

STATE OF MINNESOTA

# Journal of the Senate

EIGHTY-THIRD LEGISLATURE

---

ONE HUNDRED SEVENTH DAY

St. Paul, Minnesota, Wednesday, May 12, 2004

The Senate met at 12:00 noon 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	Gaither	Langseth	Olson	Scheid
Bachmann	Hann	Larson	Ortman	Senjem
Bakk	Higgins	LeClair	Ourada	Skoe
Belanger	Hottinger	Limmer	Pappas	Skoglund
Berglin	Johnson, D.E.	Lourey	Pariseau	Solon
Betzold	Johnson, D.J.	Marko	Pogemiller	Sparks
Chaudhary	Jungbauer	Marty	Ranum	Stumpf
Cohen	Kelley	McGinn	Reiter	Tomassoni
Day	Kierlin	Metzen	Rest	Vickerman
Dibble	Kiscaden	Michel	Robling	Wergin
Dille	Kleis	Moua	Rosen	Wiger
Fischbach	Knutson	Murphy	Ruud	
Foley	Koering	Neuville	Sams	
Frederickson	Kubly	Nienow	Saxhaug	

The President declared a quorum present.

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

## RECESS

Senator Rest moved that the Senate do now recess until 1:15 p.m. The motion prevailed.

The hour of 1:15 p.m. having arrived, the President called the Senate to order.

## CALL OF THE SENATE

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

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

The following communications were received.

May 7, 2004

The Honorable James P. Metzen  
President of the Senate

Dear Senator Metzen:

The Subcommittee on Committees of the Committees on Rules and Administration met on May 7, 2004, and by appropriate action made the following appointments:

Pursuant to Minnesota Statutes 2002

137.0245: Regent Candidate Advisory Council - Joe Aitken, Paul Dovre, and Bob Vanasek to serve a six-year term, Ardell Brede to serve a stub two-year term and Sara Kloek to serve a two-year student term.

Respectfully,  
Dean E. Johnson, Chair  
Subcommittee on Committees

May 10, 2004

The Honorable James P. Metzen  
President of the Senate

Dear President Metzen:

On behalf of the people of Minnesota, I am honored to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 2387, 1671, 2365 and 1716.

Sincerely,  
Tim Pawlenty, Governor

May 11, 2004

The Honorable Steve Sviggum  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2004 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2004	Date Filed 2004
	2103	178	10:30 p.m. May 10	May 11
	2005	179	10:45 p.m. May 10	May 11
	1851	180	10:05 p.m. May 10	May 11
	1898	181	10:00 p.m. May 10	May 11
	2270	182	9:00 p.m. May 10	May 11
	2235	183	9:03 p.m. May 10	May 11
2387		184	8:45 p.m. May 10	May 11
1671		185	9:20 p.m. May 10	May 11
2365		186	9:15 p.m. May 10	May 11

107TH DAY]

WEDNESDAY, MAY 12, 2004

4581

1716

187

8:55 p.m. May 10

May 11

Sincerely,  
Mary Kiffmeyer  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2703 and 1115.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 2004

Mr. President:

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

**S.F. No. 1758:** A bill for an act relating to paternity; changing certain presumptions; amending Minnesota Statutes 2002, sections 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivision 5.

Senate File No. 1758 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 2004

Senator Betzold moved that S.F. No. 1758 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2609 and 352.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 11, 2004

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 2609:** A bill for an act relating to state employment; modifying affirmative action provisions; amending Minnesota Statutes 2002, sections 43A.02, by adding a subdivision; 43A.19, subdivision 1; repealing Minnesota Rules, part 3900.0400, subpart 11.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2376, now on General Orders.

**H.F. No. 352:** A bill for an act relating to health; modifying consent requirements for medical treatment of minors; permitting parental access to minor's medical records; providing for minor consent agreements; amending Minnesota Statutes 2002, sections 121A.22, subdivision 2; 144.335, subdivision 1; 144.343, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2002, section 144.3441.

Referred to the Committee on Health and Family Security.

### REPORTS OF COMMITTEES

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

**Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2642** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2642	1846				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2642 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2642 and insert the language after the enacting clause of S.F. No. 1846, the first engrossment; further, delete the title of H.F. No. 2642 and insert the title of S.F. No. 1846, the first engrossment.

And when so amended H.F. No. 2642 will be identical to S.F. No. 1846, and further recommends that H.F. No. 2642 be given its second reading and substituted for S.F. No. 1846, 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 Johnson, D.E., from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2737** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2737	2178				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2737 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2737 and insert the language after the enacting clause of S.F. No. 2178, the first engrossment; further, delete the title of H.F. No. 2737 and insert the title of S.F. No. 2178, the first engrossment.

And when so amended H.F. No. 2737 will be identical to S.F. No. 2178, and further recommends that H.F. No. 2737 be given its second reading and substituted for S.F. No. 2178, 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 Johnson, D.E., from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2078** 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.
2078	1904				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2078 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2078 and insert the language after the enacting clause of S.F. No. 1904, the first engrossment; further, delete the title of H.F. No. 2078 and insert the title of S.F. No. 1904, the first engrossment.

And when so amended H.F. No. 2078 will be identical to S.F. No. 1904, and further recommends that H.F. No. 2078 be given its second reading and substituted for S.F. No. 1904, 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 Johnson, D.E., from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2864** 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.
2864	2756				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2864 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2864 and insert the language after the enacting clause of S.F. No. 2756; further, delete the title of H.F. No. 2864 and insert the title of S.F. No. 2756.

And when so amended H.F. No. 2864 will be identical to S.F. No. 2756, and further recommends that H.F. No. 2864 be given its second reading and substituted for S.F. No. 2756, 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 Johnson, D.E., from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2334** 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.
2334	2204				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2334 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2334 and insert the language after the enacting clause of S.F. No. 2204; further, delete the title of H.F. No. 2334 and insert the title of S.F. No. 2204.

And when so amended H.F. No. 2334 will be identical to S.F. No. 2204, and further recommends that H.F. No. 2334 be given its second reading and substituted for S.F. No. 2204, 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 Johnson, D.E., from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2217** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2217	1852				

and that the above Senate File be indefinitely postponed.

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

**Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2577** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2577	2131				

and that the above Senate File be indefinitely postponed.

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

## SECOND READING OF HOUSE BILLS

H.F. Nos. 2642, 2737, 2078, 2864, 2334, 2217 and 2577 were read the second time.

## MOTIONS AND RESOLUTIONS

Senator Tomassoni moved that his name be stricken as a co-author to S.F. No. 522. The motion prevailed.

Senator Murphy moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Saxhaug be added as chief author to S.F. No. 522. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate

reverted to the Orders of Business of Messages From the House, Reports of Committees and Second Reading of Senate Bills.

### MESSAGES FROM THE HOUSE

Mr. President:

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

**S.F. No. 1639:** A bill for an act relating to motor vehicles; providing for removal and disposal of unauthorized vehicles on private, nonresidential property used for servicing vehicles; amending Minnesota Statutes 2002, section 168B.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 168B.

Senate File No. 1639 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 2004

### CONCURRENCE AND REPASSAGE

Senator Scheid moved that the Senate concur in the amendments by the House to S.F. No. 1639 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1639 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### REPORTS OF COMMITTEES

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

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

**S.F. No. 1666:** A bill for an act relating to elections; providing for the acquisition of voting systems; appropriating money; amending Minnesota Statutes 2002, section 206.80; proposing coding for new law in Minnesota Statutes, chapter 206.

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 206.57, is amended by adding a subdivision to read:

Subd. 5. [VOTING SYSTEM FOR DISABLED VOTERS.] Effective January 1, 2006, the voting method used in each polling place must include a voting system that is accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired, in a manner that provides the same opportunity for access and participation, including privacy and independence, as for other voters.

Sec. 2. Minnesota Statutes 2002, section 206.57, is amended by adding a subdivision to read:

Subd. 6. [REQUIRED CERTIFICATION.] In addition to the requirements in subdivision 1, a voting system must be certified by an independent testing authority approved by the secretary of state and conform to current standards for voting equipment issued by the Federal Election Commission or its successor, the Election Assistance Commission."

Page 3, line 6, delete "\$....." and insert "\$11,600,000"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "setting standards for and"

Page 1, line 4, delete "section" and insert "sections 206.57, by adding subdivisions;"

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

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

**S.F. No. 2732:** A bill for an act relating to state government; appropriating money for prekindergarten through grade 12 education, including general education, education excellence, special programs, and facilities and technology; early childhood and family education, including prevention and self-sufficiency and lifelong learning; and health and human services; amending Minnesota Statutes 2003 Supplement, section 123B.54; Laws 2003, First Special Session chapter 9, article 1, section 53, subdivisions 2, 3, 5, 6, 11, 12; Laws 2003, First Special Session chapter 9, article 2, section 55, subdivisions 2, 3, 4, 5, 7, 9, 12; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivisions 4, 5, 6, 7, 8, 9; Laws 2003, First Special Session chapter 9, article 4, section 31, subdivisions 2, 3; Laws 2003, First Special Session chapter 9, article 5, section 35, subdivisions 2, 3; Laws 2003, First Special Session chapter 9, article 7, section 11, subdivision 3; Laws 2003, First Special Session chapter 9, article 8, section 7, subdivisions 2, 5; Laws 2003, First Special Session chapter 9, article 9, section 9, subdivision 2; Laws 2003, First Special Session chapter 14, article 13C, sections 1; 2, subdivisions 1, 3, 6, 7, 9, 11; 10, subdivisions 1, 2.

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

Page 10, lines 15 and 16, reinstate the stricken language

Page 30, line 5, delete "213,094,000" and insert "212,844,000"

Page 31, delete lines 47 and 48 and insert:

"Subdivision 1. Total

Appropriation	\$107,829,000	\$92,649,000
	<u>106,221,000</u>	<u>97,564,000</u>

Page 31, line 51, delete "94,424,000" and insert "92,224,000"

Page 32, after line 34, insert:

"ARTICLE 3  
ADDITIONAL REVENUES

Section 1. Minnesota Statutes 2003 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REVENUES; PRIORITY.] (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000; and

(2) the budget reserve account established in subdivision 1a until that account reaches \$653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent; and

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, paragraph (c), and Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section 20, by the same amount.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) To the extent that a positive unrestricted budgetary general fund balance is projected, appropriations under this section must be made before any transfer is made under section 16A.1522.

(d) The commissioner of finance shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

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

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "setting priorities for use of additional revenues;"

Page 1, line 9, delete "section" and insert "sections 16A.152, subdivision 2;"

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 1666 and 2732 were read the second time.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Senator Johnson, D.E. moved that H.F. No. 3081 be taken from the table and given a second reading. The motion prevailed.

**H.F. No. 3081:** A bill for an act relating to public finance; modifying the authority of cities and counties to finance purchases of computers and related items; clarifying the financing of conservation easements; extending sunsets on establishment of special service districts and housing improvement areas; extending the maximum maturity of bonds for qualified housing development projects; revising time for certain notices of issues; modifying the authority to finance street reconstruction; modifying limits on city capital improvement bonds; changing the limits on city or county support of prevention of cruelty to animal societies; changing the definition of subsystems for purposes of the metropolitan area public safety radio system law and authorizing assistance to local government units for building subsystems in the State Patrol central district; authorizing certain nonprofit corporations for certain limited purposes; requiring housing improvement district ordinances to be filed with the state auditor; redefining housing development improvement project; authorizing property tax abatements to finance historic or heritage preservation; extending the authorized maximum length of some abatements; authorizing additional authority to issue obligations by the Metropolitan Council for bus transit and limiting some of its tax authority; changing punctuation; making technical corrections; making the Lakes Area Economic Development Authority a special taxing district; reestablishing the Aitkin Drainage and Conservancy District; permitting abatements in a tax increment financing district in the city of Fairmont; authorizing the transfer of certain bond allocation authority; amending Minnesota Statutes 2002, sections 343.11; 428A.02, subdivision 1; 428A.03, subdivision 1; 428A.101; 428A.21; 469.034, subdivision 2; 469.1813, subdivisions 1, 6; 473.39, by adding a subdivision; 473.446, subdivision 1; 474A.131, subdivision 1; 475.52, subdivisions 1, 3, 4; Minnesota Statutes 2003 Supplement, sections 373.01, subdivision 3; 373.40, subdivision 1; 403.21, subdivision 8; 403.27, subdivisions 1, 3; 410.32; 412.301; 475.521, subdivision 4; 475.58, subdivision 3b; Laws 2003, chapter 127, article 12, section 38; proposing coding for new law in Minnesota Statutes, chapters 373; 428A.

H.F. No. 3081 was read the second time.

Senator Johnson, D.E. moved that H.F. No. 3081 be laid on the table. The motion prevailed.

### SPECIAL ORDERS

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

H.F. Nos. 2383, 2378, S.F. Nos. 2428, 2263, H.F. Nos. 2633, 2085, S.F. Nos. 1866, 2138, 2112, H.F. No. 2027, S.F. No. 2292 and H.F. No. 2363.

### SPECIAL ORDER

**H.F. No. 2383:** A bill for an act relating to natural resources; modifying the forest resources Interagency Information Cooperative; modifying the State Timber Act; modifying provisions for timber sales on tax-forfeited land; amending Minnesota Statutes 2002, sections 89A.09, subdivision 1; 90.02; 90.181, subdivision 2; 90.191, subdivision 2, by adding a subdivision; 90.252; 282.04, subdivision 1; Minnesota Statutes 2003 Supplement, sections 90.101, subdivision 1; 90.14; 90.151, subdivision 1; repealing Minnesota Statutes 2003 Supplement, section 90.191, subdivisions 3, 4.

Senator Saxhaug moved to amend H.F. No. 2383, as amended pursuant to Rule 45, adopted by the Senate April 1, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2583.)

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes 2002, section 84A.51, subdivision 2, is amended to read:

Subd. 2. [FUNDS TRANSFERRED; APPROPRIATED.] Money in any fund established under

section 84A.03, 84A.22, or 84A.32, subdivision 2, is transferred to the consolidated account, except as provided in subdivision 3. The money in the consolidated account, or as much of it as necessary, is appropriated for the purposes of sections 84A.52 and 84A.53. Of any remaining balance, the amount derived from timber sales receipts is transferred to the forest management investment account and the amount derived from all other receipts is transferred to the general fund.

**[EFFECTIVE DATE.]** This section is effective July 1, 2004.

Sec. 2. Minnesota Statutes 2002, section 89.035, is amended to read:

89.035 [INCOME FROM STATE FOREST LANDS; DISPOSITION.]

All income which may be received from lands acquired by the state heretofore or hereafter for state forest purposes by gift, purchase or eminent domain and tax-forfeited lands to which the county has relinquished its equity to the state for state forest purposes shall be paid into the state treasury and credited to the general fund as provided in this section, except where the conveyance to and acceptance by the state of lands for state forest purposes provides for other disposition of receipts. The income derived from timber sales receipts shall be credited to the forest management investment account and the amounts derived from all other receipts shall be credited to the general fund.

**[EFFECTIVE DATE.]** This section is effective July 1, 2004.

Sec. 3. [89.039] [FOREST MANAGEMENT INVESTMENT ACCOUNT.]

Subdivision 1. [ACCOUNT ESTABLISHED; SOURCES.] The forest management investment account is created in the natural resources fund in the state treasury and money in the account may be spent only for the purposes provided in subdivision 2. The following revenue shall be deposited in the forest management investment account:

(1) timber sales receipts transferred from the consolidated conservation areas account as provided in section 84A.51, subdivision 2;

(2) timber sales receipts from forest lands as provided in section 89.035; and

(3) interest accruing from investment of the account.

Subd. 2. [PURPOSES OF ACCOUNT.] Subject to appropriation by the legislature, money in the forest management investment account may be spent by the Department of Natural Resources in accordance with the forest resource management policy and plan for any of the following purposes:

(1) reforestation and timber stand improvement, including forest pest management;

(2) timber sales administration, contract marking of commercial thinning sales, cultural resource reviews, and other timber sales costs; and

(3) state forest road maintenance costs that exceed appropriations under section 89.70.

**[EFFECTIVE DATE.]** This section is effective July 1, 2004."

Page 12, after line 9, insert:

"Sec. 14. Laws 2003, chapter 128, article 1, section 5, subdivision 4, is amended to read:

Subd. 4. Forest Management

33,066,000	33,066,000	<u>33,666,000</u>	
	Summary by Fund		
General	32,824,000	32,824,000	<u>27,209,000</u>

Game and Fish	242,000	242,000
<u>Natural Resources</u>		<u>6,215,000</u>

\$7,650,000 the first year and \$7,650,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. If the appropriation for either year is insufficient to cover all costs of presuppression and suppression, the amount necessary to pay for these costs during the biennium is appropriated from the general fund. By November 15 of each year, the commissioner of natural resources shall submit a report to the chairs of the house of representatives ways and means committee, the senate finance committee, the environment and agriculture budget division of the senate finance committee, and the house of representatives environment and natural resources finance committee, identifying all firefighting costs incurred and reimbursements received in the prior fiscal year. The report must be in a format agreed to by the house environment finance committee chair, the senate environment budget division chair, the department, and the department of finance. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations shall be deposited into the general fund.

\$730,000 the first year and \$730,000 the second year are for the forest resources council for implementation of the Sustainable Forest Resources Act.

\$350,000 the first year and \$350,000 the second year are for the FORIST timber management information system and for increased forestry management.

\$242,000 the first year and \$242,000 the second year are from the game and fish fund to implement ecological classification systems (ECS) standards on forested landscapes. This is a onetime appropriation from revenue deposited to the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

\$6,215,000 the second year is from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

Notwithstanding Minnesota Statutes, section 89.37, subdivision 4, up to \$600,000 for fiscal year 2005 is transferred from the forest nursery account to the forest management investment account in the natural resources fund to provide for cash flow needs. The amount of the transfer shall be repaid to the forest nursery account from the forest management investment account in the natural resources fund no later than June 30, 2012.

[EFFECTIVE DATE.] This section is effective July 1, 2004."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2383 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### **SPECIAL ORDER**

**H.F. No. 2378:** A bill for an act relating to local government; adding to the list of unpaid special charges for which a city may collect a service charge as a special assessment; making a conforming change; amending Minnesota Statutes 2002, section 504B.445, subdivision 4; Minnesota Statutes 2003 Supplement, section 429.101, subdivision 1.

Senator Dibble moved that the amendment made to H.F. No. 2378 by the Committee on Rules and Administration in the report adopted May 10, 2004, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Dibble then moved to amend H.F. No. 2378 as follows:

Page 4, line 9, after the period, insert "Section 1, subdivision 1, paragraph (a), clause (11), is repealed on July 1, 2006."

The motion prevailed. So the amendment was adopted.

Senator Tomassoni moved to amend H.F. No. 2378 as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 2002, section 298.221, is amended to read:

298.221 [RECEIPTS FROM CONTRACTS; APPROPRIATION.]

(a) Except as provided in paragraph (c), all money paid to the state of Minnesota pursuant to the terms of any contract entered into by the state under authority of section 298.22 and any fees which may, in the discretion of the commissioner of iron range resources and rehabilitation, be charged in connection with any project pursuant to that section as amended, shall be deposited in the state treasury to the credit of the Iron Range Resources and Rehabilitation Board account in the special revenue fund and are hereby appropriated for the purposes of section 298.22.

(b) Notwithstanding section 16A.013, merchandise may be accepted by the commissioner of the Iron Range Resources and Rehabilitation Board for payment of advertising contracts if the commissioner determines that the merchandise can be used for special event prizes or mementos at facilities operated by the board. Nothing in this paragraph authorizes the commissioner or a member of the board to receive merchandise for personal use.

(c) All fees charged by the commissioner in connection with public use of the state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other revenues derived by the commissioner from the operation or lease of those facilities and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge Recreation Area must be deposited into an Iron Range Resources and Rehabilitation Board account that is created within the state enterprise fund. All funds deposited in the enterprise fund account are appropriated to the commissioner to be expended, subject to approval of a majority of the board, as follows:

(1) to pay costs associated with the construction, equipping, operation, repair, or improvement of the Giants Ridge Recreation Area facilities or lands;

(2) to pay principal, interest and associated bond issuance, reserve, and servicing costs associated with the financing of the facilities; and

(3) to pay the costs of any other project authorized under section 298.22."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2378 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 4, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Foley                      LeClair                      Limmer                      Reiter

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

### SPECIAL ORDER

**S.F. No. 2428:** A bill for an act relating to agriculture; establishing a livestock production policy; modifying provisions relating to county and regional fairs; modifying ethanol plant ownership disclosure requirements; modifying eligibility and limits for certain Rural Finance Authority loans; changing certain requirements for veterinary practice; modifying amounts for certain grain buyers' bonds; providing for the validity of electronic documents and signatures for grain buyers and grain warehouses; modifying certain restrictions on farming by business organizations; modifying requirements on uses of certain vaccines in beef cattle; amending Minnesota Statutes 2002, sections 35.243; 38.04; 38.12; 38.14; 38.15; 38.16; 41B.03, subdivisions 2, 3; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b, by adding a subdivision; 41B.045, subdivision 2; 41B.046, subdivision 5; 41C.02, subdivision 12; 156.12, subdivision 2, by adding a subdivision; 223.16, by adding subdivisions; 223.17, subdivision 6; 223.177, subdivision 3; 232.21, by adding subdivisions; 232.23, subdivision 4; 500.24, subdivisions 2, 3a; Minnesota Statutes 2003 Supplement, sections 18B.07, subdivision 2; 38.02, subdivisions 1, 3; 41A.09, subdivision 3a; 223.17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 2002, sections 38.02, subdivision 2; 38.13.

Senator Vickerman moved to amend S.F. No. 2428 as follows:

Page 23, line 16, after "accountant" insert "or a compilation report prepared by a grain commission firm approved by the commissioner"

The motion prevailed. So the amendment was adopted.

Senator Vickerman then moved to amend S.F. No. 2428 as follows:

Page 27, after line 1, insert:

"Sec. 33. Minnesota Statutes 2002, section 308A.995, subdivision 5, is amended to read:

Subd. 5. [REINSTATEMENT.] A cooperative may, ~~within one year of the date of dissolution under this section,~~ retroactively reinstate its existence by filing a single annual registration and paying a \$25 fee. Filing the annual registration with the secretary of state:

- (1) returns the cooperative to active status as of the date of the dissolution;
- (2) validates contracts or other acts within the authority of the articles, and the cooperative is liable for those contracts or acts; and
- (3) restores to the cooperative all assets and rights of the cooperative and its shareholders or members to the extent they were held by the cooperative and its shareholders or members before the dissolution occurred, except to the extent that assets or rights were affected by acts occurring after the dissolution or sold or otherwise distributed after that time.

Sec. 34. Minnesota Statutes 2003 Supplement, section 308B.121, subdivision 5, is amended to read:

Subd. 5. [REINSTATEMENT.] A cooperative may, ~~within one year of the date of dissolution under this section,~~ retroactively reinstate its existence by filing a single annual registration and paying a \$25 fee. Filing the annual registration with the secretary of state:

- (1) returns the cooperative to active status as of the date of the dissolution;

(2) validates contracts or other acts within the authority of the articles and the cooperative is liable for those contracts or acts; and

(3) restores to the cooperative all assets and rights of the cooperative and its shareholders or members to the extent they were held by the cooperative and its shareholders or members before the dissolution occurred, except to the extent that assets or rights were affected by acts occurring after the dissolution or sold or otherwise distributed after that time."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Sams moved to amend S.F. No. 2428 as follows:

Page 27, after line 1, insert:

"Sec. 33. Minnesota Statutes 2002, section 500.221, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, "agricultural land" means land capable of use in the production of agricultural crops, livestock or livestock products, poultry or poultry products, milk or dairy products, or fruit and other horticultural products but does not include any land zoned by a local governmental unit for a use other than and nonconforming with agricultural use. For the purposes of this section, "interest in agricultural land" includes any leasehold interest. For the purposes of this section, a "permanent resident alien of the United States" is a natural person who:

(1) has been lawfully admitted to the United States for permanent residence ~~and in fact maintains;~~ or

(2) is a holder of a nonimmigrant treaty investment visa pursuant to United States Code, title 8, section 1101(a)15(E)(ii).

A person who qualifies as a permanent resident alien of the United States under clause (1) must also maintain that person's principal, actual dwelling place within the United States for at least six months out of every consecutive 12-month period without regard to intent. A person who qualifies as a permanent resident alien of the United States under clause (2) must also maintain that person's principal actual dwelling place in Minnesota for at least ten months out of every 12-month period, and is limited to dairy farming and up to 1,500 acres of agricultural land. The eligibility of a person under clause (2) is limited to three years, unless the commissioner waives the three-year limitation upon finding that the person is actively pursuing the status under clause (1) or United States citizenship. For the purposes of this section, "commissioner" means the commissioner of agriculture.

Sec. 34. Minnesota Statutes 2002, section 500.221, subdivision 1a, is amended to read:

Subd. 1a. [DETERMINATION OF ALIEN STATUS.] An alien who qualifies under subdivision 1, clause (1), and has been physically absent from the United States for more than six months out of any 12-month period shall be presumed not to be a permanent resident alien. An alien who qualifies under subdivision 1, clause (2), and has been physically absent from Minnesota for more than two months out of any 12-month period shall be presumed not to be a permanent resident alien. Every permanent resident alien of the United States who owns purchases property subject to this section shall must:

(1) file a report with the commissioner within 30 days of the date of purchase; and

(2) annually, at some time during the month of January, file with the commissioner a statement setting forth the dates and places of that person's residence in the United States during the prior calendar year.

The statement shall required under clause (2) must include an explanation of absences totaling

more than ~~six~~ two months during the prior calendar year and any facts which support the continuation of permanent resident alien status. Upon receipt of the statement, the commissioner shall have 30 days to review the statement and notify the resident alien whether the facts support continuation of the permanent resident alien status.

Sec. 35. Minnesota Statutes 2002, section 500.221, subdivision 5, is amended to read:

Subd. 5. [PENALTY.] Willful failure to properly file a report required under subdivision 1a or to properly register any parcel of land as required by subdivision 4 is a gross misdemeanor. ~~Each full month of failure to register is a separate offense.~~"

Page 39, line 14, delete "and 35" and insert ", 33, 34, 35, and 38"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Lourey moved to amend the Sams amendment to S.F. No. 2428 as follows:

Page 1, line 29, delete "farming and up to" and insert "operations with a maximum of 300 lactating dairy cows and no more than"

The question was taken on the adoption of the Lourey amendment to the Sams amendment.

The roll was called, and there were yeas 10 and nays 55, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Kubly	Marty	Pappas
Chaudhary	Hottinger	Lourey	Moua	Ranum

Those who voted in the negative were:

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

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

The question was taken on the adoption of the Sams amendment.

The roll was called, and there were yeas 51 and nays 14, as follows:

Those who voted in the affirmative were:

Bachmann	Higgins	Limmer	Pariseau	Skoe
Bakk	Hottinger	Marko	Pogemiller	Skoglund
Belanger	Johnson, D.E.	McGinn	Ranum	Solon
Berglin	Johnson, D.J.	Metzen	Rest	Stumpf
Betzold	Jungbauer	Michel	Robling	Tomassoni
Chaudhary	Kelley	Moua	Rosen	Vickerman
Cohen	Kierlin	Neuville	Ruud	Wiger
Dibble	Kleis	Nienow	Sams	
Dille	Knutson	Olson	Saxhaug	
Fischbach	Langseth	Ortman	Scheid	
Hann	LeClair	Ourada	Senjem	

Those who voted in the negative were:

Anderson	Day	Foley	Frederickson	Gaither
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Koering  
Kubly

Lourey  
Marty

Murphy  
Pappas

Reiter  
Sparks

Wergin

The motion prevailed. So the amendment was adopted.

Senator Dille moved to amend S.F. No. 2428 as follows:

Pages 1 and 2, delete section 1 and insert:

"Section 1. [17.844] [LIVESTOCK PRODUCTION POLICY.]

(a) The policy of the state is to promote livestock production on family farms under a broad range of management systems that are environmentally sound and meet all legal requirements of all jurisdictions, including federal, state, county, town, city, and watershed district requirements.

(b) In order to promote livestock production on family farms, state agencies when appropriate shall, to the extent allowed by law:

(1) promote the establishment of livestock enterprises on family farms;

(2) promote environmental protection and water quality improvement through increased livestock production that results in controlling runoff through increased acreage of hay, pasture, and small grains; and

(3) promote more farms to use agronomically applied manure to increase the water holding capacity of the soil, control erosion, and decrease phosphorus runoff."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Murphy moved to amend S.F. No. 2428 as follows:

Page 1, after line 30, insert:

"Section 1. Minnesota Statutes 2002, section 17.115, subdivision 2, is amended to read:

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

(b) Loans may not exceed \$25,000 per individual applying for a loan and may not exceed \$100,000 for loans to four or more individuals on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest rate on the loans is must not exceed six percent. For loans made from May 1, 2004, to June 30, 2007, the interest rate must not exceed three percent.

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

Sec. 2. Minnesota Statutes 2002, section 17.115, subdivision 3, is amended to read:

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

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

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

- (1) realize savings to the cost of agricultural production;
- (2) reduce or make more efficient use of energy or inputs;
- (3) increase overall farm profitability; and
- (4) result in environmental benefits.

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

(e) The commissioner must consider the recommendations of the loan review panel and may make loans for eligible projects.

(f) For loans made between May 1, 2004, and June 30, 2007, the commissioner shall give priority to loans to resident farmers beginning or expanding organic farming operations."

Page 39, line 14, delete "11 and 35" and insert "1, 2, 13, and 37"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Wergin requested division of the Murphy amendment as follows:

First portion:

Page 1, after line 30, insert:

"Sec. 2. Minnesota Statutes 2002, section 17.115, subdivision 3, is amended to read:

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

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

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

- (1) realize savings to the cost of agricultural production;
- (2) reduce or make more efficient use of energy or inputs;
- (3) increase overall farm profitability; and
- (4) result in environmental benefits.

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

(e) The commissioner must consider the recommendations of the loan review panel and may make loans for eligible projects.

(f) For loans made between May 1, 2004, and June 30, 2007, the commissioner shall give priority to loans to resident farmers beginning or expanding organic farming operations."

Page 39, line 14, delete "11 and 35" and insert "1, 2, 13, and 37"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the Murphy amendment. The motion prevailed. So the first portion of the amendment was adopted.

Second portion:

Page 1, after line 30, insert:

"Section 1. Minnesota Statutes 2002, section 17.115, subdivision 2, is amended to read:

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

(b) Loans may not exceed \$25,000 per individual applying for a loan and may not exceed \$100,000 for loans to four or more individuals on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest rate on the loans is must not exceed six percent. For loans made from May 1, 2004, to June 30, 2007, the interest rate must not exceed three percent.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the second portion of the Murphy amendment. The motion prevailed. So the second portion of the amendment was adopted.

Senator Dille moved to amend S.F. No. 2428 as follows:

Page 18, after line 14, insert:

"Sec. 22. [116J.407] [DAIRY MODERNIZATION.]

Subdivision 1. [GENERALLY.] The commissioner shall make funds available to eligible regional or statewide development organizations defined under section 116J.8731 to be used for the purposes of this section.

Subd. 2. [ELIGIBLE EXPENDITURES.] Money may be used for loans for the acquisition, construction, or improvement of buildings or facilities, or the acquisition of equipment, for dairy animal housing, confinement, animal feeding, milk production, and waste management, including the following, if related to dairy animals:

- (1) freestall barns;
- (2) fences;
- (3) watering facilities;
- (4) feed storage and handling equipment;
- (5) milking parlors;
- (6) robotic equipment;
- (7) scales;
- (8) milk storage and cooling facilities;
- (9) bulk tanks;
- (10) manure pumping and storage facilities;

- (11) digesters;
- (12) equipment used to produce energy;
- (13) capital investment in pasture; and
- (14) on-farm processing facilities.

Subd. 3. [APPLICATION PROCESS.] The commissioner of agriculture and the commissioner of employment and economic development shall establish a process by which an eligible dairy producer may make application for assistance under this section to the county in which the producer is located. The application must require the producer and county to provide information regarding the producer's existing business, the intended use of the requested funds, and other information the commissioners find necessary to evaluate the feasibility, likely success, and economic return of the project, and to ensure that money can be provided consistent with other state and federal laws."

Page 39, after line 2, insert:

"Sec. 36. [DAIRY PRODUCER PAYMENT REPORT.]

By January 15, 2005, the commissioner shall report to the senate and house policy and finance committees with jurisdiction over agriculture on a value-added agriculture program to pay beginning dairy farmers based on the amount of milk production. The report shall include suggested language to create the program."

Reorder the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Frederickson moved to amend S.F. No. 2428 as follows:

Page 4, after line 10, insert:

"Sec. 3. Minnesota Statutes 2002, section 28A.15, is amended by adding a subdivision to read:

Subd. 10. [CERTAIN HOME-PROCESSED AND HOME-CANNED FOODS.] (a) A person who receives less than \$5,000 in gross receipts in a calendar year from the sale of home-processed and home-canned food products and meets the requirements in clauses (1) to (5):

(1) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower;

(2) the products are home-processed and home-canned in Minnesota;

(3) the products are sold or offered for sale at a community or social event or a farmers' market in Minnesota;

(4) the seller displays at the point of sale a clearly legible sign or placard stating: "These canned goods are homemade and not subject to state inspection" unless the products were processed and canned in a kitchen that is licensed or inspected; and

(5) each container of the product sold or offered for sale under this exemption is accurately labeled to provide the name and address of the person who processed and canned the goods and the date on which the goods were processed and canned.

(b) A person that qualifies for an exemption under paragraph (a) is also exempt from the provisions of sections 31.31 and 31.392.

(c) A person claiming an exemption under this subdivision is urged to:

(1) attend and successfully complete a better process school recognized by the commissioner; and

(2) have the recipe and manufacturing process reviewed by a person knowledgeable in the food canning industry and recognized by the commissioner as a process authority.

(d) The commissioner, in close cooperation with the commissioner of health and the Minnesota Extension Service, shall attempt to maximize the availability of information and technical services and support for persons who wish to home-process and home-can low acid and acidified food products."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 53 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Larson	Ourada	Skoe
Bachmann	Hann	LeClair	Pariseau	Skoglund
Bakk	Johnson, D.E.	Lourey	Pogemiller	Solon
Belanger	Johnson, D.J.	Marko	Ranum	Sparks
Chaudhary	Jungbauer	McGinn	Reiter	Stumpf
Cohen	Kelley	Metzen	Rosen	Tomassoni
Day	Kierlin	Michel	Ruud	Vickerman
Dibble	Kleis	Moua	Sams	Wergin
Dille	Knutson	Murphy	Saxhaug	Wiger
Fischbach	Kubly	Neuville	Scheid	
Frederickson	Langseth	Olson	Senjem	

Those who voted in the negative were:

Berglin	Higgins	Koering	Nienow	Rest
Betzold	Hottinger	Limmer	Ortman	Robling
Foley	Kiscaden			

The motion prevailed. So the amendment was adopted.

Senator Pappas moved to amend S.F. No. 2428 as follows:

Page 13, after line 8, insert:

"Sec. 12. Minnesota Statutes 2002, section 41A.09, is amended by adding a subdivision to read:

Subd. 3b. [RESTRICTION ON PRODUCER PAYMENTS.] Producers of ethanol located in a city of the first class are not eligible for producer payments under this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Lourey moved to amend S.F. No. 2428 as follows:

Page 27, after line 1, insert:

"Sec. 33. Minnesota Statutes 2003 Supplement, section 256B.15, subdivision 1, is amended to read:

Subdivision 1. [~~POLICY, APPLICABILITY, PURPOSE, AND CONSTRUCTION; DEFINITION.~~] (a) It is the policy of this state that individuals or couples, either or both of whom participate in the medical assistance program, use their own assets to pay their share of the total

cost of their care during or after their enrollment in the program according to applicable federal law and the laws of this state. The following provisions apply:

~~(1) subdivisions 1c to 1k shall not apply to claims arising under this section which are presented under section 525.313;~~

~~(2) the provisions of subdivisions 1c to 1k expanding the interests included in an estate for purposes of recovery under this section give effect to the provisions of United States Code, title 42, section 1396p, governing recoveries, but do not give rise to any express or implied liens in favor of any other parties not named in these provisions; and~~

~~(3) the continuation of a recipient's life estate or joint tenancy interest in real property after the recipient's death for the purpose of recovering medical assistance under this section modifies common law principles holding that these interests terminate on the death of the holder;~~

~~(4) (2) All laws, rules, and regulations governing or involved with a recovery of medical assistance shall be liberally construed to accomplish their intended purposes;~~

~~(5) a deceased recipient's life estate and joint tenancy interests continued under this section shall be owned by the remaindermen or surviving joint tenants as their interests may appear on the date of the recipient's death. They shall not be merged into the remainder interest or the interests of the surviving joint tenants by reason of ownership. They shall be subject to the provisions of this section. Any conveyance, transfer, sale, assignment, or encumbrance by a remainderman, a surviving joint tenant, or their heirs, successors, and assigns shall be deemed to include all of their interest in the deceased recipient's life estate or joint tenancy interest continued under this section; and~~

~~(6) the provisions of subdivisions 1c to 1k continuing a recipient's joint tenancy interests in real property after the recipient's death do not apply to a homestead owned of record, on the date the recipient dies, by the recipient and the recipient's spouse as joint tenants with a right of survivorship. Homestead means the real property occupied by the surviving joint tenant spouse as their sole residence on the date the recipient dies and classified and taxed to the recipient and surviving joint tenant spouse as homestead property for property tax purposes in the calendar year in which the recipient dies. For purposes of this exemption, real property the recipient and their surviving joint tenant spouse purchase solely with the proceeds from the sale of their prior homestead, own of record as joint tenants, and qualify as homestead property under section 273.124 in the calendar year in which the recipient dies and prior to the recipient's death shall be deemed to be real property classified and taxed to the recipient and their surviving joint tenant spouse as homestead property in the calendar year in which the recipient dies. The surviving spouse, or any person with personal knowledge of the facts, may provide an affidavit describing the homestead property affected by this clause and stating facts showing compliance with this clause. The affidavit shall be prima facie evidence of the facts it states.~~

(b) For purposes of this section, "medical assistance" includes the medical assistance program under this chapter and the general assistance medical care program under chapter 256D and alternative care for nonmedical assistance recipients under section 256B.0913.

**[EFFECTIVE DATE.]** This section is effective retroactively from August 1, 2003.

Sec. 34. Minnesota Statutes 2003 Supplement, section 256B.15, subdivision 1d, is amended to read:

Subd. 1d. [EFFECT OF NOTICE.] From the time it takes effect, the notice shall be notice to remaindermen, joint tenants, or to anyone else owning or acquiring an interest in or encumbrance against the property described in the notice that the medical assistance recipient's life estate, joint tenancy, or other interests in the real estate described in the notice:

(1) shall, in the case of life estate and joint tenancy interests, continue to exist for purposes of this section, and be subject to liens and claims as provided in this section;

(2) shall be subject to a lien in favor of the claimant effective upon the death of the recipient and dealt with as provided in this section;

(3) (2) may be included in the recipient's estate, as defined in this section; and

(4) (3) may be subject to administration and all other provisions of chapter 524 and may be sold, assigned, transferred, or encumbered free and clear of their interest or encumbrance to satisfy claims under this section.

**[EFFECTIVE DATE.]** This section is effective retroactively from August 1, 2003.

Sec. 35. Minnesota Statutes 2003 Supplement, section 256B.15, subdivision 1e, is amended to read:

Subd. 1e. **[FULL OR PARTIAL RELEASE OF NOTICE.]** (a) The claimant may fully or partially release the notice and the lien arising out of the notice of record in the real estate records where the notice is filed or recorded at any time. ~~The claimant may give a full or partial release to extinguish any life estates or joint tenancy interests which are or may be continued under this section or whose existence or nonexistence may create a cloud on the title to real property at any time whether or not a notice has been filed.~~ The recorder or registrar of titles shall accept the release for recording or filing. If the release is a partial release, it must include a legal description of the property being released.

(b) At any time, the claimant may, at the claimant's discretion, wholly or partially release, subordinate, modify, or amend the recorded notice and the lien arising out of the notice.

**[EFFECTIVE DATE.]** This section is effective retroactively from August 1, 2003.

Sec. 36. Minnesota Statutes 2003 Supplement, section 256B.15, subdivision 1f, is amended to read:

Subd. 1f. **[AGENCY LIEN.]** (a) The notice shall constitute a lien in favor of the Department of Human Services against the recipient's interests in the real estate it describes for a period of 20 years from the date of filing or the date of the recipient's death, whichever is later. ~~Notwithstanding any law or rule to the contrary, a recipient's life estate and joint tenancy interests shall not end upon the recipient's death but shall continue according to subdivisions 1h, 1i, and 1j.~~ The amount of the lien shall be equal to the total amount of the claims that could be presented in the recipient's estate under this section.

(b) If no estate has been opened for the deceased recipient, any holder of an interest in the property may apply to the lien holder for a statement of the amount of the lien or for a full or partial release of the lien. The application shall include the applicant's name, current mailing address, current home and work telephone numbers, and a description of their interest in the property, a legal description of the recipient's interest in the property, and the deceased recipient's name, date of birth, and Social Security number. The lien holder shall send the applicant by certified mail, return receipt requested, a written statement showing the amount of the lien, whether the lien holder is willing to release the lien and under what conditions, and inform them of the right to a hearing under section 256.045. The lien holder shall have the discretion to compromise and settle the lien upon any terms and conditions the lien holder deems appropriate.

(c) Any holder of an interest in property subject to the lien has a right to request a hearing under section 256.045 to determine the validity, extent, or amount of the lien. The request must be in writing, and must include the names, current addresses, and home and business telephone numbers for all other parties holding an interest in the property. A request for a hearing by any holder of an interest in the property shall be deemed to be a request for a hearing by all parties owning interests in the property. Notice of the hearing shall be given to the lien holder, the party filing the appeal, and all of the other holders of interests in the property at the addresses listed in the appeal by certified mail, return receipt requested, or by ordinary mail. Any owner of an interest in the property to whom notice of the hearing is mailed shall be deemed to have waived any and all claims or defenses in respect to the lien unless they appear and assert any claims or defenses at the hearing.

(d) If the claim the lien secures could be filed under subdivision 1h, the lien holder may collect, compromise, settle, or release the lien upon any terms and conditions it deems appropriate. If the

claim the lien secures could be filed under subdivision 1i or 1j, the lien may be adjusted or enforced to the same extent had it been filed under subdivisions 1i and 1j, and the provisions of subdivisions 1i, clause (f) (e), and 1j, clause (d), shall apply to voluntary payment, settlement, or satisfaction of the lien.

~~(e) If no probate proceedings have been commenced for the recipient as of the date the lien holder executes a release of the lien on a recipient's life estate or joint tenancy interest, created for purposes of this section, the release shall terminate the life estate or joint tenancy interest created under this section as of the date it is recorded or filed to the extent of the release. If the claimant executes a release for purposes of extinguishing a life estate or a joint tenancy interest created under this section to remove a cloud on title to real property, the release shall have the effect of extinguishing any life estate or joint tenancy interests in the property it describes which may have been continued by reason of this section retroactive to the date of death of the deceased life tenant or joint tenant except as provided for in section 514.981, subdivision 6.~~

(f) If the deceased recipient's estate is probated, a claim shall be filed under this section. The amount of the lien shall be limited to the amount of the claim as finally allowed. If the claim the lien secures is filed under subdivision 1h, the lien may be released in full after any allowance of the claim becomes final or according to any agreement to settle and satisfy the claim. The release shall release the lien but shall not extinguish or terminate the interest being released. If the claim the lien secures is filed under subdivision 1i or 1j, the lien shall be released after the lien under subdivision 1i or 1j is filed or recorded, or settled according to any agreement to settle and satisfy the claim. The release shall not extinguish or terminate the interest being released. If the claim is finally disallowed in full, the claimant shall release the claimant's lien at the claimant's expense.

**[EFFECTIVE DATE.]** This section is effective retroactively from August 1, 2003.

Sec. 37. Minnesota Statutes 2003 Supplement, section 256B.15, subdivision 1h, is amended to read:

Subd. 1h. **[ESTATES OF SPECIFIC PERSONS RECEIVING MEDICAL ASSISTANCE.]** (a) For purposes of this section, paragraphs (b) to (k) apply if a person received medical assistance for which a claim may be filed under this section and died single, or the surviving spouse of the couple and was not survived by any of the persons described in subdivisions 3 and 4.

(b) For purposes of this section, the person's estate consists of: (1) their probate estate; (2) all of the person's interests or proceeds of those interests in real property the person owned as a life tenant or as a joint tenant with a right of survivorship at the time of the person's death; (3) all of the person's interests or proceeds of those interests in securities the person owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time of the person's death, to the extent they become part of the probate estate under section 524.6-307; and (4) (3) all of the person's interests in joint accounts, multiple party accounts, and pay on death accounts, or the proceeds of those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the person's death to the extent they become part of the probate estate under section 524.6-207. Notwithstanding any law or rule to the contrary, a state or county agency with a claim under this section shall be a creditor under section 524.6-307.

~~(c) Notwithstanding any law or rule to the contrary, the person's life estate or joint tenancy interest in real property not subject to a medical assistance lien under sections 514.980 to 514.985 on the date of the person's death shall not end upon the person's death and shall continue as provided in this subdivision. The life estate in the person's estate shall be that portion of the interest in the real property subject to the life estate that is equal to the life estate percentage factor for the life estate as listed in the Life Estate Mortality Table of the health care program's manual for a person who was the age of the medical assistance recipient on the date of the person's death. The joint tenancy interest in real property in the estate shall be equal to the fractional interest the person would have owned in the jointly held interest in the property had they and the other owners held title to the property as tenants in common on the date the person died.~~

~~(d) The court upon its own motion, or upon motion by the personal representative or any interested party, may enter an order directing the remaindermen or surviving joint tenants and their~~

~~spouses, if any, to sign all documents, take all actions, and otherwise fully cooperate with the personal representative and the court to liquidate the decedent's life estate or joint tenancy interests in the estate and deliver the cash or the proceeds of those interests to the personal representative and provide for any legal and equitable sanctions as the court deems appropriate to enforce and carry out the order, including an award of reasonable attorney fees.~~

~~(e) The personal representative may make, execute, and deliver any conveyances or other documents necessary to convey the decedent's life estate or joint tenancy interest in the estate that are necessary to liquidate and reduce to cash the decedent's interest or for any other purposes.~~

~~(f) Subject to administration, all costs, including reasonable attorney fees, directly and immediately related to liquidating the decedent's life estate or joint tenancy interest in the decedent's estate, shall be paid from the gross proceeds of the liquidation allocable to the decedent's interest and the net proceeds shall be turned over to the personal representative and applied to payment of the claim presented under this section.~~

~~(g) The personal representative shall bring a motion in the district court in which the estate is being probated to compel the remaindermen or surviving joint tenants to account for and deliver to the personal representative all or any part of the proceeds of any sale, mortgage, transfer, conveyance, or any disposition of real property allocable to the decedent's life estate or joint tenancy interest in the decedent's estate, and do everything necessary to liquidate and reduce to cash the decedent's interest and turn the proceeds of the sale or other disposition over to the personal representative. The court may grant any legal or equitable relief including, but not limited to, ordering a partition of real estate under chapter 558 necessary to make the value of the decedent's life estate or joint tenancy interest available to the estate for payment of a claim under this section.~~

~~(h) Subject to administration, the personal representative shall use all of the cash or proceeds of interests to pay an allowable claim under this section. The remaindermen or surviving joint tenants and their spouses, if any, may enter into a written agreement with the personal representative or the claimant to settle and satisfy obligations imposed at any time before or after a claim is filed.~~

~~(i) The personal representative may, at their discretion, provide any or all of the other owners, remaindermen, or surviving joint tenants with an affidavit terminating the decedent's estate's interest in real property the decedent owned as a life tenant or as a joint tenant with others, if the personal representative determines in good faith that neither the decedent nor any of the decedent's predeceased spouses received any medical assistance for which a claim could be filed under this section, or if the personal representative has filed an affidavit with the court that the estate has other assets sufficient to pay a claim, as presented, or if there is a written agreement under paragraph (h), or if the claim, as allowed, has been paid in full or to the full extent of the assets the estate has available to pay it. The affidavit may be recorded in the office of the county recorder or filed in the Office of the Registrar of Titles for the county in which the real property is located. Except as provided in section 514.981, subdivision 6, when recorded or filed, the affidavit shall terminate the decedent's interest in real estate the decedent owned as a life tenant or a joint tenant with others. The affidavit shall: (1) be signed by the personal representative; (2) identify the decedent and the interest being terminated; (3) give recording information sufficient to identify the instrument that created the interest in real property being terminated; (4) legally describe the affected real property; (5) state that the personal representative has determined that neither the decedent nor any of the decedent's predeceased spouses received any medical assistance for which a claim could be filed under this section; (6) state that the decedent's estate has other assets sufficient to pay the claim, as presented, or that there is a written agreement between the personal representative and the claimant and the other owners or remaindermen or other joint tenants to satisfy the obligations imposed under this subdivision; and (7) state that the affidavit is being given to terminate the estate's interest under this subdivision, and any other contents as may be appropriate.~~

~~The recorder or registrar of titles shall accept the affidavit for recording or filing. The affidavit shall be effective as provided in this section and shall constitute notice even if it does not include recording information sufficient to identify the instrument creating the interest it terminates. The affidavit shall be conclusive evidence of the stated facts.~~

(†) The holder of a lien arising under subdivision 1c shall release the lien at the holder's expense against an interest terminated under paragraph (h) to the extent of the termination.

~~(d)~~ (d) If a lien arising under subdivision 1c is not released under paragraph (†) (c), prior to closing the estate, the personal representative shall deed the interest subject to the lien to the remaindermen or surviving joint tenants as their interests may appear. Upon recording or filing, the deed shall work a merger of the recipient's life estate or joint tenancy interest, subject to the lien, into the remainder interest or interest the decedent and others owned jointly heirs or devisees subject to the lien. The lien shall attach to and run with the property to the extent of the decedent's interest at the time of the decedent's death.

**[EFFECTIVE DATE.]** This section is effective retroactively from August 1, 2003.

Sec. 38. Minnesota Statutes 2003 Supplement, section 256B.15, subdivision 1i, is amended to read:

Subd. 1i. [ESTATES OF PERSONS RECEIVING MEDICAL ASSISTANCE AND SURVIVED BY OTHERS.] (a) For purposes of this subdivision, the person's estate consists of ~~the person's probate estate and all of the person's interests in real property the person owned as a life tenant or a joint tenant at the time of the person's death~~ is their estate as defined in subdivision 1h, paragraph (b).

(b) Notwithstanding any law or rule to the contrary, this subdivision applies if a person received medical assistance for which a claim could be filed under this section but for the fact the person was survived by a spouse or by a person listed in subdivision 3, or if subdivision 4 applies to a claim arising under this section.

~~(c) The person's life estate or joint tenancy interests in real property not subject to a medical assistance lien under sections 514.980 to 514.985 on the date of the person's death shall not end upon death and shall continue as provided in this subdivision. The life estate in the estate shall be the portion of the interest in the property subject to the life estate that is equal to the life estate percentage factor for the life estate as listed in the Life Estate Mortality Table of the health care program's manual for a person who was the age of the medical assistance recipient on the date of the person's death. The joint tenancy interest in the estate shall be equal to the fractional interest the medical assistance recipient would have owned in the jointly held interest in the property had they and the other owners held title to the property as tenants in common on the date the medical assistance recipient died.~~

(d) The county agency shall file a claim in the estate under this section on behalf of the claimant who shall be the commissioner of human services, notwithstanding that the decedent is survived by a spouse or a person listed in subdivision 3. The claim, as allowed, shall not be paid by the estate and shall be disposed of as provided in this paragraph. The personal representative or the court shall make, execute, and deliver a lien in favor of the claimant on the decedent's interest in real property in the estate in the amount of the allowed claim on forms provided by the commissioner to the county agency filing the lien. The lien shall bear interest as provided under section 524.3-806, shall attach to the property it describes upon filing or recording, and shall remain a lien on the real property it describes for a period of 20 years from the date it is filed or recorded. The lien shall be a disposition of the claim sufficient to permit the estate to close.

~~(d)~~ (d) The state or county agency shall file or record the lien in the office of the county recorder or registrar of titles for each county in which any of the real property is located. The recorder or registrar of titles shall accept the lien for filing or recording. All recording or filing fees shall be paid by the Department of Human Services. The recorder or registrar of titles shall mail the recorded lien to the Department of Human Services. The lien need not be attested, certified, or acknowledged as a condition of recording or filing. ~~Upon recording or filing of a lien against a life estate or a joint tenancy interest, the interest subject to the lien shall merge into the remainder interest or the interest the recipient and others owned jointly. The lien shall attach to and run with the property to the extent of the decedent's interest in the property at the time of the decedent's death as determined under this section.~~

(f) (e) The department shall make no adjustment or recovery under the lien until after the decedent's spouse, if any, has died, and only at a time when the decedent has no surviving child described in subdivision 3. The estate, any owner of an interest in the property which is or may be subject to the lien, or any other interested party, may voluntarily pay off, settle, or otherwise satisfy the claim secured or to be secured by the lien at any time before or after the lien is filed or recorded. Such payoffs, settlements, and satisfactions shall be deemed to be voluntary repayments of past medical assistance payments for the benefit of the deceased recipient, and neither the process of settling the claim, the payment of the claim, or the acceptance of a payment shall constitute an adjustment or recovery that is prohibited under this subdivision.

(g) (f) The lien under this subdivision may be enforced or foreclosed in the manner provided by law for the enforcement of judgment liens against real estate or by a foreclosure by action under chapter 581. When the lien is paid, satisfied, or otherwise discharged, the state or county agency shall prepare and file a release of lien at its own expense. No action to foreclose the lien shall be commenced unless the lien holder has first given 30 days' prior written notice to pay the lien to the owners and parties in possession of the property subject to the lien. The notice shall: (1) include the name, address, and telephone number of the lien holder; (2) describe the lien; (3) give the amount of the lien; (4) inform the owner or party in possession that payment of the lien in full must be made to the lien holder within 30 days after service of the notice or the lien holder may begin proceedings to foreclose the lien; and (5) be served by personal service, certified mail, return receipt requested, ordinary first class mail, or by publishing it once in a newspaper of general circulation in the county in which any part of the property is located. Service of the notice shall be complete upon mailing or publication.

**[EFFECTIVE DATE.]** This section is effective retroactively from August 1, 2003.

Sec. 39. Minnesota Statutes 2003 Supplement, section 256B.15, subdivision 1j, is amended to read:

Subd. 1j. [CLAIMS IN ESTATES OF DECEDENTS SURVIVED BY OTHER SURVIVORS.] For purposes of this subdivision, the provisions in subdivision 1i, paragraphs (a) to ~~(e)~~ and (b) apply.

(a) If payment of a claim filed under this section is limited as provided in subdivision 4, and if the estate does not have other assets sufficient to pay the claim in full, as allowed, the personal representative or the court shall make, execute, and deliver a lien on the property in the estate that is exempt from the claim under subdivision 4 in favor of the commissioner of human services on forms provided by the commissioner to the county agency filing the claim. If the estate pays a claim filed under this section in full from other assets of the estate, no lien shall be filed against the property described in subdivision 4.

(b) The lien shall be in an amount equal to the unpaid balance of the allowed claim under this section remaining after the estate has applied all other available assets of the estate to pay the claim. The property exempt under subdivision 4 shall not be sold, assigned, transferred, conveyed, encumbered, or distributed until after the personal representative has determined the estate has other assets sufficient to pay the allowed claim in full, or until after the lien has been filed or recorded. The lien shall bear interest as provided under section 524.3-806, shall attach to the property it describes upon filing or recording, and shall remain a lien on the real property it describes for a period of 20 years from the date it is filed or recorded. The lien shall be a disposition of the claim sufficient to permit the estate to close.

(c) The state or county agency shall file or record the lien in the office of the county recorder or registrar of titles in each county in which any of the real property is located. The department shall pay the filing fees. The lien need not be attested, certified, or acknowledged as a condition of recording or filing. The recorder or registrar of titles shall accept the lien for filing or recording.

(d) The commissioner shall make no adjustment or recovery under the lien until none of the persons listed in subdivision 4 are residing on the property or until the property is sold or transferred. The estate or any owner of an interest in the property that is or may be subject to the lien, or any other interested party, may voluntarily pay off, settle, or otherwise satisfy the claim

secured or to be secured by the lien at any time before or after the lien is filed or recorded. The payoffs, settlements, and satisfactions shall be deemed to be voluntary repayments of past medical assistance payments for the benefit of the deceased recipient and neither the process of settling the claim, the payment of the claim, or acceptance of a payment shall constitute an adjustment or recovery that is prohibited under this subdivision.

(e) A lien under this subdivision may be enforced or foreclosed in the manner provided for by law for the enforcement of judgment liens against real estate or by a foreclosure by action under chapter 581. When the lien has been paid, satisfied, or otherwise discharged, the claimant shall prepare and file a release of lien at the claimant's expense. No action to foreclose the lien shall be commenced unless the lien holder has first given 30 days prior written notice to pay the lien to the record owners of the property and the parties in possession of the property subject to the lien. The notice shall: (1) include the name, address, and telephone number of the lien holder; (2) describe the lien; (3) give the amount of the lien; (4) inform the owner or party in possession that payment of the lien in full must be made to the lien holder within 30 days after service of the notice or the lien holder may begin proceedings to foreclose the lien; and (5) be served by personal service, certified mail, return receipt requested, ordinary first class mail, or by publishing it once in a newspaper of general circulation in the county in which any part of the property is located. Service shall be complete upon mailing or publication.

~~(f) Upon filing or recording of a lien against a life estate or joint tenancy interest under this subdivision, the interest subject to the lien shall merge into the remainder interest or the interest the decedent and others owned jointly, effective on the date of recording and filing. The lien shall attach to and run with the property to the extent of the decedent's interest in the property at the time of the decedent's death as determined under this section.~~

(g)(1) An affidavit may be provided by a personal representative, at their discretion, stating the personal representative has determined in good faith that a decedent survived by a spouse or a person listed in subdivision 3, or by a person listed in subdivision 4, or the decedent's predeceased spouse did not receive any medical assistance giving rise to a claim under this section, or that the real property described in subdivision 4 is not needed to pay in full a claim arising under this section.

(2) The affidavit shall:

(i) describe the property and the interest being extinguished;

(ii) name the decedent and give the date of death;

(iii) state the facts listed in clause (1);

(iv) state that the affidavit is being filed to terminate the life estate or joint tenancy interest created under this subdivision;

(v) be signed by the personal representative; and

(vi) contain any other information that the affiant deems appropriate.

~~(3) Except as provided in section 514.981, subdivision 6, when the affidavit is filed or recorded, the life estate or joint tenancy interest in real property that the affidavit describes shall be terminated effective as of the date of filing or recording. The termination shall be final and may not be set aside for any reason.~~

**[EFFECTIVE DATE.]** This section is effective retroactively from August 1, 2003."

Page 39, after line 2, insert:

"Sec. 42. Minnesota Statutes 2003 Supplement, section 514.981, subdivision 6, is amended to read:

Subd. 6. ~~[TIME LIMITS; CLAIM LIMITS; LIENS ON LIFE ESTATES AND JOINT~~

TENANCIES.] (a) A medical assistance lien is a lien on the real property it describes for a period of ten years from the date it attaches according to section 514.981, subdivision 2, paragraph (a), except as otherwise provided for in sections 514.980 to 514.985. The agency may renew a medical assistance lien for an additional ten years from the date it would otherwise expire by recording or filing a certificate of renewal before the lien expires. The certificate shall be recorded or filed in the office of the county recorder or registrar of titles for the county in which the lien is recorded or filed. The certificate must refer to the recording or filing data for the medical assistance lien it renews. The certificate need not be attested, certified, or acknowledged as a condition for recording or filing. The registrar of titles or the recorder shall file, record, index, and return the certificate of renewal in the same manner as provided for medical assistance liens in section 514.982, subdivision 2.

(b) A medical assistance lien is not enforceable against the real property of an estate to the extent there is a determination by a court of competent jurisdiction, or by an officer of the court designated for that purpose, that there are insufficient assets in the estate to satisfy the agency's medical assistance lien in whole or in part because of the homestead exemption under section 256B.15, subdivision 4, the rights of the surviving spouse or minor children under section 524.2-403, paragraphs (a) and (b), or claims with a priority under section 524.3-805, paragraph (a), clauses (1) to (4). For purposes of this section, the rights of the decedent's adult children to exempt property under section 524.2-403, paragraph (b), shall not be considered costs of administration under section 524.3-805, paragraph (a), clause (1).

~~(c) Notwithstanding any law or rule to the contrary, the provisions in clauses (1) to (7) apply if a life estate subject to a medical assistance lien ends according to its terms, or if a medical assistance recipient who owns a life estate or any interest in real property as a joint tenant that is subject to a medical assistance lien dies.~~

~~(1) The medical assistance recipient's life estate or joint tenancy interest in the real property shall not end upon the recipient's death but shall merge into the remainder interest or other interest in real property the medical assistance recipient owned in joint tenancy with others. The medical assistance lien shall attach to and run with the remainder or other interest in the real property to the extent of the medical assistance recipient's interest in the property at the time of the recipient's death as determined under this section.~~

~~(2) If the medical assistance recipient's interest was a life estate in real property, the lien shall be a lien against the portion of the remainder equal to the percentage factor for the life estate of a person the medical assistance recipient's age on the date the life estate ended according to its terms or the date of the medical assistance recipient's death as listed in the Life Estate Mortality Table in the health care program's manual.~~

~~(3) If the medical assistance recipient owned the interest in real property in joint tenancy with others, the lien shall be a lien against the portion of that interest equal to the fractional interest the medical assistance recipient would have owned in the jointly owned interest had the medical assistance recipient and the other owners held title to that interest as tenants in common on the date the medical assistance recipient died.~~

~~(4) The medical assistance lien shall remain a lien against the remainder or other jointly owned interest for the length of time and be renewable as provided in paragraph (a).~~

~~(5) Subdivision 5, paragraph (a), clause (4), paragraph (b), clauses (1) and (2); and subdivision 6, paragraph (b), do not apply to medical assistance liens which attach to interests in real property as provided under this subdivision.~~

~~(6) The continuation of a medical assistance recipient's life estate or joint tenancy interest in real property after the medical assistance recipient's death for the purpose of recovering medical assistance provided for in sections 514.980 to 514.985 modifies common law principles holding that these interests terminate on the death of the holder.~~

~~(7) Notwithstanding any law or rule to the contrary, no release, satisfaction, discharge, or affidavit under section 256B.15 shall extinguish or terminate the life estate or joint tenancy interest~~

of a medical assistance recipient subject to a lien under sections 514.980 to 514.985 on the date the recipient dies.

~~(8) The provisions of clauses (1) to (7) do not apply to a homestead owned of record, on the date the recipient dies, by the recipient and the recipient's spouse as joint tenants with a right of survivorship. Homestead means the real property occupied by the surviving joint tenant spouse as their sole residence on the date the recipient dies and classified and taxed to the recipient and surviving joint tenant spouse as homestead property for property tax purposes in the calendar year in which the recipient dies. For purposes of this exemption, real property the recipient and their surviving joint tenant spouse purchase solely with the proceeds from the sale of their prior homestead, own of record as joint tenants, and qualify as homestead property under section 273.124 in the calendar year in which the recipient dies and prior to the recipient's death shall be deemed to be real property classified and taxed to the recipient and their surviving joint tenant spouse as homestead property in the calendar year in which the recipient dies. The surviving spouse, or any person with personal knowledge of the facts, may provide an affidavit describing the homestead property affected by this clause and stating facts showing compliance with this clause. The affidavit shall be prima facie evidence of the facts it states.~~

**[EFFECTIVE DATE.]** This section is effective retroactively from August 1, 2003.

Sec. 43. [SPECIAL REVENUE FUND TRANSFER.]

The commissioner of human services shall transfer \$670,000 of uncommitted special revenue fund balances to the general fund upon final enactment. The actual transfers shall be identified within the standard information provided to the chairs of the house Health and Human Services Finance Committee and the senate Health, Human Services and Corrections Budget Division in December 2004.

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

Sec. 44. [REFUNDS; NOTICES, AND IMMUNITY.]

(a) The commissioner of human services and any county agency that, after a recipient's death, has collected any sum attributable to a life estate or joint tenancy interest in real estate that was continued after the death of the recipient, shall promptly refund the amount collected to the person or persons who paid the amount collected, in proportion to each person's contribution to the amount.

(b) Lien notices of record against life estate or joint tenancy interests filed on and after August 1, 2003, shall have no effect beyond the death of the recipient unless continued after that time by the terms of the instrument creating the interest, shall be disregarded by examiners of title, and shall not be carried forward to subsequent certificates of title.

(c) The commissioner of human services, county agencies, and elected officials and their employees are immune from all liability for actions taken pursuant to Laws 2003, First Special Session chapter 14, article 12, sections 40 to 52 and 90, as those laws existed at the time the action was taken.

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

Page 39, line 11, before "Minnesota" insert "(a)"

Page 39, after line 12, insert:

"(b) Minnesota Statutes 2003 Supplement, section 256B.15, subdivision 1g, is repealed retroactively from July 1, 2003."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator LeClair questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 2428 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Koering	Marty	Pappas	Reiter
Foley				

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

### SPECIAL ORDER

**S.F. No. 2263:** A bill for an act relating to transportation; providing for cost-sharing agreements with tribal authorities; authorizing commissioner of transportation to require electronic bids for highway contracts valued at \$5,000,000 or more; providing for or changing expiration of certain transportation-related committees; authorizing local governments to designate roads for transporting permitted weights; providing for seasonal load restrictions on gravel roads; making technical changes; amending Minnesota Statutes 2002, sections 161.32, subdivision 1b; 162.021, subdivision 5; 162.07, subdivision 5; 162.09, subdivision 2; 162.13, subdivision 3; 169.832, by adding a subdivision; 169.87, subdivision 2; 174.52, subdivision 3; Minnesota Statutes 2003 Supplement, sections 161.368; 162.02, subdivision 2; repealing Minnesota Statutes 2002, section 174.55, as amended.

Senator Ortman moved to amend S.F. No. 2263 as follows:

Pages 5 and 6, delete section 9

Page 6, line 36, delete "10, and 11" and insert "9, and 10"

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2263 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Belanger	Betzold	Cohen	Dibble
Bachmann	Berglin	Chaudhary	Day	Dille

Fischbach	Kierlin	Marko	Ourada	Scheid
Foley	Kiscaden	Marty	Pariseau	Senjem
Frederickson	Kleis	McGinn	Pogemiller	Skoe
Gaither	Knutson	Metzen	Ranum	Skoglund
Hann	Koering	Michel	Reiter	Solon
Higgins	Kubly	Moua	Rest	Sparks
Hottinger	Langseth	Murphy	Robling	Stumpf
Johnson, D.E.	Larson	Neuville	Rosen	Tomassoni
Johnson, D.J.	LeClair	Nienow	Ruud	Vickerman
Jungbauer	Limmer	Olson	Sams	Wergin
Kelley	Lourey	Ortman	Saxhaug	Wiger

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

### SPECIAL ORDER

**H.F. No. 2633:** A bill for an act relating to the environment; providing for exemptions from environmental review for ethanol plants; amending Minnesota Statutes 2003 Supplement, section 116D.04, subdivision 2a.

Senator Pappas moved to amend H.F. No. 2633 as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2002, section 41A.09, is amended by adding a subdivision to read:

Subd. 3b. [RESTRICTION ON PRODUCER PAYMENTS.] Producers of ethanol located in a city of the first class are not eligible for producer payments under this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rosen questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

H.F. No. 2633 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 53 and nays 8, as follows:

Those who voted in the affirmative were:

Bachmann	Johnson, D.E.	Larson	Ourada	Skoe
Bakk	Johnson, D.J.	LeClair	Pariseau	Skoglund
Belanger	Jungbauer	Limmer	Pogemiller	Solon
Betzold	Kelley	Lourey	Reiter	Sparks
Chaudhary	Kierlin	McGinn	Robling	Stumpf
Dille	Kiscaden	Metzen	Rosen	Tomassoni
Fischbach	Kleis	Michel	Ruud	Vickerman
Foley	Knutson	Murphy	Sams	Wergin
Frederickson	Koering	Neuville	Saxhaug	Wiger
Gaither	Kubly	Nienow	Scheid	
Hottinger	Langseth	Ortman	Senjem	

Those who voted in the negative were:

Anderson	Dibble	Moua	Ranum	Rest
Cohen	Higgins	Pappas		

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

**H.F. No. 2085:** A bill for an act relating to health; for review of hospital moratorium exceptions; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Senator Fischbach moved that the amendment made to H.F. No. 2085 by the Committee on Rules and Administration in the report adopted May 5, 2004, pursuant to Rule 45, be stricken.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 49 and nays 15, as follows:

Those who voted in the affirmative were:

Bachmann	Johnson, D.J.	LeClair	Ortman	Senjem
Bakk	Jungbauer	Limmer	Ourada	Skoe
Belanger	Kelley	Marko	Pariseau	Solon
Chaudhary	Kierlin	McGinn	Reiter	Sparks
Dille	Kleis	Metzen	Robling	Stumpf
Fischbach	Knutson	Michel	Rosen	Tomassoni
Foley	Koering	Moua	Ruud	Vickerman
Frederickson	Kubly	Murphy	Sams	Wergin
Gaither	Langseth	Neuville	Saxhaug	Wiger
Hottinger	Larson	Nienow	Scheid	

Those who voted in the negative were:

Anderson	Cohen	Johnson, D.E.	Marty	Ranum
Berglin	Dibble	Kiscaden	Pappas	Rest
Betzold	Higgins	Lourey	Pogemiller	Skoglund

The motion prevailed.

Senator Bakk moved to amend H.F. No. 2085 as follows:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2002, section 144.148, is amended by adding a subdivision to read:

Subd. 9. [STATUS OF PREVIOUS AWARDS.] The commissioner must regard grants or loans awarded to eligible rural hospitals before August 1, 1999, as grants subject to the conditions of this section and not subject to repayment as loans under Minnesota Statutes 1998, section 144.148."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2085 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 54 and nays 8, as follows:

Those who voted in the affirmative were:

Bachmann	Foley	Kierlin	LeClair	Neuville
Bakk	Frederickson	Kiscaden	Limmer	Nienow
Belanger	Gaither	Kleis	Marko	Ortman
Chaudhary	Hottinger	Knutson	Marty	Ourada
Cohen	Johnson, D.E.	Koering	McGinn	Pariseau
Day	Johnson, D.J.	Kubly	Metzen	Reiter
Dille	Jungbauer	Langseth	Michel	Rest
Fischbach	Kelley	Larson	Murphy	Robling

Rosen	Saxhaug	Skoe	Stumpf	Wergin
Ruud	Scheid	Solon	Tomassoni	Wiger
Sams	Senjem	Sparks	Vickerman	

Those who voted in the negative were:

Berglin	Dibble	Lourey	Ranum	Skoglund
Betzold	Higgins	Pappas		

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Senator Hottinger moved that Senate Resolution No. 156 be taken from the table. The motion prevailed.

**Senate Resolution No. 156:** A Senate resolution expressing support for the revitalization of the Dakota and Ojibwe languages.

WHEREAS, the Native American Languages Act was signed into law by President George H.W. Bush in 1990; and

WHEREAS, Congress found, in enacting the Native American Languages Act, that the preservation and revitalization of the cultures and languages of American Indians are essential, and the United States has the responsibility to act together with American Indians to ensure the survival of their cultures and languages; and

WHEREAS, the traditional languages of American Indian people are at the core of their identities and form the basic medium for the transmission and the survival of American Indian heritage, cultures, oral histories, spirituality, and cultural values; and

WHEREAS, the state of Minnesota is part of the territory comprising the ancestral lands of the Dakota and Ojibwe/Anishinaabe people; and

WHEREAS, there is convincing evidence that American Indian students' self-esteem, achievement and performance, community and school pride, and educational opportunity is clearly and directly tied to respect for, and support of, their native languages; and

WHEREAS, it is consistent with the policies set forth by Congress and in the best interests of the state of Minnesota to encourage and support the use of American Indian languages, in addition to the English language, as a medium of instruction in order to encourage and support American Indian language survival and to improve educational achievement of American Indian students; and

BE IT RESOLVED by the Senate of the State of Minnesota that it should strive to work with heads of various state departments, agencies, and instrumentalities, in concert with American Indian communities, to bring existing policies and procedures into compliance with the provisions of this resolution to support the revitalization of the Dakota and Ojibwe languages and promote education achievement for American Indian students.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Senate Majority Leader, and transmit them to the governor, the Department of Education, the Department of Human Services, and the Dakota Ojibwe Language Revitalization Alliance.

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

**SPECIAL ORDER**

**S.F. No. 1866:** A bill for an act relating to state employment; ratifying certain labor agreements and compensation plans.

Senator Hottinger moved to amend S.F. No. 1866 as follows:

Page 2, after line 24, insert:

"Subd. 11. [SICK AND BEREAVEMENT LEAVE.] (a) If a collective bargaining agreement or compensation plan ratified in this section or approved by the Legislative Coordinating Commission between the 2004 and 2005 legislative sessions provides for sick leave with pay, an employee must be granted sick leave with pay, to the extent of the employee's accumulation of sick leave, for absences:

(1) due to illness or disability of a regular member of the employee's immediate household for a reasonable period as the employee's attendance is necessary; and

(2) due to the death of a regular member of the employee's immediate household, for a reasonable period.

(b) The benefit provided under paragraph (a) is not a replacement for any other sick leave benefit provided for in the collective bargaining agreement or compensation plan as ratified in this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

**CALL OF THE SENATE**

Senator Reiter imposed a call of the Senate for the balance of the proceedings on S.F. No. 1866. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Hottinger amendment.

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

Those who voted in the affirmative were:

Anderson	Cohen	Kelley	Nienow	Skoe
Bakk	Dibble	Lourey	Pappas	Skoglund
Berglin	Higgins	Marko	Pogemiller	Solon
Betzold	Hottinger	Marty	Rest	Tomassoni
Chaudhary	Jungbauer	Moua	Saxhaug	

Those who voted in the negative were:

Bachmann	Johnson, D.E.	Langseth	Neuville	Sams
Belanger	Johnson, D.J.	Larson	Ortman	Scheid
Day	Kierlin	LeClair	Ourada	Senjem
Dille	Kiscaden	Limmer	Pariseau	Sparks
Fischbach	Kleis	McGinn	Reiter	Stumpf
Foley	Knutson	Metzen	Robling	Vickerman
Frederickson	Koering	Michel	Rosen	Wergin
Gaither	Kubly	Murphy	Ruud	Wiger

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

S.F. No. 1866 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 2138:** A bill for an act relating to insurance; requiring that certain information be provided to persons whose continuation health coverage is about to expire; amending Minnesota Statutes 2002, section 62A.65, subdivision 5.

Senator Kiscaden moved to amend S.F. No. 2138 as follows:

Page 3, after line 21, insert:

"Sec. 2. Minnesota Statutes 2002, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] The board of directors of the association shall be made up of ~~nine~~ ten members as follows: five directors selected by contributing members, subject to approval by the commissioner, one of whom must be a health actuary; four five public directors selected by the commissioner, at least two of whom must be plan enrollees and two of whom must be representatives of employers whose accident and health insurance premiums are part of the association's assessment base. At least two of the public directors shall reside outside of the seven-county metropolitan area. Public members may must include one licensed insurance agents agent. In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, health maintenance contract payment, or community integrated service network payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner. In approving directors of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. Directors selected by contributing members may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 3. Minnesota Statutes 2002, section 62E.10, subdivision 10, is amended to read:

Subd. 10. [COST CONTAINMENT GOALS.] (a) By July 1, 2001, the association shall investigate managed care delivery systems, and if cost effective, enter into contracts with third-party entities as provided in section 62E.101.

(b) By July 1, 2001, the association shall establish a system to annually identify individuals insured by the Minnesota Comprehensive Health Association who may be eligible for private health care coverage, medical assistance, state drug programs, or other state or federal programs and notify them about their eligibility for these programs.

(c) The association shall endeavor to reduce health care costs using additional methods consistent with effective patient care. At a minimum, by July 1, 2001, the association shall:

- (1) develop a focused chronic disease management and case management program;
- (2) develop a comprehensive program of preventive care; and
- (3) implement a total drug formulary program.

The association may provide an incentive for enrollee participation in the chronic disease management and case management program developed under this section.

Sec. 4. Minnesota Statutes 2003 Supplement, section 62E.12, is amended to read:

62E.12 [MINIMUM BENEFITS OF COMPREHENSIVE HEALTH INSURANCE PLAN.]

(a) The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan and a number two qualified plan, except that the maximum lifetime benefit on these plans shall be \$2,800,000; and an extended basic Medicare supplement plan and a basic Medicare supplement plan as described in sections 62A.31 to 62A.44. The association may also offer a plan that is identical to a number one and number two qualified plan except that it has a \$2,000 annual deductible and a \$2,800,000 maximum lifetime benefit. The association, subject to the approval of the commissioner, may also offer plans that are identical to the number one or number two qualified plan, except that they have annual deductibles of \$5,000 and \$10,000, respectively; have limitations on total annual out-of-pocket expenses equal to those annual deductibles and therefore cover 100 percent of the allowable cost of covered services in excess of those annual deductibles; and have a \$2,800,000 maximum lifetime benefit. As of January 1, 2006, the association shall no longer be required to offer an extended basic Medicare supplement plan.

(b) The requirement that a policy issued by the association must be a qualified plan is satisfied if the association contracts with a preferred provider network and the level of benefits for services provided within the network satisfies the requirements of a qualified plan. If the association uses a preferred provider network, payments to nonparticipating providers must meet the minimum requirements of section 72A.20, subdivision 15.

(c) The association shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier.

(d) Notwithstanding the provisions of section 62E.06 and unless those charges are billed by a provider that is part of the association's preferred provider network, the state plan shall exclude coverage of services of a private duty nurse other than on an inpatient basis and any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner.

Sec. 5. Minnesota Statutes 2002, section 62E.141, is amended to read:

62E.141 [INCLUSION IN EMPLOYER-SPONSORED PLAN.]

(a) No employee of an employer that offers a health plan, under which the employee is eligible for coverage, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under the employer's health plan. This section paragraph does not apply to persons enrolled in the Comprehensive Health Association as of June 30, 1993 2004. With respect to persons eligible to enroll in the health plan of an employer that has more than 29 current employees, as defined in section 62L.02, this section paragraph does not apply to persons enrolled in the Comprehensive Health Association as of December 31, 1994.

(b) Paragraph (a) applies to an employee's dependents if:

- (1) the employer offers dependent coverage and the dependent is eligible for coverage; and  
 (2) the dependent is not disabled.

This paragraph does not apply to any dependent enrolled in the Comprehensive Health Association as of June 30, 2004.

Sec. 6. [PRESUMPTIVE CONDITIONS STUDY.]

The Minnesota Comprehensive Health Association, in consultation with the commissioner of commerce, shall contract with an independent entity to conduct an analysis of the eligibility standards used for enrollment for coverage under the Minnesota Comprehensive Health Association in terms of the use of presumptive conditions for automatic eligibility and the underwriting practices for the individual market regarding the denial or limitations of coverage due to preexisting conditions. The analysis must compare the Minnesota Comprehensive Health Association's practices with that of other states' high-risk pools and examine the basis for denials within the individual market. The analysis must also determine whether there should be additional guidelines or standards in place before the existence of a specific condition or diagnosis is deemed automatically eligible for coverage under the Minnesota Comprehensive Health Association.

The commissioner of commerce shall submit the results of the study and any recommendations to the legislature by January 15, 2005.

The Minnesota Comprehensive Health Association must also contract for claims analysis and evaluation of its current disease management and quality measurement function."

Page 3, line 24, after the period, insert "Section 2 is effective July 1, 2004."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2138 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### SPECIAL ORDER

**S.F. No. 2112:** A bill for an act relating to human services; authorizing an exception to the prohibition on asset transfers for certain charitable gifts; amending Minnesota Statutes 2003 Supplement, section 256B.0595, subdivision 1b.

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	Saxhaug
Bachmann	Frederickson	Kubly	Murphy	Senjem
Bakk	Gaither	Langseth	Neuville	Skoe
Belanger	Higgins	Larson	Nienow	Skoglund
Berglin	Hottinger	LeClair	Ortman	Solon
Betzold	Johnson, D.E.	Limmer	Pappas	Sparks
Chaudhary	Johnson, D.J.	Lourey	Pogemiller	Stumpf
Cohen	Jungbauer	Marko	Reiter	Tomassoni
Day	Kelley	Marty	Robling	Vickerman
Dibble	Kierlin	McGinn	Rosen	Wiger
Dille	Kiscaden	Metzen	Ruud	
Fischbach	Kleis	Michel	Sams	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**H.F. No. 2027:** A bill for an act relating to human services; providing an exemption to the moratorium on nursing home construction; amending Minnesota Statutes 2003 Supplement, section 144A.071, subdivision 4c.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 2292:** A bill for an act relating to elections; conforming disclaimer requirements for campaign material to constitutional limitations; amending Minnesota Statutes 2002, sections 211B.01, subdivision 2; 211B.04.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Pariseau                      Scheid

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**H.F. No. 2363:** A bill for an act relating to natural resources; modifying provisions for the control of invasive and nonnative species; providing criminal penalties; requiring rulemaking; amending Minnesota Statutes 2002, sections 17.4982, subdivision 18a; 84D.01, subdivisions 6, 9, 12, 13, 15, 17, 18, by adding subdivisions; 84D.02, subdivisions 1, 3, 4, 5, 6; 84D.03; 84D.04; 84D.05; 84D.06; 84D.07; 84D.08; 84D.09, subdivision 2; 84D.10, subdivisions 1, 3; 84D.11, subdivisions 1, 2, 2a; 84D.12; 84D.13, subdivision 3; 86B.415, subdivision 7; 97C.821; Minnesota Statutes 2003 Supplement, sections 18.78, subdivision 2; 84.027, subdivision 13; 84D.14; repealing Minnesota Statutes 2002, section 84D.01, subdivisions 5, 7; Minnesota Rules, part 6216.0400, subpart 3.

Senator Marty moved to amend H.F. No. 2363, as amended pursuant to Rule 45, adopted by the Senate April 1, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2211.)

Page 7, line 23, reinstate the stricken language

Page 7, delete line 24 and insert "~~20,000~~ 10,000 hours during the open water season, watercraft and"

Page 9, delete lines 17 to 35 and insert:

"Subd. 4. [COMMERCIAL FISHING RESTRICTIONS IN INFESTED AND NONINFESTED WATERS.] (a) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in infested waters, designated because the waters contain invasive fish or invertebrates, may not be used in noninfested waters. If a commercial licensee operates in both noninfested waters and infested waters designated because the waters contain invasive fish or invertebrates, all nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in noninfested waters must be tagged with tags provided by the commissioner, as specified in the commercial licensee's license or permit, and may not be used in infested waters designated because the waters contain invasive fish or invertebrates."

Page 17, line 18, after "water" insert ", as required by rule,"

Page 17, line 21, after "water" insert ", in violation of rule,"

Page 18, line 13, after "water" insert ", as required by rule,"

Page 18, line 17, after "permit" insert "as required by rule"

Page 18, line 30, delete "nonnative" and insert "invasive"

Page 19, lines 35 and 36, delete "subparts 2 and 3, are" and insert "subpart 3, is"

Amend the title as follows:

Page 1, line 16, delete "subparts 2," and insert "subpart"

The motion prevailed. So the amendment was adopted.

H.F. No. 2363 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees and Second Reading of Senate Bills.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2472.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 2004

Mr. President:

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

**S.F. No. 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.

Senate File No. 1080 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 2004

### CONCURRENCE AND REPASSAGE

Senator Skoe moved that the Senate concur in the amendments by the House to S.F. No. 1080 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1080 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

**S.F. No. 1530:** A bill for an act relating to animals; imposing limits on ownership and possession of certain dangerous animals; requiring registration; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 346.

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

Strachan, Lindgren and Murphy.

Senate File No. 1530 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 2004

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1753, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 1753:** A bill for an act relating to utilities; modifying low-income electric rate discount program; amending Minnesota Statutes 2002, section 216B.16, subdivision 14.

Senate File No. 1753 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 2004

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2175:

**H.F. No. 2175:** A bill for an act relating to health; modifying requirements for various public health occupations; prescribing authority of speech-language pathology assistants; modifying requirements for physician assistants, acupuncture practitioners, licensed professional counselors, alcohol and drug counselors, dentists, dental hygienists, dental assistants, and podiatrists; modifying provisions for designating essential community providers; modifying certain immunization provisions; appropriating money; amending Minnesota Statutes 2002, sections 12.03, subdivision 4d; 12.39, subdivision 2; 144.419, subdivision 1; 144.4195, subdivisions 1, 2, 3, 5; 147A.02; 147A.20; 147B.01, by adding a subdivision; 147B.06, subdivision 4; 148.211, subdivision 1; 148.284; 148.512, subdivisions 9, 19, by adding a subdivision; 148.6402, by adding a subdivision; 148.6403, subdivision 5; 148.6405; 148.6428; 148.6443, subdivisions 1, 5; 150A.06, as amended; 150A.08, subdivision 1; 150A.09, subdivision 4; 153.01, subdivision 2; 153.16, subdivisions 1, 2; 153.19, subdivision 1; 153.24, subdivision 4; 153.25, subdivision 1; 192.502; Minnesota Statutes 2003 Supplement, sections 13.37, subdivision 3; 62Q.19, subdivision 2; 121A.15, subdivisions 3a, 12; 147A.09, subdivision 2; 148.212, subdivision 1; 148.511; 148.512, subdivisions 12, 13; 148.513, subdivisions 1, 2; 148.5161, subdivisions 1, 4, 6; 148.5175; 148.518; 148.5193, subdivisions 1, 6a; 148.5195, subdivision 3; 148.5196, subdivision 3; 148B.52; 148B.53, subdivisions 1, 3; 148B.54; 148B.55; 148B.59; 148C.04, subdivision 6; 148C.075, subdivision 2, by adding a subdivision; 148C.11, subdivision 6, by adding a subdivision; 148C.12, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 12; 144; 148; 148B; 197; repealing Minnesota Statutes 2002, sections 147B.02, subdivision 5; Laws 2002, chapter 402, section 21; Minnesota Rules, parts 6900.0020, subparts 3, 3a, 9, 10; 6900.0400.

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

Abeler, Wilkin and Otremba have been appointed as such committee on the part of the House.

House File No. 2175 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 2004

Senator Kiscaden moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2175, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2207:

**H.F. No. 2207:** A bill for an act relating to health; clarifying that individuals may participate in pharmaceutical manufacturer's rebate programs; amending Minnesota Statutes 2002, section 62J.23, subdivision 2.

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

Bradley, Wilkin and Huntley have been appointed as such committee on the part of the House.

House File No. 2207 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 2004

Senator Kiscaden moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2207, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 606, 1800, 2095 and 2986.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 2004

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 606:** A bill for an act relating to health; modifying prior authorization requirements for health care services; establishing requirements for provider contracting; modifying provisions for payment of claims; amending Minnesota Statutes 2002, sections 62M.07; 62Q.74; 62Q.75, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 2002, section 62Q.745.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1721, now on General Orders.

**H.F. No. 1800:** A bill for an act relating to natural resources; requiring a report of tribal agreement-related costs.

Referred to the Committee on Environment and Natural Resources.

**H.F. No. 2095:** A bill for an act relating to mortgage foreclosure; providing for rescission of foreclosure consultant contracts; regulating foreclosure consultant contracts; providing remedies for foreclosure violations; requiring foreclosure purchasers to enter foreclosure reconveyances in the form of written contracts; regulating foreclosure contracts; prohibiting certain foreclosure purchaser practices; providing enforcement remedies; requiring certain foreclosure notices; imposing criminal penalties; amending Minnesota Statutes 2002, section 580.03; proposing coding for new law in Minnesota Statutes, chapter 580; proposing coding for new law as Minnesota Statutes, chapter 325N.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2412, now on General Orders.

**H.F. No. 2986:** A bill for an act relating to natural resources; granting certain temporary exemptions for an iron nugget production scale demonstration facility.

Senator Johnson, D.E. moved that H.F. No. 2986 be laid on the table. The motion prevailed.

**REPORTS OF COMMITTEES**

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

**Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred**

**S.F. No. 2844:** A bill for an act relating to workers' compensation; making technical changes; modifying the definition of "personal injury" to include injury or disease resulting from certain vaccines; authorizing qualifying employees to opt to receive alternative workers' compensation benefits; amending Minnesota Statutes 2002, sections 176.011, subdivisions 15, 16; 176.081, subdivision 1; 176.092, subdivision 1a; 176.102, subdivision 3a; 176.129, subdivisions 1b, 2a, 13; 176.135, subdivisions 1, 7; 176.1351, subdivisions 3, 5, by adding a subdivision; 176.181, by adding a subdivision; 176.1812, subdivision 6; 176.185, subdivision 1; 176.231, subdivision 5; 176.238, subdivision 10; 176.391, subdivision 2; 176.83, subdivision 5.

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

Page 13, after line 16, insert:

"(h) Use or purchase of a class II or class III medical device is not compensable under this chapter unless approved by the federal Food and Drug Administration and authorized in treatment parameters adopted under section 176.83. The limitation of compensability in this clause applies only to categories of medical devices identified in specific Food and Drug Administration regulations designated by the commissioner in consultation with the Medical Services Review Board, using the process in section 14.389."

Page 14, line 27, delete "(a)"

Page 14, delete lines 35 and 36

Page 15, delete lines 1 to 3

Page 17, after line 13, insert:

"Sec. 14. Minnesota Statutes 2002, section 176.136, subdivision 1a, is amended to read:

Subd. 1a. [RELATIVE VALUE FEE SCHEDULE.] The liability of an employer for services included in the medical fee schedule is limited to the maximum fee allowed by the schedule in effect on the date of the medical service, or the provider's actual fee, whichever is lower. The medical fee schedule effective on October 1, 1991, remains in effect until the commissioner adopts a new schedule by permanent rule. The commissioner shall adopt permanent rules regulating fees allowable for medical, chiropractic, podiatric, surgical, and other health care provider treatment or service, including those provided to hospital outpatients, by implementing a relative value fee schedule to be effective on October 1, 1993. The commissioner may adopt by reference the relative value fee schedule adopted for the federal Medicare program or a relative value fee schedule adopted by other federal or state agencies. The relative value fee schedule must contain reasonable service-based classifications including, but not limited to, classifications that differentiate among health care provider disciplines. The conversion factors for the original relative value fee schedule must reasonably reflect a 15 percent overall reduction from the medical fee schedule most recently in effect. The reduction need not be applied equally to all treatment or services, but must represent a gross 15 percent reduction.

After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1 by no more than the percentage change computed under section 176.645, but without the annual cap provided by that section. The commissioner shall annually give notice in the State Register of the adjusted conversion factors and may also give annual notice of any additions, deletions, or changes to the relative value units or service codes adopted by the federal Medicare program. The relative value units may be statistically adjusted in the same

manner as for the original workers' compensation relative value fee schedule. The notices of the adjusted conversion factors and additions, deletions, or changes to the relative value units and service codes is in lieu of the requirements of chapter 14. The commissioner shall follow the requirements of section 14.386, paragraph (a). The annual adjustments to the conversion factors and the medical fee schedules adopted under this section, including all previous fee schedules, are not subject to expiration under section 14.386, paragraph (b).

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

Page 20, line 16, after "further" insert "administrative"

Page 20, line 17, after "proceedings" insert "against the authorized representative of the religious sect who submitted an affidavit described in paragraph (a), clause (3) or (4)."

Page 21, line 21, after "further" insert "administrative"

Pages 24 to 26, delete section 20

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the semicolon, insert "176.136, subdivision 1a;"

Page 1, line 15, delete "; 176.83, subdivision 5"

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

## **SECOND READING OF SENATE BILLS**

S.F. No. 2844 was read the second time.

## **RECESS**

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

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

## **APPOINTMENTS**

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

H.F. No. 2175: Senators Kiscaden, Lourey and Vickerman.

H.F. No. 2207: Senators Kiscaden, Lourey and Solon.

Senator Johnson, D.E. moved that the foregoing appointments be approved. The motion prevailed.

## **MOTIONS AND RESOLUTIONS - CONTINUED**

Senator Johnson, D.E. moved that H.F. No. 2986 be taken from the table. The motion prevailed.

**H.F. No. 2986:** A bill for an act relating to natural resources; granting certain temporary exemptions for an iron nugget production scale demonstration facility.

### SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2986 and that the rules of the Senate be so far suspended as to give H.F. No. 2986 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2986 was read the second time.

H.F. No. 2986 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2181 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 2181

A bill for an act relating to the State Lottery; amending provisions relating to the director; creating a task force and requiring a report; amending Minnesota Statutes 2002, section 349A.02, subdivision 1; repealing Minnesota Statutes 2002, section 349A.02, subdivision 2.

May 11, 2004

The Honorable James P. Metzen  
President of the Senate

The Honorable Steve Sviggum  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2181, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2181 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 15A.081, subdivision 8, is amended to read:  
Subd. 8. [EXPENSE ALLOWANCE.] Notwithstanding any law to the contrary, positions listed

in section 15A.0815, subdivisions 2 and 3, constitutional officers, ~~and the commissioner of Iron Range resources and rehabilitation, and the director of the State Lottery~~ are authorized an annual expense allowance not to exceed \$1,500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and postaudit. The commissioner of finance may adopt rules to assure the proper expenditure of these funds and to provide for reimbursement.

Sec. 2. Minnesota Statutes 2002, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. [DIRECTOR.] A State Lottery is established under the supervision and control of a director. ~~The director of the State Lottery shall be appointed by the governor with the advice and consent of the senate. The director must be qualified by experience and training in the operation of a lottery to supervise the lottery.~~ The director serves in the unclassified service at the pleasure of the governor. The annual salary rate authorized for the director is equal to 95 percent of the salary rate prescribed for the governor.

Sec. 3. Minnesota Statutes 2002, section 349A.10, subdivision 6, is amended to read:

Subd. 6. [BUDGET APPEARANCE; PLANS.] ~~The director shall prepare and submit a biennial budget plan to the commissioner of finance. The governor shall recommend the maximum amount available for the lottery in the budget the governor submits to the legislature under section 16A.11. The maximum amount available to the lottery for operating expenses and capital expenditures shall be determined by law. Operating expenses shall not include expenses that are a direct function of lottery sales, which include the cost of lottery prizes, amounts paid to lottery retailers as sales commissions or other compensation, amounts paid to produce and deliver scratch lottery games, and amounts paid to an outside vendor to operate and maintain an on-line gaming system. In addition, the director shall appear at least once each fiscal year before the senate and house of representatives committees having jurisdiction over gambling policy to present and explain the lottery's budget plans for future games and the related advertising and promotions and spending plans for the next fiscal year.~~

Sec. 4. Minnesota Statutes 2002, section 349A.15, is amended to read:

349A.15 [REPORT.]

The director shall file an annual report with the governor and legislature which must include a complete statement of lottery revenues, administrative and operating costs, capital expenditures, net proceeds transferred, and other financial transactions for the period the report covers.

Sec. 5. [LOTTERY ORGANIZATION TASK FORCE.]

Subdivision 1. [CREATION; MEMBERSHIP.] ~~A Lottery Organization Task Force is created to study and make recommendations regarding the future organization and profitability of the State Lottery. The task force is composed of nine members, to be appointed as follows:~~

- ~~(1) the commissioner of natural resources, or the commissioner's designee;~~
- ~~(2) the commissioner of finance, or the commissioner's designee;~~
- ~~(3) two members of the house of representatives, including one member of the minority caucus, both to be appointed by the speaker;~~
- ~~(4) two members of the senate, including one member of the minority caucus, both to be appointed by the senate committee on committees;~~
- ~~(5) the director of the State Lottery; and~~
- ~~(6) two members to be appointed by the governor.~~

~~The governor shall appoint one member of the task force as the chair.~~

Subd. 2. [CHARGE; REPORT.] (a) The task force shall examine the State Lottery and consider whether the State Lottery should:

- (1) become part of another existing state agency;
- (2) be accountable to an oversight board or commission to be created for that purpose;
- (3) continue under its current organizational structure; or
- (4) operate under other governance structures that provide appropriate oversight and accountability.

(b) The task force shall also examine the feasibility and desirability of establishing measurable performance goals for lottery proceeds and operations.

(c) The task force is encouraged to consult with the commissioner of public safety, the commissioner of revenue, and the chair of the Citizens' Advisory Committee for the Legislative Commission on Minnesota Resources. The task force shall submit a report with its findings and recommendations to the legislature and the governor by February 1, 2005.

Subd. 3. [SUNSET.] The task force expires upon the adjournment of the 2005 regular legislative session.

Sec. 6. Laws 2003, First Special Session chapter 1, article 1, section 23, is amended to read:

Sec. 23. [STATE LOTTERY.]

~~Notwithstanding Minnesota Statutes, section 349A.10, the operating budget must not exceed \$43,538,000 \$27,419,000 in fiscal year 2004 and \$43,538,000 \$27,419,000 in fiscal year 2005 and thereafter. The savings must be transferred 60 percent to the general fund in the state treasury and 40 percent to the Minnesota environment and natural resources trust fund in the state treasury.~~

Sec. 7. [REPEALER.]

Minnesota Statutes 2002, section 349A.02, subdivision 2, is repealed.

Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment. Sections 2 and 7 apply to the appointment of a director of the State Lottery made on or after January 1, 2004."

Delete the title and insert:

"A bill for an act relating to the State Lottery; amending provisions relating to the director; providing for review and approval of lottery budget; creating a task force and requiring a report; amending Minnesota Statutes 2002, sections 15A.081, subdivision 8; 349A.02, subdivision 1; 349A.10, subdivision 6; 349A.15; Laws 2003, First Special Session chapter 1, article 1, section 23; repealing Minnesota Statutes 2002, section 349A.02, subdivision 2."

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

Senate Conferees: (Signed) Ann H. Rest, Jane B. Ranum, Thomas M. Neuville

House Conferees: (Signed) Tim Wilkin, Bill Haas, Lyndon Carlson

Senator Rest moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2181 be now adopted, and that the bill be repassed as amended by the Conference

Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2181 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

#### **Senators Solon, Bakk, Frederickson, Marty and Olson introduced--**

**S.F. No. 3063:** A resolution requesting the governor to include the Great Lakes and Lake Superior in providing comments on a certain federal report.

Referred to the Committee on Environment and Natural Resources.

#### **Senators Betzold, Skoe and Vickerman introduced--**

**S.F. No. 3064:** A resolution memorializing the President of the United States and Congress to provide increased benefits to members of the National Guard and other Reserve Components of the United States Armed Forces who are engaged in the nation's Global War on Terrorism.

Referred to the Committee on Agriculture, Veterans and Gaming.

### MEMBERS EXCUSED

Senator Rest was excused from the Session of today from 1:30 to 1:35 p.m. Senators Chaudhary, Moua and Murphy were excused from the Session of today from 1:30 to 1:40 p.m. Senator Olson was excused from the Session of today from 1:30 to 1:40 and from 4:00 to 5:25 p.m. Senator Michel was excused from the Session of today from 1:45 to 2:00 p.m. Senator Johnson, D.E. was excused from the Session of today from 2:00 to 3:00 p.m. Senator Pariseau was excused from the Session of today from 2:10 to 2:30 p.m. Senator Larson was excused from the Session of today from 3:00 to 3:30 and at 5:25 p.m. Senator Hann was excused from the Session of today from 4:00 to 5:20 p.m. Senator Ranum was excused from the Session of today at 4:25 p.m. Senator Koering was excused from the Session of today from 5:05 to 5:50 p.m. Senator Ourada was excused from the Session of today at 5:05 p.m.

**ADJOURNMENT**

Senator Johnson, D.E. moved that the Senate do now adjourn until 10:00 a.m., Thursday, May 13, 2004. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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Wednesday, May 12, 2004

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