEMS.] "Process control circuits or systems" are circuits or systems, regardless of electrical classification, that are integrated with a manufacturing, mining, energy, finishing, conveyance of equipment or product, material handling or packaging process that makes or assembles, or similar process. Process control systems does not include premises network and communication systems whose purpose or function is not dedicated to process control circuits or systems.

Sec. 2. Minnesota Statutes 2002, section 326.242, subdivision 3d, is amended to read:

Subd. 3d. [POWER LIMITED TECHNICIAN.] (a) Except as otherwise provided by law, no person shall install, alter, repair, plan, lay out, or supervise the installing, altering, or repairing of electrical wiring, apparatus, or equipment for technology circuits or systems unless:

- (1) the person is licensed by the board as a power limited technician; and
- (2) the electrical work is:

(i) for a licensed contractor and the person is an employee, partner, or officer of, or is the licensed contractor; or

(ii) performed under the supervision of a master electrician or power limited technician also employed by the person's employer on technology circuits, systems, apparatus, equipment, or facilities owned or leased by the employer that are located within the limits of property owned or leased, operated, and maintained by the employer.

(b) An applicant for a power limited technician's license shall (1) be a graduate of a four-year electrical course in an accredited college or university; or (2) have had at least 36 months' experience, acceptable to the board, in planning for, laying out, supervising, and installing wiring, apparatus, or equipment for power limited systems, provided however, that the board may by rule provide for the allowance of up to 12 months (2,000 hours) of experience credit for successful completion of a two-year post high school electrical course or other technical training approved by the board.

(c) The board may initially set experience requirements without rulemaking, but must adopt rules before July 1, 2003 2004.

(d) Licensees must attain eight hours of continuing education acceptable to the board every renewal period.

(e) A person who has submitted an application by June 30, 2003, to take the alarm and communications examination administered by the board, and who has achieved a minimal score of 70 percent on an alarm and communication examination administered by the board before April 30 the examination by September 30, 2003, may obtain a power limited technician license without further examination by submitting an application and a license fee of \$30.

(f) A company holding an alarm and communication license as of June 30, 2003, may designate one person who may obtain a power limited technician license without passing an examination administered by the board by submitting an application and license fee of \$30.

Sec. 3. Minnesota Statutes 2002, section 326.242, subdivision 8, is amended to read:

Subd. 8. [LICENSE AND RENEWAL FEES.] All licenses issued hereunder shall expire in a manner as provided by the board. Fees, as set by the board, shall be payable for examination, issuance and renewal of the following:

(1) For examination:

Class A Master.

Class B Master.

Class A Journeyman, Class B Journeyman, Installer, ~~Alarm and Communications Contractor,~~  
Power Limited Technician, or Special Electrician.

(2) For issuance of original license and renewal:

Class A Master.

Class B Master.

Power Limited Technician.

Class A Journeyman, Class B Journeyman, Installer, or Special Electrician.

Electrical contractor.

~~Alarm and Communication System Contractor.~~

Technology Systems Contractor.

(3) An individual or contractor who fails to renew a license before 30 days after the expiration of the license must submit a late fee equal to one year's license fee in addition to the full renewal fee. Fees for renewed licenses are not prorated. An individual or contractor that fails to renew a license by the expiration date is unlicensed until the license is renewed.

Sec. 4. Minnesota Statutes 2002, section 326.242, subdivision 12, is amended to read:

Subd. 12. [EXEMPTIONS FROM LICENSING.] (a) A maintenance electrician who is supervised by the responsible master electrician for a contractor who has contracted with the maintenance electrician's employer to provide services for which a contractor's license is required or by a master electrician or an electrical engineer registered with the board and who is an employee of an employer and is engaged in the maintenance, and repair of electrical equipment, apparatus, and facilities owned or leased by the employer, and performed within the limits of property which is owned or leased and operated and maintained by said employer, shall not be required to hold or obtain a license under sections 326.241 to 326.248.

(b) Employees of a licensed electrical or technology systems contractor or other employer where provided with supervision by a master electrician in accordance with subdivision 1, or power limited technician in accordance with subdivision 3d, paragraph (a), clause (1), are not required to hold a license under sections 326.241 to 326.248 for the planning, laying out, installing, altering, and repairing of technology circuits or systems except planning, laying out, or installing:

(1) in other than residential dwellings, class 2 or class 3 remote control circuits that control circuits or systems other than class 2 or class 3, except circuits that interconnect these systems through communication, alarm, and security systems are exempted from this paragraph;

(2) class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing physically unprotected circuits other than class 2 or class 3; or

(3) technology circuits and systems in hazardous classified locations as covered by chapter 5 of the National Electrical Code.

(c) Companies and their employees that plan, lay out, install, alter, or repair class 2 and class 3 remote control wiring associated with plug or cord and plug connected appliances other than security or fire alarm systems installed in a residential dwelling are not required to hold a license under sections 326.241 to 326.248.

(d) Heating, ventilating, air conditioning, and refrigeration contractors and their employees are not required to hold or obtain a license under sections 326.241 to 326.248 when performing heating, ventilating, air conditioning, or refrigeration work as described in section 326.245.

(e) Employees of any electric, communications, or railway utility, cable communications company as defined in section 238.02, or a telephone company as defined under section 237.01 or its employees, or of any independent contractor performing work on behalf of any such utility, cable communications company, or telephone company, shall not be required to hold a license under sections 326.241 to 326.248:

(1) while performing work on installations, materials, or equipment which are owned or leased, and operated and maintained by such utility, cable communications company, or telephone company in the exercise of its utility, antenna, or telephone function, and which

(i) are used exclusively for the generation, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence and do not have as a principal function the consumption or use of electric current or provided service by or for the benefit of any person other than such utility, cable communications company, or telephone company, and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction, and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(2) while performing work on installations, materials, or equipment which are a part of the street lighting operations of such utility; or

(3) while installing or performing work on outdoor area lights which are directly connected to a utility's distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction.

(f) An owner shall not be required to hold or obtain a license under sections 326.241 to 326.248.

Sec. 5. Minnesota Statutes 2002, section 326.2421, subdivision 2, is amended to read:

Subd. 2. [EXEMPTION.] ~~No person or company exempt under subdivision 1 or licensed pursuant to section 326.242, subdivision 4 or 6, licensed power limited technician, technology system contractor, or individual employed by a technology system contractor may be required to obtain any authorization, permit, franchise, or license from, or pay any fee, franchise tax, or other assessment to, any agency, department, board, or political subdivision of the state as a condition for performing any work described herein within the scope of the license.~~

Sec. 6. Minnesota Statutes 2002, section 326.244, subdivision 1a, is amended to read:

Subd. 1a. [TECHNOLOGY SYSTEMS.] (a) The installation of the technology circuits or systems described in paragraph (b), except:

(1) minor work performed by a contractor;

(2) work performed by a heating, ventilating, or air conditioning contractor as described in section 326.245; and

(3) work performed by cable company employees when installing cable communications systems or telephone company employees when installing telephone systems,

must be inspected as provided in this section for compliance with the applicable provisions of the National Electrical Code and the applicable provisions of the National Electrical Safety Code, as those codes were approved by the American National Standards Institute.

(b) The inspection requirements in paragraph (a) apply to:

(1) remote control circuits controlling class 2 or class 3 remote control circuits that control circuits or systems other than class 2 or class 3 and indoor lighting, except circuits that interconnect these systems exempted by section 326.242, subdivision 12, paragraph (b), other than fire alarm; class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing physically unprotected circuits other than class 2 or class 3; or technology circuits and systems in hazardous classified locations as covered by chapter 5 of the National Electrical Code;

(2) fire alarm systems, other than in one- or two-family dwellings, as defined in article articles 100 and 760 of the National Electrical Code;

(3) critical health and medical facilities technology circuits and systems contained within critical care areas of health care facilities as defined by the safety standards identified in section 326.243, including, but not limited to, anesthesia and resuscitative alarm and alerting systems, medical monitoring, and nurse call systems; and

(4) physical security systems within detention facilities.

(c) For the purposes of this subdivision "minor work" means the adjustment or repair and replacement of worn or defective parts of a technology circuit or system. Minor work may be inspected under this section at the request of the owner of the property or the person doing the work.

(d) Notwithstanding this subdivision, if an electrical inspector observes that a contractor, employer, or owner has not complied with accepted standards when the work was performed, as provided in the most recent editions of the National Electrical Code and the National Electrical Safety Code as approved by the American National Standards Institute, the inspector may order the contractor, employer, or owner who has performed the work to file a request for electrical inspection, pay an inspection fee, and make any necessary repairs to comply with applicable standards and require that the work be inspected.

Sec. 7. Minnesota Statutes 2002, section 326.244, subdivision 5, is amended to read:

Subd. 5. [EXEMPTIONS FROM INSPECTIONS.] Installations, materials, or equipment shall not be subject to inspection under sections 326.241 to 326.248:

(1) when owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under sections 326.241 to 326.248, while performing electrical maintenance work only as defined by board rule;

(2) when owned or leased, and operated and maintained by any electric, communications, or railway utility, cable communications company as defined in section 238.02, or telephone company as defined under section 237.01, in the exercise of its utility, antenna, or telephone function; and

(i) are used exclusively for the generations, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence, and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility, cable communications company, or telephone company; and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(3) when used in the street lighting operations of an electric utility;

(4) when used as outdoor area lights which are owned and operated by an electric utility and which are connected directly to its distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction;

(5) when the installation, material, and equipment are in facilities subject to the jurisdiction of the federal Mine Safety and Health Act; or

(6) when the installation, material, and equipment is part of an elevator installation for which the elevator contractor, licensed under section 326.242, is required to obtain a permit from the authority having jurisdiction as provided by section 16B.747, and the inspection has been or will be performed by an elevator inspector certified by the department of administration and licensed by the board of electricity. This exemption shall apply only to installations, material, and equipment permitted or required to be connected on the load side of the disconnecting means required for elevator equipment under National Electric Code Article 620, and elevator communications and alarm systems within the machine room, car, hoistway, or elevator lobby.

Sec. 8. [REPEALER.]

Minnesota Statutes 2002, sections 326.01, subdivision 6d; and 326.2421, subdivisions 3, 4, 6, and 8, are repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 through 7 are effective the day following final enactment. Section 8 is effective July 1, 2003."



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

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

**S.F. No. 2:** A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; requiring certain studies and reports; authorizing sale of state bonds; appropriating money; amending Laws 2002, chapter 393, section 19, subdivision 2.

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

Page 26, line 38, delete "2003" and insert "2005"

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 1340, 1225, 962, 418, 1078, 343, 990, 370, 1252, 143, 1260, 776, 289, 937 and 2 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 547, 859, 850 and 1112 were read the second time.

**MOTIONS AND RESOLUTIONS**

Senator Murphy moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Dibble be shown as chief author to S.F. No. 1263. The motion prevailed.

Senator Rest moved that the names of Senators Wiger and Limmer be added as co-authors to S.F. No. 506. The motion prevailed.

**Senators Hottinger and Day introduced--**

**Senate Resolution No. 67:** A Senate resolution amending Temporary Rule 45.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Temporary Rules of the Senate for the 83rd Legislature are amended as follows:

Delete Rule 45 and insert:

**45. COMPARISON AND SUBSTITUTION OF BILLS**

45.1 A House bill, after its first reading, must be referred as follows, unless there is a motion by the Chair of the Committee on Rules and Administration or a designee of the Chair or objection under Rule 4.9:

(a) If there is no Senate companion bill, the House bill must be referred to the appropriate standing committee.

(b) If there is a Senate companion bill, the House bill must be referred to the standing committee possessing the Senate companion.

(c) If the Senate companion bill has been reported to the Senate, the House bill must be referred to the Committee on Rules and Administration, which shall report whether the House bill is identical to the Senate companion bill. If the bills are identical, the report must recommend that

the House bill be given its second reading and substituted for the Senate companion bill and the Senate companion bill be indefinitely postponed. If the House bill is not identical to the Senate companion bill, the report of the committee must recommend an amendment to the House bill that when adopted will render the House bill identical to the Senate bill. Upon adoption of a committee report containing the proposed amendment, the House bill as amended must be given its second reading and substituted for the Senate companion bill and the Senate companion bill must be indefinitely postponed.

45.2 The Secretary shall prepare and submit reports under this rule on behalf of the Committee on Rules and Administration.

45.3 A House bill placed on the Calendar by substitution must not be given its third reading on the same day as the substitution.

Senator Hottinger moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

### SPECIAL ORDERS

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

S.F. Nos. 296, 350, 515, 1197, 484, 1064, 1098, 420, 1080, 1015, 1071 and 1282.

### SPECIAL ORDER

**S.F. No. 296:** A bill for an act relating to education; renaming the department of children, families, and learning to department of education; making conforming changes to reflect the department name change; amending Minnesota Statutes 2002, sections 15.01; 119A.01, subdivision 2; 119A.02, subdivisions 2, 3; 119B.011, subdivisions 8, 10; 120A.02; 120A.05, subdivisions 4, 7; 127A.05, subdivisions 1, 3; repealing Minnesota Statutes 2002, section 119A.01, subdivision 1.

Senator Michel moved that S.F. No. 296 be laid on the table. The motion prevailed.

### SPECIAL ORDER

**S.F. No. 350:** A bill for an act relating to insurance; regulating the FAIR plan; amending Minnesota Statutes 2002, sections 65A.29, subdivision 4; 65A.32; 65A.33, subdivisions 4, 6, 9, by adding subdivisions; 65A.34; 65A.35; 65A.36; 65A.37; 65A.375; 65A.38, subdivisions 1, 5; 65A.40; 65A.41; 65A.42; repealing Minnesota Statutes 2002, section 65A.33, subdivision 5.

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 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Johnson, D.J.	Langseth	Neuville
Bachmann	Dille	Jungbauer	LeClair	Nienow
Bakk	Fischbach	Kelley	Limmer	Olson
Belanger	Foley	Kierlin	Lourey	Pappas
Berglin	Frederickson	Kiscaden	Marko	Pariseau
Betzold	Gaither	Kleis	Marty	Pogemiller
Chaudhary	Hann	Knutson	Metzen	Ranum
Cohen	Higgins	Koering	Michel	Reiter
Day	Hottinger	Kubly	Moua	Rest

Robling	Sams	Senjem	Solon	Wergin
Rosen	Saxhaug	Skoe	Sparks	Wiger
Ruud	Scheid	Skoglund	Stumpf	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 515:** A bill for an act relating to criminal justice; modifying structure of financial crimes task force and modifying related policies; repealing sunset provision; amending Minnesota Statutes 2002, section 299A.68.

Senator Skoglund moved to amend S.F. No. 515 as follows:

Page 5, line 14, delete "board" and insert "committee"

The motion prevailed. So the amendment was adopted.

S.F. No. 515 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Knutson	Moua	Sams
Bachmann	Frederickson	Koering	Neuville	Saxhaug
Bakk	Gaither	Kubly	Nienow	Scheid
Belanger	Hann	Langseth	Pappas	Senjem
Berglin	Higgins	Larson	Pariseau	Skoe
Betzold	Hottinger	LeClair	Pogemiller	Skoglund
Chaudhary	Johnson, D.J.	Limmer	Ranum	Solon
Cohen	Jungbauer	Lourey	Reiter	Stumpf
Day	Kelley	Marko	Rest	Wergin
Dibble	Kierlin	Marty	Robling	Wiger
Dille	Kiscaden	Metzen	Rosen	
Fischbach	Kleis	Michel	Ruud	

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

### SPECIAL ORDER

**S.F. No. 1197:** A bill for an act relating to state employees; making technical and housekeeping changes; amending Minnesota Statutes 2002, sections 43A.08, subdivision 1a; 43A.30, subdivision 5; 43A.319; repealing Minnesota Statutes 2002, section 43A.181.

Senator Betzold moved to amend S.F. No. 1197 as follows:

Page 3, delete section 4

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Wergin moved that S.F. No. 1197 be laid on the table. The motion prevailed.

### SPECIAL ORDER

**S.F. No. 484:** A bill for an act relating to counties; authorizing counties to require the dedication of land for public parks; providing certain terms and conditions for the dedication; amending Minnesota Statutes 2002, section 394.25, subdivision 7.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kiscaden	Metzen	Ruud
Bachmann	Foley	Kleis	Michel	Sams
Bakk	Frederickson	Knutson	Moua	Saxhaug
Belanger	Gaither	Kubly	Neuville	Senjem
Berglin	Hann	Langseth	Nienow	Skoe
Betzold	Higgins	Larson	Olson	Skoglund
Chaudhary	Hottinger	LeClair	Pappas	Solon
Cohen	Johnson, D.J.	Limmer	Pogemiller	Sparks
Day	Jungbauer	Lourey	Ranum	Stumpf
Dibble	Kelley	Marko	Rest	Wergin
Dille	Kierlin	Marty	Robling	Wiger

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 1064:** A bill for an act relating to child labor; exempting certain minors from minimum age restrictions for work as soccer assistant referees; amending Minnesota Statutes 2002, section 181A.07, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Knutson	Moua	Sams
Bachmann	Frederickson	Koering	Neuville	Scheid
Bakk	Gaither	Kubly	Nienow	Senjem
Belanger	Hann	Langseth	Olson	Skoe
Berglin	Higgins	Larson	Pappas	Skoglund
Betzold	Hottinger	LeClair	Pariseau	Solon
Chaudhary	Johnson, D.J.	Limmer	Pogemiller	Sparks
Cohen	Jungbauer	Lourey	Ranum	Stumpf
Day	Kelley	Marko	Reiter	Wergin
Dibble	Kierlin	Marty	Rest	Wiger
Dille	Kiscaden	Metzen	Robling	
Fischbach	Kleis	Michel	Rosen	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 1098:** A bill for an act relating to occupational safety and health; eliminating certain responsibilities of the commissioner of health; increasing penalty limits for certain violations; amending Minnesota Statutes 2002, sections 182.65, subdivision 2; 182.656, subdivision 1; 182.66, subdivision 2; 182.666, subdivision 2.

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 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Koering	Neuville	Sams
Bachmann	Gaither	Kubly	Nienow	Scheid
Bakk	Hann	Langseth	Olson	Senjem
Belanger	Higgins	Larson	Pappas	Skoe
Berglin	Hottinger	LeClair	Pariseau	Skoglund
Betzold	Johnson, D.J.	Limmer	Pogemiller	Solon
Chaudhary	Jungbauer	Lourey	Ranum	Sparks
Cohen	Kelley	Marko	Reiter	Stumpf
Day	Kierlin	Marty	Rest	Wergin
Dibble	Kiscaden	Metzen	Robling	Wiger
Dille	Kleis	Michel	Rosen	
Foley	Knutson	Moua	Ruud	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 420:** A bill for an act relating to consumer protection; regulating membership travel contracts; amending Minnesota Statutes 2002, sections 325G.50; 325G.51; proposing coding for new law in Minnesota Statutes, chapter 325G.

Senator Wiger moved to amend S.F. No. 420 as follows:

Page 3, line 28, after "selling" insert "in Minnesota, and the length of time that the membership travel operator has been selling in states other than Minnesota,"

Page 3, line 31, after "of" insert "Minnesota" and after "purchasers" insert "of membership travel contracts"

Page 3, line 32, after "who" insert "exercised their right to cancel," and after "refund" insert a comma

Page 3, line 33, before the semicolon, insert ", or if the travel club has been operating in Minnesota for less than two years, the number of membership travel contracts that have been sold in Minnesota and the number of these customers who have exercised their right to cancel, requested a refund, or made a complaint as required to be recorded in subdivision 4"

Page 4, line 36, after "requested" insert ", in writing or orally,"

Page 5, line 2, after "contract" insert ", the solicitation for the contract,"

Page 5, line 3, after "contract" insert "sale"

The motion prevailed. So the amendment was adopted.

S.F. No. 420 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kelley	Lourey	Pariseau
Bachmann	Fischbach	Kierlin	Marko	Pogemiller
Bakk	Foley	Kiscaden	Marty	Ranum
Belanger	Frederickson	Kleis	Metzen	Reiter
Berglin	Gaither	Knutson	Michel	Rest
Betzold	Hann	Koering	Moua	Robling
Chaudhary	Higgins	Kubly	Neuville	Rosen
Cohen	Hottinger	Langseth	Nienow	Ruud
Day	Johnson, D.J.	Larson	Olson	Sams
Dibble	Jungbauer	LeClair	Pappas	Scheid

Senjem  
Skoe

Skoglund  
Solon

Sparks  
Stumpf

Wergin

Wiger

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

### SPECIAL ORDER

**S.F. No. 1080:** A bill for an act relating to veterans homes; updating and correcting certain language; amending Minnesota Statutes 2002, sections 198.001, by adding a subdivision; 198.004, subdivision 1; 198.005; 198.007; repealing Minnesota Statutes 2002, sections 198.001, subdivision 7; 198.002, subdivision 5; 198.003, subdivision 2.

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 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Knutson	Moua	Sams
Bachmann	Frederickson	Koering	Neuville	Scheid
Bakk	Gaither	Kubly	Nienow	Senjem
Belanger	Hann	Langseth	Olson	Skoe
Berglin	Higgins	Larson	Pappas	Skoglund
Betzold	Hottinger	LeClair	Pariseau	Solon
Chaudhary	Johnson, D.J.	Limmer	Pogemiller	Sparks
Cohen	Jungbauer	Lourey	Ranum	Stumpf
Day	Kelley	Marko	Reiter	Wergin
Dibble	Kierlin	Marty	Rest	Wiger
Dille	Kiscaden	Metzen	Robling	
Fischbach	Kleis	Michel	Rosen	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 1015:** A bill for an act relating to veterans affairs; permitting the commissioner of veterans affairs access to taxpayer identification information to notify veterans of health hazards that might affect them; amending Minnesota Statutes 2002, section 270B.14, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Knutson	Moua	Ruud
Bachmann	Frederickson	Koering	Neuville	Sams
Bakk	Gaither	Kubly	Nienow	Scheid
Belanger	Hann	Langseth	Olson	Senjem
Berglin	Higgins	Larson	Pappas	Skoe
Betzold	Hottinger	LeClair	Pariseau	Skoglund
Chaudhary	Johnson, D.J.	Limmer	Pogemiller	Solon
Cohen	Jungbauer	Lourey	Ranum	Sparks
Day	Kelley	Marko	Reiter	Stumpf
Dibble	Kierlin	Marty	Rest	Wergin
Dille	Kiscaden	Metzen	Robling	Wiger
Fischbach	Kleis	Michel	Rosen	

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

**S.F. No. 1071:** A bill for an act relating to health; applying licensure regulations and requirements to the alkaline hydrolysis process; amending Minnesota Statutes 2002, section 149A.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 149A.

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 54 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kleis	Moua	Rosen
Bachmann	Foley	Knutson	Neuville	Ruud
Bakk	Frederickson	Koering	Nienow	Sams
Belanger	Gaither	Langseth	Olson	Scheid
Berglin	Hann	Larson	Pappas	Senjem
Betzold	Higgins	LeClair	Pariseau	Skoe
Chaudhary	Hottinger	Limmer	Pogemiller	Skoglund
Cohen	Johnson, D.J.	Lourey	Ranum	Solon
Day	Jungbauer	Marko	Reiter	Wergin
Dibble	Kelley	Marty	Rest	Wiger
Dille	Kierlin	Michel	Robling	

Those who voted in the negative were:

Kiscaden	Kubly	Metzen	Sparks	Stumpf
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So the bill passed and its title was agreed to.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Senator Michel moved that S.F. No. 296 be taken from the table. The motion prevailed.

**S.F. No. 296:** A bill for an act relating to education; renaming the department of children, families, and learning to department of education; making conforming changes to reflect the department name change; amending Minnesota Statutes 2002, sections 15.01; 119A.01, subdivision 2; 119A.02, subdivisions 2, 3; 119B.011, subdivisions 8, 10; 120A.02; 120A.05, subdivisions 4, 7; 127A.05, subdivisions 1, 3; repealing Minnesota Statutes 2002, section 119A.01, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 19, as follows:

Those who voted in the affirmative were:

Bachmann	Gaither	Koering	Nienow	Senjem
Bakk	Hann	Langseth	Olson	Skoe
Belanger	Johnson, D.J.	Larson	Pariseau	Stumpf
Berglin	Jungbauer	LeClair	Reiter	Wergin
Chaudhary	Kelley	Limmer	Robling	Wiger
Day	Kierlin	Marko	Rosen	
Dille	Kiscaden	Michel	Ruud	
Fischbach	Kleis	Murphy	Sams	
Frederickson	Knutson	Neuville	Saxhaug	

Those who voted in the negative were:

Anderson	Betzold	Cohen	Dibble	Foley
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Higgins  
Hottinger  
Kubly

Lourey  
Marty  
Moua

Pappas  
Pogemiller  
Ranum

Rest  
Scheid  
Skoglund

Solon  
Sparks

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 1282:** A bill for an act relating to veterans; providing for placement in the capitol area of a statue commemorating Hmong veterans of the campaign in Laos during the Vietnam War.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson  
Bachmann  
Bakk  
Belanger  
Berglin  
Betzold  
Chaudhary  
Cohen  
Day  
Dibble  
Dille  
Fischbach

Foley  
Frederickson  
Gaither  
Hann  
Higgins  
Hottinger  
Johnson, D.J.  
Jungbauer  
Kierlin  
Kiscaden  
Kleis  
Knutson

Koering  
Kubly  
Langseth  
Larson  
LeClair  
Limmer  
Lourey  
Marko  
Marty  
Metzen  
Michel  
Moua

Murphy  
Neuville  
Nienow  
Olson  
Pappas  
Pariseau  
Pogemiller  
Ranum  
Reiter  
Rest  
Robling  
Rosen

Ruud  
Sams  
Saxhaug  
Scheid  
Senjem  
Skoe  
Skoglund  
Solon  
Sparks  
Stumpf  
Wergin  
Wiger

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 Orders of Business of Executive and Official Communications, Reports of Committees and Second Reading of Senate Bills.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 16, 2003

TO: Members of the Senate

FROM: James P. Metzen, President of the Senate

RE: Temporary Rule Amendment

Pursuant to the adoption of Senate Resolution No. 67, amending Rule 45 of the temporary rules of the Senate, the following House Files on the Comparison Calendar will be referred to the committees as indicated:

Commerce and Utilities - H.F. No. 1083.

Crime Prevention and Public Safety - H.F. No. 1.

Education - H.F. Nos. 2, 120, 219, 351.



Finance - H.F. Nos. 106, 195, 294, 314, 348, 441.

Health and Family Security - H.F. No. 668.

Judiciary - H.F. No. 480.

Rules and Administration - H.F. Nos. 75, 1091.

Laid on the Table - H.F. Nos. 302, 424, 768, 1095.

The following bills have been referred to the Committee on Rules and Administration for comparison with their companion Senate File:

H.F.	S.F.
259	314
335	781
394	300
419	796
446	745
456	511
547	674
645	937
677	638
710	1097
770	863
859	888
956	982
1059	1034

### REPORTS OF COMMITTEES

Senator Hottinger moved that the Committee Report at the Desk be now adopted. The motion prevailed.

#### **Senator Cohen from the Committee on Finance, to which was re-referred**

**S.F. No. 117:** A bill for an act relating to the military; requiring payment of a salary differential to certain state employees who are members of the national guard or other military reserve units and who have been called to active military duty on or after September 11, 2001; permitting local governments to pay a similar salary differential for their employees who are called from reserve status to active military service; amending Minnesota Statutes 2002, section 471.975; proposing coding for new law in Minnesota Statutes, chapter 43A.

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

### SECOND READING OF SENATE BILLS

S.F. No. 117 was read the second time.

### MOTIONS AND RESOLUTIONS - CONTINUED

Senator Murphy moved that the name of Senator Hann be added as a co-author to S.F. No. 1282. The motion prevailed.

Senator Berglin moved that S.F. No. 42, No. 74 on General Orders, be stricken and returned to its author. The motion prevailed.

Senator Wiger moved that S.F. No. 986 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration. The motion prevailed.

Senator Berglin moved that S.F. No. 1411 be withdrawn from the Committee on Health and Family Security and re-referred to the Committee on Finance. The motion prevailed.

Senator Bachmann moved that the name of Senator Frederickson be added as a co-author to S.F. No. 1064. The motion prevailed.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

#### **Senators Dibble, Berglin, Ranum, Chaudhary and Moua introduced--**

**S.F. No. 1487:** A bill for an act relating to property taxation; providing that household income rather than market value be used as the basis for computing property taxes on homestead properties; appropriating money; amending Minnesota Statutes 2002, sections 126C.01, subdivision 3; 127A.48, by adding a subdivision; 273.13, subdivisions 22, 23, by adding a subdivision; 275.065, subdivision 3; 275.08, subdivision 1a; 276.017, subdivision 1; 276.02; 276.03; 276.04, subdivisions 2, 3; 276.09; proposing coding for new law in Minnesota Statutes, chapters 273, 477A; repealing Minnesota Statutes 2002, section 273.1384, subdivision 1.

Referred to the Committee on Taxes.

#### **Senators Rosen, Murphy, Anderson and Dille introduced--**

**S.F. No. 1488:** A bill for an act relating to energy; modifying renewable energy production definition; amending Minnesota Statutes 2002, section 216C.41, subdivision 1.

Referred to the Committee on Commerce and Utilities.

#### **Senator Higgins introduced--**

**S.F. No. 1489:** A bill for an act relating to natural resources; increasing the water use permit processing fee; providing funding for local water planning; appropriating money; amending Minnesota Statutes 2002, section 103G.271, subdivisions 6, 6a.

Referred to the Committee on Environment and Natural Resources.

#### **Senators Dibble; Johnson, D.E. and Moua introduced--**

**S.F. No. 1490:** A bill for an act relating to traffic regulations; authorizing use of low-speed vehicles on certain roads, under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Finance.

#### **Senators Kiscaden, Senjem and Belanger introduced--**

**S.F. No. 1491:** A bill for an act relating to taxation; providing for additional uses of Rochester sales and use tax revenues; increasing bond authorization; amending Laws 1998, chapter 389, article 8, section 43, subdivisions 3, 4.

Referred to the Committee on Taxes.

#### **Senators Moua, Belanger and Murphy introduced--**

**S.F. No. 1492:** A bill for an act relating to taxation; providing a tax credit for qualifying affordable housing contributions; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

**Senator Sams introduced--**

**S.F. No. 1493:** A bill for an act relating to public safety; appropriating money for a youth crime prevention grant.

Referred to the Committee on Finance.

**MEMBERS EXCUSED**

Senators Johnson, D.E.; McGinn; Ortman and Ourada were excused from the Session of today. Senator Murphy was excused from the Session of today from 9:00 to 10:35 a.m. Senator Tomassoni was excused from the Session of today at 9:30 a.m. Senator Vickerman was excused from the Session of today at 9:45 a.m. Senator Saxhaug was excused from the Session of today from 10:00 to 10:20 a.m. Senator Kelley was excused from the Session of today at 10:40 a.m.

**ADJOURNMENT**

Senator Hottinger moved that the Senate do now adjourn until 10:00 a.m., Tuesday, April 22, 2003. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



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Wednesday, April 16, 2003

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