

CHAPTER 187—S.F.No. 157

An act relating to state government; rulemaking; enacting, eliminating, continuing, or modifying certain exemptions from the rulemaking requirements of the administrative procedures act; making technical and conforming changes; amending Minnesota Statutes 1996, sections 3.305, by adding a subdivision; 14.03, subdivision 3, and by adding a subdivision; 14.386; 14.47, subdivision 1; 15.50, subdivision 2; 16A.632, subdivision 2; 16A.641, subdivision 4; 16A.671, subdivision 5; 16B.18, subdivision 3; 16D.11, subdivision 7; 17.03, subdivision 10; 17.54, subdivision 4; 17.56, subdivision 2; 17.57, subdivision 1; 17.64, subdivision 2; 18.022, subdivision 9; 18.0227, subdivision 3; 32.394, subdivision 12; 41B.07; 41C.13; 43A.182; 48.221; 50.175, subdivision 2; 51A.361; 52.17, subdivision 2; 53.07, subdivision 1; 60A.13, subdivision 6; 60K.19, subdivision 6; 61B.21, subdivision 1; 62E.10, subdivision 8; 62J.04, subdivision 1; 62J.152, subdivision 4; 62J.61; 62L.13, subdivision 3; 62N.23; 62N.25, subdivision 6; 65B.28, subdivision 3; 79.34, subdivisions 1 and 2a; 79.362; 84.98, subdivision 2; 85.045, subdivision 3; 85A.02, subdivision 5b; 85A.05, subdivision 2; 88.80, subdivision 2; 97A.085, subdivision 4a; 115A.11, subdivision 2; 115A.20; 115A.58, subdivision 2; 116.17, subdivision 2; 116.44, subdivision 1; 116C.06, subdivision 1; 116O.05, subdivision 3; 123.3514, subdivision 8; 124.41, subdivision 2; 124.46, subdivision 2; 124.648, subdivision 3; 128C.02, subdivision 4; 129C.10, subdivision 3; 136A.40; 145.925, subdivision 9; 147A.26; 148B.66, subdivision 3; 148C.03, subdivision 1; 150A.04, subdivision 5; 152.02, subdivision 12; 153A.15, subdivision 3; 161.1231, subdivision 5; 167.50, subdivision 2; 169.06, subdivision 1; 169.452; 169.99, subdivision 2; 171.321, subdivision 2; 174.51, subdivision 2; 176.102, subdivision 2; 176.136, subdivision 1a; 176A.08; 182.655, subdivision 1; 216D.03, subdivision 2; 240A.02, subdivision 2; 244.13, subdivision 1; 245.494, subdivision 1; 245A.09, subdivision 10; 256.027; 256.9357, subdivision 3; 256.9685, subdivision 1; 256.969, subdivision 3a; 256B.431, subdivision 2e; 256B.434, subdivision 12; 256B.501, subdivision 10; 256B.502; 256B.503; 273.112, subdivision 6a; 299F.093, subdivision 1; 325F.665, subdivision 6; 346.58; 347.51, subdivision 2a; 401.03; 458A.03, subdivision 2; 474A.17; 475A.06, subdivision 2; 507.09; 518.14, subdivision 2; 518.611, subdivision 9; 518.613, subdivision 6; 518.64, subdivision 5; 518.641, subdivision 4; 624.22, subdivision 1; and 624.7151; Laws 1988, chapter 688, article 21, section 7, subdivision 1; and Laws 1991, chapter 265, article 4, section 28; proposing coding for new law in Minnesota Statutes, chapters 14; and 128C; repealing Minnesota Statutes 1996, sections 14.38, subdivisions 5, 6, 7, 8, and 9; 14.387; 126.56, subdivision 8; 214.06, subdivision 3; 469.173, subdivision 2; and 469.308, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

**EXEMPTIONS ELIMINATED OR NO LONGER NEEDED;
RULEMAKING REQUIRED**

Section 1. Minnesota Statutes 1996, section 32.394, subdivision 12, is amended to read:

Subd. 12. **WATER TESTING GUIDELINES.** The commissioner of agriculture, in consultation with the commissioner of health, shall establish guidelines for the testing required under section 32.394, subdivision 11, clause (3). ~~The guidelines are not subject to chapter 14.~~

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Sec. 2. Minnesota Statutes 1996, section 41B.07, is amended to read:

41B.07 RULES.

The authority may adopt rules for the efficient administration of sections 41B.01 to 41B.23. ~~The rules need not be adopted in compliance with chapter 14.~~

Sec. 3. Minnesota Statutes 1996, section 41C.13, is amended to read:

41C.13 RULES.

The authority may adopt rules for the efficient administration of this chapter. ~~The rules need not be adopted in compliance with chapter 14.~~

Sec. 4. Minnesota Statutes 1996, section 43A.182, is amended to read:

43A.182 PAYMENT OF SALARY DIFFERENTIAL FOR RESERVE FORCES ON ACTIVE DUTY.

Each agency head shall pay to each eligible member of the reserve components of the armed forces of the United States an amount equal to the difference between the member's basic active duty military salary and the salary the member would be paid as an active state employee, including any adjustments the member would have received if not on leave of absence. This payment may be made only to a person whose basic active duty military salary is less than the salary the person would be paid as an active state employee. Payments must be made at the intervals at which the member received pay as a state employee. Back pay authorized by this section may be paid in a lump sum. Such pay shall not extend beyond four years from the date the employee was called to active duty plus such additional time in each case as such employee may be required to serve pursuant to law.

An eligible member of the reserve components of the armed forces of the United States is a reservist or National Guard member who was an employee of the state of Minnesota at the time the member was called to active duty and who was or is called to active duty after August 1, 1990, because of Operation Desert Shield, Operation Desert Storm, or any other action taken by the armed forces relating to hostilities between the United States and the Republic of Iraq.

For the purposes of this section, an employee of the state is an employee of the executive, judicial, or legislative branches of state government or an employee of the Minnesota state retirement system, the public employee retirement association, or the teachers retirement association.

The commissioner of employee relations and the commissioner of finance shall adopt procedures required to implement this section. ~~The procedures are exempt from chapter 14.~~

Sec. 5. Minnesota Statutes 1996, section 62J.04, subdivision 1, is amended to read:

Subdivision 1. **LIMITS ON THE RATE OF GROWTH.** (a) The commissioner of health shall set annual limits on the rate of growth of public and private spending on health care services for Minnesota residents, as provided in paragraph (b). The limits on growth must be set at levels the commissioner determines to be realistic and achievable but that will reduce the rate of growth in health care spending by at least ten percent per year for the next five years. The commissioner shall set limits on growth based on avail-

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able data on spending and growth trends, including data from group purchasers, national data on public and private sector health care spending and cost trends, and trend information from other states.

(b) The commissioner shall set the following annual limits on the rate of growth of public and private spending on health care services for Minnesota residents:

(1) for calendar year 1994, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1993 plus 6.5 percentage points;

(2) for calendar year 1995, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1994 plus 5.3 percentage points;

(3) for calendar year 1996, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1995 plus 4.3 percentage points;

(4) for calendar year 1997, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1996 plus 3.4 percentage points; and

(5) for calendar year 1998, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1997 plus 2.6 percentage points.

The commissioner shall adjust the growth limit set for calendar year 1995 to recover savings in health care spending required for the period July 1, 1993 to December 31, 1993. The commissioner shall publish:

(1) the projected limits in the State Register by April 15 of the year immediately preceding the year in which the limit will be effective except for the year 1993, in which the limit shall be published by July 1, 1993;

(2) the quarterly change in the regional consumer price index for urban consumers; and

(3) the health care financing administration forecast for total growth in the national health care expenditures. ~~In setting an annual limit, the commissioner is exempt from the rulemaking requirements of chapter 14. The commissioner's decision on an annual limit is not appealable.~~

Sec. 6. Minnesota Statutes 1996, section 62N.25, subdivision 6, is amended to read:

Subd. 6. **SOLVENCY.** A community integrated service network is exempt from the deposit, reserve, and solvency requirements specified in sections 62D.041, 62D.042, 62D.043, and 62D.044 and shall comply instead with sections 62N.27 to 62N.32. ~~In applying sections 62N.27 to 62N.32, the commissioner is exempt from the rulemaking requirements of chapter 14. However,~~ To the extent that there are analogous definitions or procedures in chapter 62D or in rules promulgated thereunder, the commissioner shall follow those existing provisions rather than adopting a contrary approach or interpretation. ~~This rulemaking exemption shall expire on June 1, 1995.~~

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Sec. 7. Minnesota Statutes 1996, section 84.98, subdivision 2, is amended to read:

Subd. 2. **PLAN.** (a) The commissioner of natural resources shall develop a plan for the Minnesota conservation corps to provide:

(1) equal opportunities of employment for youths with preference given to youths who are economically, socially, physically, or educationally disadvantaged and youths residing in areas of substantial unemployment;

(2) equal opportunity for female and male youths;

(3) summer youth programs and year-round young adult programs;

(4) ways in which exclusive bargaining representatives are to be involved in regard to the planning and implementation of positions and job duties of persons employed in projects;

(5) methods for coordinating the programs of the Minnesota conservation corps with other publicly authorized or subsidized programs in cooperation with the commissioners of children, families, and learning and economic security, the workforce development council, and other state and local youth service and education entities;

(6) programs for participants to be assisted in gaining employment or training upon completing the projects, including, where feasible, in cooperation with the department of economic security and educational agencies, arranging for career assessment and planning services designed to enhance participant transition from the Minnesota conservation corps to future employment or education;

(7) a remedial education component utilizing, as resources permit and where feasible, the services of the department of economic security and educational agencies including instruction in life skills and basic remedial skills for participants who are deficient in the skills or who have not completed high school;

(8) the manner of allocating the services of Minnesota conservation corps members to the various divisions of the department of natural resources, to other state, local, and federal governmental conservation and natural resource managers, and to federally recognized Indian tribes or bands;

(9) standards of conduct and other operating guidelines for Minnesota conservation corps members; and

(10) a determination of preference for projects that will provide long-term benefits to the public, will provide productive work and public service experience to Minnesota conservation corps members, will be primarily labor intensive, and will provide a significant return on taxpayer investment.

(b) ~~The commissioner shall establish the plan notwithstanding chapter 14. No later than July 1, 1990, the plan established under this paragraph subdivision shall be adopted under the rulemaking provisions of chapter 14.~~

Sec. 8. Minnesota Statutes 1996, section 88.80, subdivision 2, is amended to read:

Subd. 2. **PILOT PROJECT.** The commissioner shall establish an aspen recycling program pilot project in the highest priority area on state lands in order to develop effective program procedures and practices. With respect to the pilot project, the commission-

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er may restrict bidding on contracts for the cutting, removal, and disposal of aspens, and for related activities, to loggers and others residing in the pilot project area designated under the program that are financially distressed. The commissioner may establish standards and procedures for awarding logging contracts, ~~notwithstanding chapter 14,~~ relating to eligibility for employment for conservation work projects.

Sec. 9. Minnesota Statutes 1996, section 115A.11, subdivision 2, is amended to read:

Subd. 2. **PROCEDURE.** The plan and the procedures for hearings on the plan are not subject to the ~~rulemaking or~~ contested case provisions of chapter 14. Before revising the draft plan or amending its adopted plan, the office shall provide notice and hold a public meeting.

Sec. 10. Minnesota Statutes 1996, section 115A.20, is amended to read:

115A.20 EVALUATION OF SITES.

The office shall not be required to promulgate rules pursuant to chapter 14 to govern its evaluation and selection of sites for commercial stabilization and containment facilities under sections 115A.18 to 115A.30, nor shall the agency be required to promulgate rules pursuant to chapter 14 on criteria and standards to govern its certification of intrinsic suitability of sites for commercial stabilization and containment facilities under sections 115A.18 to 115A.30. In evaluating and selecting sites for stabilization and containment facilities, the office shall consider at least the following factors:

(a) economic feasibility, including proximity to concentrations of generators of the types of hazardous wastes likely to be proposed and permitted for stabilization and containment;

(b) intrinsic suitability of the sites;

(c) federal and state pollution control and environmental protection rules;

(d) the risk and effect for local residents, units of government, and the local public health, safety, and welfare, including such dangers as an accidental release of wastes during transportation to a facility or at a facility, water, air, and land pollution, and fire or explosion;

(e) the consistency of a facility with, and its effect on, existing and planned local land use and development; local laws, ordinances, and permits; and local public facilities and services;

(f) the adverse effects of a facility at the site on agriculture and natural resources and opportunities to mitigate or eliminate such adverse effects by stipulations, conditions, and requirements respecting the design and operation of a disposal facility at the proposed site.

No land shall be excluded from consideration except land determined by the agency to be intrinsically unsuitable for the use intended.

Nothing in this section shall be construed as granting the office an exemption from the rulemaking requirements of chapter 14 if the agency adopts statements of general applicability and future effect, including amendments, suspensions, and repeals of rules,

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adopted to implement or make specific the law enforced or administered by the agency or to govern the organization and procedure.

Sec. 11. Minnesota Statutes 1996, section 116.44, subdivision 1, is amended to read:

Subdivision 1. **LIST OF AREAS.** By January 1, 1983, the pollution control agency shall publish a preliminary list of counties determined to contain natural resources sensitive to the impacts of acid deposition. Sensitive areas shall be designated on the basis of:

- (a) the presence of plants and animal species which are sensitive to acid deposition;
- (b) geological information identifying those areas which have insoluble bedrock which is incapable of adequately neutralizing acid deposition; and
- (c) existing acid deposition reports and data prepared by the pollution control agency and the federal environmental protection agency. The pollution control agency shall conduct public meetings on the preliminary list of acid deposition sensitive areas. Meetings shall be concluded by March 1, 1983, and a final list published by May 1, 1983. ~~The list shall not be subject to the rulemaking or contested case provisions of chapter 14.~~

Sec. 12. Minnesota Statutes 1996, section 123.3514, subdivision 8, is amended to read:

Subd. 8. **TRANSPORTATION.** A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled or the pupil's home and the post-secondary institution that the pupil attends. The commissioner shall establish guidelines for providing state aid to districts to reimburse the parent or guardian for the necessary transportation costs, which shall be based on financial need. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest post-secondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school or the pupil's home and the nearest post-secondary institution times ten. The state shall pay aid to the district according to the guidelines established under this subdivision. ~~Chapter 14 does not apply to the guidelines.~~

Sec. 13. Minnesota Statutes 1996, section 129C.10, subdivision 3, is amended to read:

Subd. 3. **POWERS AND DUTIES OF BOARD.** (a) The board has the powers necessary for the care, management, and control of the Lola and Rudy Perpich Minnesota center for arts education and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the center for arts education.

(c) The board may receive and award grants. The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise

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and its acceptance. The board shall adopt internal procedures to administer and monitor aids and grants.

(d) The board may establish or coordinate evening, continuing education, extension, and summer programs for teachers and pupils.

(e) The board may identify pupils who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board shall educate pupils with artistic talent by providing:

(1) an interdisciplinary academic and arts program for pupils in the 11th and 12th grades. The total number of pupils accepted under this clause and clause (2) shall not exceed 300;

(2) additional instruction to pupils for a 13th grade. Pupils eligible for this instruction are those enrolled in 12th grade who need extra instruction and who apply to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes established by the board. ~~Criteria for admission into the 13th grade shall not be subject to chapter 14;~~

(3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

(4) summer arts institutes for pupils in grades 9 to 12;

(5) artist mentor and extension programs in regional sites; and

(6) teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Lola and Rudy Perpich Minnesota center for arts education and any additional facilities related to the center, including the authority to lease a temporary facility.

(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) The board may establish task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) The board may request the commissioner of children, families, and learning for assistance and services.

(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or service cooperatives to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the center for arts education, including a store, operating in connection with the center; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the center.

(m) The board may provide for transportation of pupils to and from the center for arts education for all or part of the school year, as the board considers advisable and sub-

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ject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of children, families, and learning and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the center for arts education. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils. If the board provides room and board, it shall charge a reasonable fee for the room and board. The fee is not subject to chapter 14 and is not a prohibited fee according to sections 120.71 to 120.76.

(o) The board may establish and set fees for services and programs without regard to chapter 14. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Sec. 14. Minnesota Statutes 1996, section 169.452, is amended to read:

169.452 ACCIDENT AND SERIOUS INCIDENT REPORTING.

(a) The department commissioner of public safety shall adopt rules to:

(1) develop uniform definitions of a school bus accident, an incident of serious misconduct, and an incident that results in personal injury or death. The department shall; and

(2) determine what type of information on school bus accidents and incidents, including criminal conduct, and bus driver dismissals for cause should be collected and.

(b) The commissioner shall develop a uniform accident and incident reporting form to collect those data, including data relating to type III vehicles, statewide. In addition to the form, the department shall have an alternative method of reporting that allows school districts to use computer technology to provide the required information. School districts shall report the information required by the department using either format. A school district must not be charged for reporting forms or reporting procedures under this section. This paragraph is not subject to chapter 14.

(c) Data collected under this section shall be analyzed to help develop accident, crime, and misconduct prevention programs. This section is not subject to chapter 14.

Sec. 15. Minnesota Statutes 1996, section 216D.03, subdivision 2, is amended to read:

Subd. 2. ESTABLISHMENT OF NOTIFICATION CENTER. (a) The notification center services must be provided by a nonprofit corporation approved in writing by the commissioner. ~~A group or nonprofit corporation that intends to seek approval under this paragraph shall notify the commissioner by September 1, 1987, of the date, time, and location of its first meeting. The commissioner shall provide advance notice of the first organizational meeting by publication in qualified legal newspapers and in appropriate~~

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trade journals and by written notice to all appropriate trade associations. The nonprofit corporation must be governed by a board of directors of up to 20 members, one of whom is the director of the office of pipeline safety. The other board members must represent and be elected by operators, excavators, and other persons eligible to participate in the center. By November 1, 1987, the board shall, with input from all interested parties, determine the operating procedures and technology needed for a single statewide notification center and establish a notification process and competitive bidding procedure to select a vendor to provide the notification service. In deciding to approve a nonprofit corporation, the commissioner shall consider whether it meets the requirements of this paragraph and whether it demonstrates that it has the ability to contract for and implement the notification center service.

(b) If the commissioner has not approved a nonprofit corporation under paragraph (a) by January 1, 1988, the commissioner shall follow the procedure in this paragraph. The commissioner shall prepare a preliminary draft of adopt rules:

(1) establishing a notification process and competitive bidding procedure for selecting a vendor to provide the notification service;

(2) governing the operating procedures and technology needed for a statewide notification center; and

(3) setting forth the method for assessing the cost of the service among operators. After holding at least one public hearing on the preliminary draft following notice given in the manner required by paragraph (a), the commissioner shall adopt final operating procedures, technology, and assessment methods. The preliminary draft, public hearings, and final adoption are not subject to chapter 14. By June 1, 1988,

(c) The commissioner shall select a vendor to provide the notification center service. The commissioner shall may advertise for bids as provided in section 16B.07, subdivision 3, and base the selection of a vendor on an identification of the lowest responsible bidder as provided in section 16B.09, subdivision 1. The commissioner shall select and contract with the vendor to provide the notification center service, but all costs of the center must be paid by the operators. The commissioner may at any time appoint a task force to advise on the renewal of the contract or any other matter involving the center's operations.

(e) The notification center must be in operation by October 1, 1988. (d) An operator may submit a bid and be selected to contract to provide the notification center service under paragraph (a) or ~~(b)~~ (c). The commissioner shall annually review the services provided by the nonprofit corporation approved under paragraph (a) or the vendor selected under paragraph ~~(b)~~ (c).

Sec. 16. Minnesota Statutes 1996, section 245.494, subdivision 1, is amended to read:

Subdivision 1. **CHILDREN'S CABINET.** The children's cabinet, in consultation with the integrated fund task force, shall:

(1) assist local children's mental health collaboratives in meeting the requirements of sections 245.491 to 245.496, by seeking consultation and technical assistance from national experts and coordinating presentations and assistance from these experts to local children's mental health collaboratives;

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(2) assist local children's mental health collaboratives in identifying an economically viable operational target population;

(3) develop methods to reduce duplication and promote coordinated services including uniform forms for reporting, billing, and planning of services;

(4) by September 1, 1994, develop a model multiagency plan of care that can be used by local children's mental health collaboratives in place of an individual education plan, individual family community support plan, individual family support plan, and an individual treatment plan;

(5) assist in the implementation and operation of local children's mental health collaboratives by facilitating the integration of funds, coordination of services, and measurement of results, and by providing other assistance as needed;

(6) by July 1, 1993, develop a procedure for awarding start-up funds. Development of this procedure shall be exempt from chapter 14;

(7) develop procedures and provide technical assistance to allow local children's mental health collaboratives to integrate resources for children's mental health services with other resources available to serve children in the target population in order to maximize federal participation and improve efficiency of funding;

(8) (7) ensure that local children's mental health collaboratives and the services received through these collaboratives meet the requirements set out in sections 245.491 to 245.496;

(9) (8) identify base level funding from state and federal sources across systems;

(10) (9) explore ways to access additional federal funds and enhance revenues available to address the needs of the target population;

(11) (10) develop a mechanism for identifying the state share of funding for services to children in the target population and for making these funds available on a per capita basis for services provided through the local children's mental health collaborative to children in the target population. Each year beginning January 1, 1994, forecast the growth in the state share and increase funding for local children's mental health collaboratives accordingly;

(12) (11) identify barriers to integrated service systems that arise from data practices and make recommendations including legislative changes needed in the data practices act to address these barriers; and

(13) (12) annually review the expenditures of local children's mental health collaboratives to ensure that funding for services provided to the target population continues from sources other than the federal funds earned under sections 245.491 to 245.496 and that federal funds earned are spent consistent with sections 245.491 to 245.496.

Sec. 17. Minnesota Statutes 1996, section 256.027, is amended to read:

256.027 USE OF VANS PERMITTED.

The commissioner, after consultation with the commissioner of public safety, shall prescribe procedures to permit the occasional use of lift-equipped vans that have been financed, in whole or in part, by public money to transport an individual whose own lift-

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equipped vehicle is unavailable because of equipment failure and who is thus unable to complete a trip home or to a medical facility. ~~For purposes of prescribing these procedures, the commissioner is exempt from the provisions of chapter 14.~~ The commissioner shall encourage publicly financed lift-equipped vans to be made available to a county sheriff's department, and to other persons who are qualified to drive the vans and who are also qualified to assist the individual in need of transportation, for this purpose.

Sec. 18. Minnesota Statutes 1996, section 256.9357, subdivision 3, is amended to read:

Subd. 3. **PERIOD UNINSURED.** To be eligible for subsidized premium payments based on a sliding scale, families and individuals initially enrolled in the MinnesotaCare program under section 256.9354, subdivisions 4 and 5, must have had no health coverage for at least four months prior to application. The commissioner may change this eligibility criterion for sliding scale premiums ~~without complying with rulemaking requirements~~ in order to remain within the limits of available appropriations. The requirement of at least four months of no health coverage prior to application for the MinnesotaCare program does not apply to:

(1) families, children, and individuals who want to apply for the MinnesotaCare program upon termination from the medical assistance program, general assistance medical care program, or coverage under a regional demonstration project for the uninsured funded under section 256B.73, the Hennepin county assured care program, or the Group Health, Inc., community health plan;

(2) families and individuals initially enrolled under section 256.9354, subdivisions 1, paragraph (a), and 2;

(3) children enrolled pursuant to Laws 1992, chapter 549, article 4, section 17; or

(4) individuals currently serving or who have served in the military reserves, and dependents of these individuals, if these individuals: (i) reapply for MinnesotaCare coverage after a period of active military service during which they had been covered by the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); (ii) were covered under MinnesotaCare immediately prior to obtaining coverage under CHAMPUS; and (iii) have maintained continuous coverage.

Sec. 19. Minnesota Statutes 1996, section 256.9685, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY.** The commissioner shall establish procedures for determining medical assistance and general assistance medical care payment rates under a prospective payment system for inpatient hospital services in hospitals that qualify as vendors of medical assistance. The commissioner shall establish, by rule, procedures for implementing this section and sections 256.9686, 256.969, and 256.9695. The medical assistance payment rates must be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of recipients in efficiently and economically operated hospitals. Services must meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), to be eligible for payment, ~~except the commissioner may establish exemptions to specific requirements based on diagnosis, procedure, or service after notice in the State Register and a 30-day comment period.~~

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Sec. 20. Minnesota Statutes 1996, section 256.969, subdivision 3a, is amended to read:

Subd. 3a. **PAYMENTS.** Acute care hospital billings under the medical assistance program must not be submitted until the recipient is discharged. However, the commissioner shall establish monthly interim payments for inpatient hospitals that have individual patient lengths of stay over 30 days regardless of diagnostic category. ~~To establish interim rates, the commissioner is exempt from the requirements of chapter 14.~~ Medical assistance reimbursement for treatment of mental illness shall be reimbursed based on diagnostic classifications. The commissioner may selectively contract with hospitals for services within the diagnostic categories relating to mental illness and chemical dependency under competitive bidding when reasonable geographic access by recipients can be assured. No physician shall be denied the privilege of treating a recipient required to use a hospital under contract with the commissioner, as long as the physician meets credentialing standards of the individual hospital. Individual hospital payments established under this section and sections 256.9685, 256.9686, and 256.9695, in addition to third party and recipient liability, for discharges occurring during the rate year shall not exceed, in aggregate, the charges for the medical assistance covered inpatient services paid for the same period of time to the hospital. This payment limitation shall be calculated separately for medical assistance and general assistance medical care services. The limitation on general assistance medical care shall be effective for admissions occurring on or after July 1, 1991. Services that have rates established under subdivision 11 or 12, must be limited separately from other services. After consulting with the affected hospitals, the commissioner may consider related hospitals one entity and may merge the payment rates while maintaining separate provider numbers. The operating and property base rates per admission or per day shall be derived from the best Medicare and claims data available when rates are established. The commissioner shall determine the best Medicare and claims data, taking into consideration variables of recency of the data, audit disposition, settlement status, and the ability to set rates in a timely manner. The commissioner shall notify hospitals of payment rates by December 1 of the year preceding the rate year. The rate setting data must reflect the admissions data used to establish relative values. Base year changes from 1981 to the base year established for the rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase under subdivision 1. The commissioner may adjust base year cost, relative value, and case mix index data to exclude the costs of services that have been discontinued by the October 1 of the year preceding the rate year or that are paid separately from inpatient services. Inpatient stays that encompass portions of two or more rate years shall have payments established based on payment rates in effect at the time of admission unless the date of admission preceded the rate year in effect by six months or more. In this case, operating payment rates for services rendered during the rate year in effect and established based on the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

Sec. 21. Minnesota Statutes 1996, section 273.112, subdivision 6a, is amended to read:

Subd. 6a. The commissioner of revenue shall develop and issue guidelines for qualification by private golf clubs under this section covering the access to and use of the golf course by members and other adults so as to be consistent with the purposes and terms of this section. The guidelines shall be mailed to the county attorney and assessor of each

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county not later than 60 days following May 26, 1989. Within 15 days of receipt of the guidelines from the commissioner, the assessor shall mail a copy of the guidelines to each golf club in the county. ~~The guidelines issued under this subdivision are not subject to the administrative procedure act under chapter 14.~~

Sec. 22. Minnesota Statutes 1996, section 299F.093, subdivision 1, is amended to read:

Subdivision 1. **DUTIES; RULES.** (a) The commissioner shall:

(1) adopt rules no later than July 1, 1987, with the advice of the hazardous substance notification advisory committee, establishing the form and content of the hazardous substance notification report form, as required by section 299F.094, and describing one or more hazard categories with specified ranges of quantities in each hazard category, representing increments of substantially increased risk;

(2) print and provide to individual fire departments the requested number of hazardous substance notification reports, which must be made available to a fire department no more than 90 days following its request, for the fire department to mail or otherwise make available to employers in the jurisdiction;

(3) report to the legislature, as needed, on the effectiveness of sections 299F.091 to 299F.099 and recommend amendments to sections 299F.091 to 299F.099 that are considered necessary;

(4) adopt rules to implement sections 299F.091 to 299F.099, compatible with the Minnesota Uniform Fire Code so as to not limit the authority of local fire officials under that code; and

(5) adopt rules that are based on the most recent standard 704, adopted by the National Fire Protection Association, and that allow a fire department to require employers within its jurisdiction to post signs conforming to standard 704, and indicating the presence of hazardous substances. If the signs are required, a fire department shall supply the signs or provide information to assist an employer to obtain them.

(b) The commissioner shall adopt criteria and guidelines, with the concurrence of the hazardous substance notification advisory committee, for the disbursement of funds pursuant to Laws 1986, First Special Session chapter 1, article 10, section 20, subdivision 1. ~~These criteria and guidelines are exempt from the Minnesota administrative procedure act.~~

Sec. 23. Minnesota Statutes 1996, section 624.22, subdivision 1, is amended to read:

Subdivision 1. **GENERAL REQUIREMENTS; PERMIT; INVESTIGATION; FEE.** (a) Sections 624.20 to 624.25 ~~shall do not~~ prohibit the supervised display of fireworks by a statutory or home rule charter city, fair association, amusement park, or other organization, except that:

(1) a fireworks display may be conducted only when supervised by an operator certified by the state fire marshal; and

(2) a fireworks display must either be given by a municipality or fair association within its own limits, or by any other organization, whether public or private, only after a permit for the display has first been secured.

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(b) ~~Every~~ An application for such a permit shall must be made in writing to the municipal clerk at least 15 days in advance of the date of the display and shall must list the name of an operator who ~~(1)~~ is certified by the state fire marshal and ~~(2)~~ will supervise the display. The application shall must be promptly referred to the chief of the fire department, who shall make an investigation to determine whether the operator of the display is competent and is certified by the state fire marshal, and whether the display is of such a character and is to be so located, discharged, or fired that it will not be hazardous to property or endanger any person. The fire chief shall report the results of this investigation to the clerk. If the fire chief reports that the operator is certified, that in the chief's opinion the operator is competent, and that the fireworks display as planned will conform to the safety guidelines of the state fire marshal provided for in paragraph (e), the clerk shall issue a permit for the display when the applicant pays a permit fee.

(c) When the supervised fireworks display for which a permit is sought is to be held outside the limits of an incorporated municipality, the application shall must be made to the county auditor, and the auditor shall perform duties imposed by sections 624.20 to 624.25 upon the clerk of the municipality shall be performed in such case by the county auditor. When an application is made to the auditor, the county sheriff shall perform the duties imposed on the fire chief of the municipality by sections 624.20 to 624.25 shall be performed in such case by the county sheriff.

(d) After such a permit ~~shall have~~ has been granted, sales, possession, use and distribution of fireworks for such a display shall be are lawful for that purpose only. No A permit so granted shall be is not transferable.

(e) By January 1, 1996, The state fire marshal shall adopt and disseminate to political subdivisions reasonable rules establishing guidelines on fireworks display safety, which are exempt from chapter 14, that are consistent with sections 624.20 to 624.25 and the most recent editions of the Minnesota Uniform Fire Code and the National Fire Protection Association Standards, to insure that fireworks displays are given safely. In the guidelines, the state fire marshal shall allow political subdivisions to exempt the use of relatively safe fireworks for theatrical special effects, ceremonial occasions, and other limited purposes, as determined by the state fire marshal.

Sec. 24. Laws 1988, chapter 688, article 21, section 7, subdivision 1, is amended to read:

Subdivision 1. **REVOLVING LOAN FUND.** \$1,000,000 is appropriated from the general fund to the commissioner of agriculture to be credited to a revolving loan account for low-interest loans to farmers to adopt sustainable agriculture practices. Money in the account does not cancel but is appropriated to the commissioner of agriculture to make low-interest loans to farmers under this subdivision. Notwithstanding chapter 14, The commissioner shall prescribe procedures for application and implementation of the program.

Sec. 25. Laws 1991, chapter 265, article 4, section 28, is amended to read:

Sec. 28. **COMMISSIONER OF EDUCATION TO ESTABLISH ELIGIBILITY STANDARDS.**

The commissioner of education shall establish standards to determine the eligibility of an individual to take a GED test at a reduced cost. The standards shall be established

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without rulemaking under Minnesota Statutes, chapter 14. The standards shall include the following:

- (1) the individual shall have resided in Minnesota at least 90 days;
- (2) the individual is not currently enrolled in a program leading to a high school diploma; and
- (3) the individual shall not take more than three tests at a reduced cost.

Sec. 26. EFFECT OF ELIMINATION OF EXEMPTION AUTHORITY.

The elimination of rulemaking exemption authority in this article does not affect the validity of agency statements of general applicability and future effect adopted before the effective date of this section to implement or make specific the law enforced or administered by the agency or to govern its organization or procedure.

Sec. 27. REPEALER.

Minnesota Statutes 1996, section 126.56, subdivision 8, is repealed.

Sec. 28. EFFECTIVE DATE.

This article is effective June 30, 1997.

ARTICLE 2

**EXEMPTIONS ELIMINATED; COVERAGE
UNDER GENERIC EXEMPTIONS**

Section 1. Minnesota Statutes 1996, section 17.03, subdivision 10, is amended to read:

Subd. 10. **GIFTS; PUBLICATION FEES; ADVERTISING; APPROPRIATION.** (a) The commissioner may accept for and on behalf of the state any gift, bequest, devise, grant, or interest in money or personal property of any kind tendered to the state for any purpose pertaining to the activities of the department of agriculture or any of its divisions.

(b) The commissioner may charge a fee for reports, publications, or other promotional or informational material produced by the department of agriculture. The commissioner may solicit and accept advertising revenue for any departmental publications or promotional materials.

(c) The fees collected by the commissioner under this section are to recover all or part of the costs of providing services for which the fees are paid. ~~These fees are not subject to chapter 14 or section 16A.1285.~~

(d) Money received by the commissioner for these activities may be credited to one or more special accounts in the state treasury. Money in those special accounts is annually

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appropriated to the commissioner to provide the services for which the money was received.

Sec. 2. Minnesota Statutes 1996, section 62N.23, is amended to read:

62N.23 TECHNICAL ASSISTANCE; LOANS.

(a) The commissioner shall provide technical assistance to parties interested in establishing or operating a community integrated service network or an integrated service network. This shall be known as the integrated service network technical assistance program (ISNTAP).

The technical assistance program shall offer seminars on the establishment and operation of community integrated service networks or integrated service networks in all regions of Minnesota. The commissioner shall advertise these seminars in local and regional newspapers, and attendance at these seminars shall be free.

The commissioner shall write a guide to establishing and operating a community integrated service network or an integrated service network. The guide must provide basic instructions for parties wishing to establish a community integrated service network or an integrated service network. The guide must be provided free of charge to interested parties. The commissioner shall update this guide when appropriate.

The commissioner shall establish a toll-free telephone line that interested parties may call to obtain assistance in establishing or operating a community integrated service network or an integrated service network.

(b) The commissioner shall grant loans for organizational and start-up expenses to entities forming community integrated service networks or integrated service networks, or to networks less than one year old, to the extent of any appropriation for that purpose. The commissioner shall allocate the available funds among applicants based upon the following criteria, as evaluated by the commissioner within the commissioner's discretion:

- (1) the applicant's need for the loan;
- (2) the likelihood that the loan will foster the formation or growth of a network; and
- (3) the likelihood of repayment.

The commissioner shall determine any necessary application deadlines and forms and is exempt from rulemaking in doing so.

Sec. 3. Minnesota Statutes 1996, section 129C.10, subdivision 3, is amended to read:

Subd. 3. POWERS AND DUTIES OF BOARD. (a) The board has the powers necessary for the care, management, and control of the Lola and Rudy Perpich Minnesota center for arts education and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the center for arts education.

(c) The board may receive and award grants. The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educa-

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tional purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance. The board shall adopt internal procedures to administer and monitor aids and grants.

(d) The board may establish or coordinate evening, continuing education, extension, and summer programs for teachers and pupils.

(e) The board may identify pupils who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board shall educate pupils with artistic talent by providing:

(1) an interdisciplinary academic and arts program for pupils in the 11th and 12th grades. The total number of pupils accepted under this clause and clause (2) shall not exceed 300;

(2) additional instruction to pupils for a 13th grade. Pupils eligible for this instruction are those enrolled in 12th grade who need extra instruction and who apply to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes established by the board. Criteria for admission into the 13th grade shall not be subject to chapter 14;

(3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

(4) summer arts institutes for pupils in grades 9 to 12;

(5) artist mentor and extension programs in regional sites; and

(6) teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Lola and Rudy Perpich Minnesota center for arts education and any additional facilities related to the center, including the authority to lease a temporary facility.

(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) The board may establish task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) The board may request the commissioner of children, families, and learning for assistance and services.

(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or service cooperatives to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the center for arts education, including a store, operating in connection with the center; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the center.

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(m) The board may provide for transportation of pupils to and from the center for arts education for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of children, families, and learning and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the center for arts education. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils. If the board provides room and board, it shall charge a reasonable fee for the room and board. The fee is not subject to chapter 14 and is not a prohibited fee according to sections 120.71 to 120.76.

(o) The board may establish and set fees for services and programs ~~without regard to chapter 14~~. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Sec. 4. Minnesota Statutes 1996, section 147A.26, is amended to read:

147A.26 PROCEDURES.

The board shall establish, in writing, internal operating procedures for receiving and investigating complaints, accepting and processing applications, granting registrations, and imposing enforcement actions. The written internal operating procedures may include procedures for sharing complaint information with government agencies in this and other states. ~~Establishment of the operating procedures are not subject to rulemaking procedures under chapter 14.~~ Procedures for sharing complaint information must be consistent with the requirements for handling government data under chapter 13.

Sec. 5. Minnesota Statutes 1996, section 148B.66, subdivision 3, is amended to read:

Subd. 3. **EXCHANGING INFORMATION.** (a) The office of mental health practice shall establish internal operating procedures for:

(1) exchanging information with state boards; agencies, including the office of ombudsman for mental health and mental retardation; health related and law enforcement facilities; departments responsible for licensing health related occupations, facilities, and programs; and law enforcement personnel in this and other states; and

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

~~Establishment of the operating procedures is not subject to rulemaking under chapter 14.~~

(b) The procedures for exchanging information must provide for the forwarding to the entities described in paragraph (a), clause (1), of information and evidence, including

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the results of investigations, that are relevant to matters within the regulatory jurisdiction of the organizations in paragraph (a). The data have the same classification in the hands of the agency receiving the data as they have in the hands of the agency providing the data.

(c) The office of mental health practice shall establish procedures for exchanging information with other states regarding disciplinary action against licensed and unlicensed mental health practitioners.

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

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

Sec. 6. Minnesota Statutes 1996, section 148C.03, subdivision 1, is amended to read:

Subdivision 1. **GENERAL.** The commissioner shall, after consultation with the advisory council or a subcommittee or the special licensing criteria committee established under section 148C.11, subdivision 3, paragraph (b):

(a) adopt and enforce rules for licensure of alcohol and drug counselors, including establishing standards and methods of determining whether applicants and licensees are qualified under section 148C.04. The rules must provide for examinations and establish standards for the regulation of professional conduct. The rules must be designed to protect the public;

(b) hold or contract for the administration of examinations at least twice a year to assess applicants' knowledge and skills. The examinations must be written and oral and may be administered by the commissioner or by a private organization under contract with the commissioner to administer the licensing examinations. Examinations must minimize cultural bias and must be balanced in various theories relative to practice of alcohol and drug counseling;

(c) issue licenses to individuals qualified under sections 148C.01 to 148C.11;

(d) issue copies of the rules for licensure to all applicants;

(e) adopt rules to establish and implement procedures, including a standard disciplinary process and rules of professional conduct;

(f) carry out disciplinary actions against licensees;

(g) establish, with the advice and recommendations of the advisory council, written internal operating procedures for receiving and investigating complaints and for taking disciplinary actions as appropriate. ~~Establishment of the operating procedures are not subject to rulemaking procedures under chapter 14;~~

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(h) educate the public about the existence and content of the rules for alcohol and drug counselor licensing to enable consumers to file complaints against licensees who may have violated the rules;

(i) evaluate the rules in order to refine and improve the methods used to enforce the commissioner's standards;

(j) set, collect, and adjust license fees for alcohol and drug counselors so that the total fees collected will as closely as possible equal anticipated expenditures during the biennium, as provided in section 16A.1285; fees for initial and renewal application and examinations; late fees for counselors who submit license renewal applications after the renewal deadline; and a surcharge fee. The surcharge fee must include an amount necessary to recover, over a five-year period, the commissioner's direct expenditures for the adoption of the rules providing for the licensure of alcohol and drug counselors. All fees received shall be deposited in the state treasury and credited to the special revenue fund; and

(k) prepare reports on activities related to the licensure of alcohol and drug counselors according to this subdivision by October 1 of each even-numbered year. Copies of the reports shall be delivered to the legislature in accordance with section 3.195 and to the governor. The reports shall contain the following information on the commissioner's activities relating to the licensure of alcohol and drug counselors, for the two-year period ending the previous June 30:

- (1) a general statement of the activities;
- (2) the number of staff hours spent on the activities;
- (3) the receipts and disbursements of funds;
- (4) the names of advisory council members and their addresses, occupations, and dates of appointment and reappointment;
- (5) the names and job classifications of employees;
- (6) a brief summary of rules proposed or adopted during the reporting period with appropriate citations to the State Register and published rules;
- (7) the number of persons having each type of license issued by the commissioner as of June 30 in the year of the report;
- (8) the locations and dates of the administration of examinations by the commissioner;
- (9) the number of persons examined by the commissioner with the persons subdivided into groups showing age categories, sex, and states of residency;
- (10) the number of persons licensed by the commissioner after taking the examinations referred to in clause (8) with the persons subdivided by age categories, sex, and states of residency;
- (11) the number of persons not licensed by the commissioner after taking the examinations referred to in clause (8) with the persons subdivided by age categories, sex, and states of residency;

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(12) the number of persons not taking the examinations referred to in clause (8) who were licensed by the commissioner or who were denied licensing, the reasons for the licensing or denial, and the persons subdivided by age categories, sex, and states of residency;

(13) the number of persons previously licensed by the commissioner whose licenses were revoked, suspended, or otherwise altered in status with brief statements of the reasons for the revocation, suspension, or alteration;

(14) the number of written and oral complaints and other communications received by the commissioner which allege or imply a violation of a statute or rule which the commissioner is empowered to enforce;

(15) a summary, by specific category, of the substance of the complaints and communications referred to in clause (14) and, for each specific category, the responses or dispositions; and

(16) any other objective information which the commissioner believes will be useful in reviewing the commissioner's activities.

Sec. 7. Minnesota Statutes 1996, section 153A.15, subdivision 3, is amended to read:

Subd. 3. **PROCEDURES.** The commissioner shall establish, in writing, internal operating procedures for receiving and investigating complaints and imposing enforcement actions. The written internal operating procedures may include procedures for sharing complaint information with government agencies in this and other states. ~~Establishment of the operating procedures are not subject to rulemaking procedures under chapter 14.~~ Procedures for sharing complaint information must be consistent with the requirements for handling government data under chapter 13.

Sec. 8. Minnesota Statutes 1996, section 169.99, subdivision 2, is amended to read:

Subd. 2. **COMMISSIONER PRESCRIBES FORM.** The commissioner of public safety shall prescribe the detailed form of the uniform traffic ticket, and shall revise the uniform ticket on such subsequent occasions as necessary and proper to keep the uniform ticket in conformity with state and federal law. ~~The rulemaking provisions of chapter 14 do not apply to this subdivision.~~

Sec. 9. Minnesota Statutes 1996, section 244.13, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** The commissioner of corrections shall establish programs for those designated by the commissioner to serve all or part of a sentence on intensive community supervision or all or part of a supervised release or parole term on intensive supervised release. The adoption and modification of policies and procedures to implement sections 244.05, subdivision 6, and 244.12 to 244.15 are not subject to the rulemaking procedures of chapter 14 because these policies and procedures are excluded from the definition of a rule under section 14.03, clause (2). The commissioner shall locate the programs so that at least one-half of the money appropriated for the programs in each year is used for programs in community corrections act counties. In awarding contracts for intensive supervision programs in community corrections act counties, the commissioner shall give first priority to programs that utilize county employees as intensive supervision agents and shall give second priority to programs that utilize state

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employees as intensive supervision agents. The commissioner may award contracts to other providers in community corrections act counties only if doing so will result in a significant cost savings or a significant increase in the quality of services provided, and only after notifying the chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy.

Sec. 10. Minnesota Statutes 1996, section 518.14, subdivision 2, is amended to read:

Subd. 2. ENFORCEMENT OF CHILD SUPPORT. (a) A child support obligee is entitled to recover from the obligor reasonable attorney fees and other collection costs incurred to enforce a child support judgment, as provided in this subdivision. In order to recover collection costs under this subdivision, the arrearages must be at least \$500 and must be at least 90 days past due. In addition, the arrearages must be a docketed judgment under sections 548.09 and 548.091. If the obligor pays in full the judgment rendered under section 548.091 within 20 days of receipt of notice of entry of judgment, the obligee is not entitled to recover attorney fees or collection costs under this subdivision.

(b) Written notice must be provided by any obligee contracting with an attorney or collection entity to enforce a child support judgment to the public authority responsible for child support enforcement, if the public authority is a party or provides services to a party, within five days of signing a contract for services and within five days of receipting any payments received on a child support judgment. Attorney fees and collection costs obtained under this subdivision are considered child support and entitled to the applicable remedies for collection and enforcement of child support.

(c) The obligee shall serve notice of the obligee's intent to recover attorney fees and collections costs by certified or registered mail on the obligor at the obligor's last known address. The notice must include an itemization of the attorney fees and collection costs being sought by the obligee and inform the obligor that the fees and costs will become an additional judgment for child support unless the obligor requests a hearing on the reasonableness of the fees and costs or to contest the child support judgment on grounds limited to mistake of fact within 20 days of mailing of the notice.

(d) If the obligor requests a hearing, the only issues to be determined by the court are whether the attorney fees or collection costs were reasonably incurred by the obligee for the enforcement of a child support judgment against the obligor or the validity of the child support judgment on grounds limited to mistake of fact. The fees and costs may not exceed 30 percent of the arrearages. The court may modify the amount of attorney fees and costs as appropriate and shall enter judgment accordingly.

(e) If the obligor fails to request a hearing within 20 days of mailing of the notice under paragraph (a), the amount of the attorney fees or collection costs requested by the obligee in the notice automatically becomes an additional judgment for child support.

(f) The commissioner of human services shall prepare and make available to the court and the parties forms for use in providing for notice and requesting a hearing under this subdivision. ~~The rulemaking provisions of chapter 14 do not apply to the forms.~~

Sec. 11. Minnesota Statutes 1996, section 518.611, subdivision 9, is amended to read:

Subd. 9. FORMS. The commissioner of human services shall prepare and make available to courts and obligors a form to be submitted by the obligor in support of a mo-

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tion to deny withholding under this section. ~~The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.~~

Sec. 12. Minnesota Statutes 1996, section 518.613, subdivision 6, is amended to read:

Subd. 6. **NOTICE OF SERVICES.** The department of human services shall prepare and make available to the courts a form notice of child support and maintenance collection services available through the public authority responsible for child support enforcement, including automatic income withholding under this section. Promptly upon the filing of a petition for dissolution of marriage or legal separation by parties who have a minor child, the court administrator shall send the form notice to the petitioner and respondent at the addresses given in the petition. ~~The rulemaking provisions of chapter 14 shall not apply to the preparation of the form notice.~~

Sec. 13. Minnesota Statutes 1996, section 518.64, subdivision 5, is amended to read:

Subd. 5. **FORM.** The department of human services shall prepare and make available to courts, obligors and persons to whom child support is owed a form to be submitted by the obligor or the person to whom child support is owed in support of a motion for a modification of an order for support or maintenance or for contempt of court. ~~The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.~~

Sec. 14. Minnesota Statutes 1996, section 518.641, subdivision 4, is amended to read:

Subd. 4. **FORM.** The department of human services shall prepare and make available to the court and obligors a form to be submitted to the department by the obligor in support of a request for hearing under this section regarding a child support order. ~~The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.~~

Sec. 15. Minnesota Statutes 1996, section 624.7151, is amended to read:

624.7151 STANDARDIZED FORMS.

By December 1, 1992, the commissioner of public safety shall adopt statewide standards governing the form and contents, as required by sections 624.7131 to 624.714, of every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is granted or renewed on or after January 1, 1993. ~~The adoption of these standards is not subject to the rulemaking provisions of chapter 14.~~

Every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is received, granted, or renewed by a police chief or county sheriff on or after January 1, 1993, must meet the statewide standards adopted by the commissioner of public safety. Notwithstanding the previous sentence, neither failure of the department of public safety to adopt standards nor failure of the police chief or county sheriff to meet them shall delay the timely processing of applications nor invalidate permits issued on other forms meeting the requirements of sections 624.7131 to 624.714.

Sec. 16. **EFFECT OF AMENDMENTS OR REPEALS.**

The agency actions in this article are exempt from rulemaking under Minnesota Statutes, section 14.03, subdivision 3, clause (1), or section 16A.1285. An agency need

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not comply with rulemaking procedures in Minnesota Statutes, chapter 14, in order to take actions affected by the amendments and repeals in this article.

Sec. 17. EFFECTIVE DATE.

This article is effective June 30, 1997.

ARTICLE 3

EXEMPTIONS THAT ARE NOT RULES

Section 1. Minnesota Statutes 1996, section 16A.632, subdivision 2, is amended to read:

Subd. 2. **STANDARDS.** Article XI, section 5, clause (a), of the constitution states general obligation bonds may be issued to finance only the acquisition or betterment of state land, buildings, and improvements of a capital nature. In interpreting this and applying it to the purposes of the program contemplated in this section, the following standards are adopted for the disbursement of money from the capital asset preservation and replacement account:

(a) No new land, buildings, or major new improvements will be acquired. These projects, including all capital expenditures required to permit their effective use for the intended purpose on completion, will be estimated and provided for individually through a direct appropriation for each project.

(b) An expenditure will be made from the account only when it is a capital expenditure on a capital asset previously owned by the state, within the meaning of accepted accounting principles as applied to public expenditures. The commissioner of administration will consult with the commissioner of finance to the extent necessary to ensure this and will furnish the commissioner of finance a list of projects to be financed from the account in order of their priority. The commissioner shall also furnish each revision of the list. The legislature assumes that many provisions for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the constitution and capital expenditures under correct accounting principles, and will be financed more efficiently and economically under the program than by direct appropriations for specific projects. However, the purpose of the program is to accumulate data showing how additional costs may be saved by appropriating money from the general fund for preservation measures, the necessity of which is predictable over short periods.

(c) The commissioner of administration will furnish instructions to agencies to apply for funding of capital expenditures for preservation and replacement from the account, will review applications, will make initial allocations among types of eligible projects enumerated below, will determine priorities, and will allocate money in priority order until the available appropriation has been committed. ~~Under section 14.02, subdivision 4, these instructions and allocations do not constitute rules and the other provisions of chapter 14 do not apply to them.~~

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(d) Categories of projects considered likely to be most needed and appropriate for financing are the following:

(1) unanticipated emergencies of all kinds, for which a relatively small amount should be initially reserved, replaced from money allocated to low-priority projects, if possible, as emergencies occur, and used for stabilization rather than replacement if the cost would exhaust the account and should be specially appropriated;

(2) projects to remove life safety hazards, like replacement of mechanical systems, building code violations, or structural defects, at costs not large enough to require major capital requests to the legislature;

(3) elimination or containment of hazardous substances like asbestos or PCBs; and

(4) moderate cost replacement and repair of roofs, windows, tuckpointing, and structural members necessary to preserve the exterior and interior of existing buildings.

Sec. 2. Minnesota Statutes 1996, section 16B.18, subdivision 3, is amended to read:

Subd. 3. **RULES.** Rules under this section may provide a procedure by which the commissioner shall determine product specifications, quality standards, and timing of delivery to be complied with by the sheltered workshop and work activity program boards on purchases made under this section. ~~The list to be prepared pursuant to subdivision 1 shall not be promulgated as a rule.~~

Sec. 3. Minnesota Statutes 1996, section 16D.11, subdivision 7, is amended to read:

Subd. 7. **ADJUSTMENT OF RATE.** By June 1 of each year, the commissioner of finance shall determine the rate of the penalty for debts referred to the enterprise during the next fiscal year. The rate is a percentage of the debts in an amount that most nearly equals the costs of the enterprise necessary to process and collect referred debts under this chapter. In no event shall the rate of the penalty when a debt is first referred exceed three-fifths of the maximum penalty, and in no event shall the rate of the maximum penalty exceed 25 percent of the debt. Determination of the rate of the penalty under this section ~~is not rulemaking under chapter 14, and is not subject to the fee setting requirements of section 16A.1285.~~

Sec. 4. Minnesota Statutes 1996, section 17.54, subdivision 4, is amended to read:

Subd. 4. **ELECTION.** Upon receipt of the nominations the commissioner shall promptly arrange an election to be held at places designated by the commissioner reasonably convenient to all producers in the organized area and provide notice of the election to all of the media having a general circulation in the organized area. Ballots setting forth the names of the nominated candidates and providing for write-in candidates shall be made available at all polling places. Only producers of the agricultural commodity involved shall be qualified to vote. General polling procedures shall be established by the commissioner by rule pursuant to chapter 14 to avoid voting by other than qualified producers, ~~but the selection of specific polling places shall not be subject to chapter 14.~~ An impartial committee appointed by the commissioner shall tabulate the votes, and the candidates receiving the most votes shall be declared elected to the first council.

After the first council for a commodity is elected, an election shall be held annually to elect members of the council. The election shall be held in the same manner as pre-

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scribed for the first council election except that the manner of choosing nominating committee members, the time of nominations and the time and place of elections shall be fixed by the commissioner. Mail balloting may be permitted by the commissioner.

Sec. 5. Minnesota Statutes 1996, section 17.56, subdivision 2, is amended to read:

Subd. 2. **HEARINGS.** The commissioner, after consultation with the council, shall hold public hearings on the proposed promotional order in areas and at times affording reasonable opportunities for producers to attend. ~~These hearings shall not be subject to the administrative procedure act of chapter 14.~~ After such hearings and after consultation with the council, the commissioner shall determine whether or not the promotional order shall be amended, modified or supplemented. If changes or additions of substance are made, commissioner shall hold public hearings on the amended or supplemented promotional order.

Sec. 6. Minnesota Statutes 1996, section 17.57, subdivision 1, is amended to read:

Subdivision 1. **ADOPTION OF RULES.** Each council shall at its regular meetings adopt rules consistent with sections 17.51 to 17.69 for the administration of the promotional order. ~~These rules are not subject to the administrative procedure act of chapter 14.~~

Sec. 7. Minnesota Statutes 1996, section 17.64, subdivision 2, is amended to read:

Subd. 2. **BY REFERENDUM.** Upon petition of the same number of producers as required to initiate the promotional order, the commissioner shall within 60 days conduct a referendum to determine whether or not the promotional order shall be continued. The commissioner shall terminate the order at the end of the current marketing year if a majority of the producers voting in the referendum vote in favor of termination. The petition of producers shall include a statement certifying that the signatures are those of qualified producers of the commodity involved. The commissioner shall not conduct a referendum for termination of a promotional order if a referendum for termination of the same promotional order has been conducted within the preceding year. ~~A hearing for a termination of an order need not be held as provided in chapter 14.~~

Sec. 8. Minnesota Statutes 1996, section 48.221, is amended to read:

48.221 **RESERVES.**

A state bank or trust company shall maintain reserves in the form of liquid assets at a level reasonably necessary to meet anticipated withdrawals, commitments, and loan demand. Reserves shall be in cash, cash items in process of collection, short term obligations of or demand balances with other insured financial institutions in the United States and its territories, or short term, direct obligations of or guaranteed by the United States government. Obligations must mature within one year to be considered short term. The commissioner may prescribe the required amount of reserves in relation to liabilities for any individual state bank or trust company from time to time based upon examination findings or other reports relating to the bank or trust company that are available to the commissioner. ~~The determination by the commissioner of a required amount of reserves for an institution shall not be considered a rule as defined by section 14.02, subdivision 4.~~ Reserves for an individual state bank or trust company as prescribed by the commissioner pursuant to this section shall be enforced in accordance with sections 46.24 and 46.30 to 46.33.

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Sec. 9. Minnesota Statutes 1996, section 50.175, subdivision 2, is amended to read:

Subd. 2. **RESERVES.** A savings bank shall maintain reserves in the form of liquid assets at a level reasonably necessary to meet anticipated withdrawals, commitments, and loan demand. Reserves shall be in cash, cash items in process of collection, short term obligations of or demand balances with other insured financial institutions in the United States and its territories, or short term, direct obligations of or guaranteed by the United States government. Obligations must mature within one year to be considered short term. The commissioner may prescribe the required amount of reserves in relation to liabilities for any individual savings bank from time to time based upon examination findings or other reports relating to the savings bank that are available to the commissioner. ~~The determination by the commissioner of a required amount of reserves for a savings bank shall not be considered a rule as defined by section 14.02, subdivision 4.~~ Reserves for an individual savings bank as prescribed by the commissioner pursuant to this section shall be enforced in accordance with sections 46.24 and 46.30 to 46.33.

Sec. 10. Minnesota Statutes 1996, section 51A.361, is amended to read:

51A.361 RESERVES.

An association shall maintain reserves in the form of liquid assets, as defined in section 51A.02, subdivision 34, at a level reasonably necessary to meet anticipated withdrawals, commitments, and loan demand. The commissioner of commerce may prescribe the required amount of reserves for any individual association from time to time based upon examination findings or other reports relating to the association that are available to the commissioner. ~~The determination by the commissioner of a required amount of reserves for an association shall not be considered a rule as defined by section 14.02, subdivision 4.~~ Reserves for an individual association as prescribed by the commissioner pursuant to this section shall be enforced in accordance with sections 46.24 and 46.30 to 46.33.

Sec. 11. Minnesota Statutes 1996, section 52.17, subdivision 2, is amended to read:

Subd. 2. **REQUIRED LIQUIDITY.** Every credit union shall maintain a reserve in the form of liquid assets at a level reasonably necessary to meet anticipated withdrawals, commitments, and loan demand. Reserves must be in cash and balances due from solvent banks or which may be, in whole or in part, in short term obligations guaranteed as to principal and interest by the United States government or in certificates of deposit of a federally insured bank or in a passbook or other account in a federally insured savings association or in balances due from the Minnesota corporate credit union or ICU services corporation or United States central credit union. The commissioner of commerce may prescribe the required amount of reserves for any individual credit union from time to time based upon examination findings or other reports relating to the credit union that are available to the commissioner. ~~The determination by the commissioner of a required amount of reserves for a credit union shall not be considered a rule as defined by section 14.02, subdivision 4.~~ Reserves for an individual credit union as prescribed by the commissioner pursuant to this section shall be enforced in accordance with sections 46.24 and 46.30 to 46.33.

Sec. 12. Minnesota Statutes 1996, section 53.07, subdivision 1, is amended to read:

Subdivision 1. **LIQUIDITY REQUIREMENT.** An industrial loan and thrift company shall maintain reserves in the form of liquid assets at a level reasonably necessary to

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meet anticipated withdrawals, commitments, and loan demand. Reserves shall be in cash, cash items in process of collection, short term obligations of or demand balances with other insured financial institutions in the United States and its territories, or short term, direct obligations of or guaranteed by the United States government. Obligations must mature within one year to be considered short term. The commissioner may prescribe the required amount of reserves in relation to liabilities for an individual industrial loan and thrift company from time to time based upon examination findings or other reports relating to the industrial loan and thrift company that are available to the commissioner. ~~The determination by the commissioner of a required amount of reserves for an industrial loan and thrift company shall not be considered a rule as defined by section 14.02, subdivision 4.~~ Reserves for an individual industrial loan and thrift company as prescribed by the commissioner pursuant to this section shall be enforced in accordance with sections 46.24 and 46.30 to 46.33.

Sec. 13. Minnesota Statutes 1996, section 60A.13, subdivision 6, is amended to read:

Subd. 6. **COMPANY OR AGENT CANNOT CONTINUE BUSINESS UNLESS STATEMENT IS FILED.** No company shall transact any new business in this state after May 31 in any year unless it shall have previously transmitted its annual statement to the commissioner and filed a copy of its statement with the National Association of Insurance Commissioners. The commissioner may by order annually require that each insurer pay the required fee to the National Association of Insurance Commissioners for the filing of annual statements, but the fee shall not be more than 50 percent greater than the fee set by the National Association of Insurance Commissioners. Failure to file the annual statement with the commissioner or the National Association of Insurance Commissioners is a violation of section 72A.061, subdivision 1. The fee shall be based on the relative premium volume of each insurer. ~~The commissioner's order shall not be subject to chapter 14.~~

Sec. 14. Minnesota Statutes 1996, section 60K.19, subdivision 6, is amended to read:

Subd. 6. **POWERS OF THE COMMISSIONER.** (a) The commissioner shall make the final determination as to accreditation and assignment of credit hours for courses.

(b) The commissioner shall adopt procedures for reporting compliance with the minimum education requirement. ~~These procedures are not subject to the rulemaking provisions of chapter 14.~~

(c) The commissioner shall promulgate rules according to chapter 14 to carry out the purposes of this section.

Sec. 15. Minnesota Statutes 1996, section 61B.21, subdivision 1, is amended to read:

Subdivision 1. **FUNCTIONS.** The Minnesota life and health insurance guaranty association shall perform its functions under the plan of operation established and approved under section 61B.25, and shall exercise its powers through a board of directors. The association is not a state agency for purposes of chapter 14, 16A, 16B, or 43A. For purposes of administration and assessment, the association shall establish and maintain two accounts:

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(1) the life insurance and annuity account which includes the following subaccounts:

- (i) the life insurance account;
 - (ii) the annuity account; and
 - (iii) the unallocated annuity account; and
- (2) the health insurance account.

Sec. 16. Minnesota Statutes 1996, section 62J.152, subdivision 4, is amended to read:

Subd. 4. **TECHNOLOGY EVALUATION PROCESS.** (a) The health technology advisory committee shall collect and evaluate studies and research findings on the technologies selected for evaluation from as wide of a range of sources as needed, including, but not limited to: federal agencies or other units of government, international organizations conducting health care technology assessments, health carriers, insurers, manufacturers, professional and trade associations, nonprofit organizations, and academic institutions. The health technology advisory committee may use consultants or experts and solicit testimony or other input as needed to evaluate a specific technology.

(b) When the evaluation process on a specific technology has been completed, the health technology advisory committee shall submit a preliminary report to the health care commission and publish a summary of the preliminary report in the State Register with a notice that written comments may be submitted. The preliminary report must include the results of the technology assessment evaluation, studies and research findings considered in conducting the evaluation, and the health technology advisory committee's summary statement about the evaluation. Any interested persons or organizations may submit to the health technology advisory committee written comments regarding the technology evaluation within 30 days from the date the preliminary report was published in the State Register. The health technology advisory committee's final report on its technology evaluation must be submitted to the health care commission. A summary of written comments received by the health technology advisory committee within the 30-day period must be included in the final report. The health care commission shall review the final report and prepare its comments and recommendations. Before completing its final comments and recommendations, the health care commission shall provide adequate public notice that testimony will be accepted by the health care commission. The health care commission shall then forward the final report, its comments and recommendations, and a summary of the public's comments to the commissioner and information clearinghouse.

(c) The reports of the health technology advisory committee and the comments and recommendations of the health care commission should not eliminate or bar new technology, and are not rules as defined in the administrative procedure act.

Sec. 17. Minnesota Statutes 1996, section 62L.13, subdivision 3, is amended to read:

Subd. 3. **EXEMPTIONS.** The association, its transactions, and all property owned by it are exempt from taxation under the laws of this state or any of its subdivisions, including, but not limited to, income tax, sales tax, use tax, and property tax. The associa-

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tion may seek exemption from payment of all fees and taxes levied by the federal government. Except as otherwise provided in this chapter, the association is not subject to the provisions of chapters 13, 44, 60A, 62A to 62H, and section 471.705. The association is not a public employer and is not subject to the provisions of chapters 179A and 353. The board of directors and health carriers who are members of the association are exempt from sections 325D.49 to 325D.66 in the performance of their duties as directors and members of the association.

Sec. 18. Minnesota Statutes 1996, section 65B.28, subdivision 3, is amended to read:

Subd. 3. **REFRESHER COURSE.** The department of public safety, in consultation with other traffic safety and medical professionals, may establish ~~without rulemaking~~ a refresher course for persons who have completed the original course under subdivision 2. The refresher course shall be no more than four hours, and based on the curriculum established under subdivision 2. The department of public safety shall establish criteria for and approve training agencies or organizations authorized to conduct the refresher course.

Sec. 19. Minnesota Statutes 1996, section 79.34, subdivision 1, is amended to read:

Subdivision 1. **CONDITIONS REQUIRING MEMBERSHIP.** The nonprofit association known as the workers' compensation reinsurance association may be incorporated under chapter 317A with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40, sections 79.34 to 79.40 govern. Each insurer as defined by section 79.01, subdivision 2, shall, as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and is bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in chapter 60D are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved under section 176.181 and each political subdivision that self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and is bound by its plan of operation; provided that:

(1) all affiliated companies within a holding company system, as determined by the commissioner of labor and industry in a manner consistent with the standards and definitions in chapter 60D, are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association; and

(2) all group self-insurers granted authority to self-insure pursuant to section 176.181 are considered single entities for purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of its authority to self-insure workers' compensation liability, and for losses incurred after December 31, 1983, the state is a member of the reinsurance association and is bound by its plan of operation. The commissioner of employee relations represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of employee relations, except that the University of Minnesota shall pay its portion of workers' compensation reinsurance pre-

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miums directly to the workers' compensation reinsurance association. For the purposes of this section, "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of finance may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association is not a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of labor and industry with respect to the reinsurance association are not subject to chapters 13, 14, and 15. All property owned by the association is exempt from taxation. The reinsurance association is not obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 20. Minnesota Statutes 1996, section 79.34, subdivision 2a, is amended to read:

Subd. 2a. **DEFICIENCY.** If the board determines that a distribution of excess surplus resulted in inadequate funds being available to pay claims that arose during the period upon which that distribution was calculated, the board shall determine the amount of the deficiency. The deficiency shall be made up by imposing an assessment rate against self-insured members and policyholders of insurer members. The board shall notify the commissioner of commerce of the amount of the deficiency and recommend an assessment rate. The commissioner shall order an assessment at a rate and for the time period necessary to eliminate the deficiency. The assessment rate shall be applied to the exposure base of self-insured employers and insured employers. The assessment may not be retroactive and applies only prospectively. The assessment may be spread over a period of time that will cause the least financial hardship to employers. All assessments under this subdivision are payable to the association. The commissioner may issue orders necessary to administer this section. ~~The orders are not rules subject to chapter 14.~~

Sec. 21. Minnesota Statutes 1996, section 79.362, is amended to read:

79.362 WORKERS' COMPENSATION REINSURANCE ASSOCIATION EXCESS SURPLUS DISTRIBUTION.

An order of the commissioner of the department of labor and industry relating to the distribution of excess surplus of the workers' compensation reinsurance association shall be reviewed by the commissioner of commerce. The commissioner of commerce may amend, approve, or reject an order or issue further orders to accomplish the purposes of section 79.361 and Laws 1993, chapter 361, section 2. The commissioner may not change the amount of the distribution ordered by the commissioner of labor and industry without agreement of the commissioner of labor and industry. ~~An order of the commissioner of commerce under this section is not subject to chapter 14.~~

Sec. 22. Minnesota Statutes 1996, section 85.045, subdivision 3, is amended to read:

Subd. 3. **AGREEMENTS.** (a) The commissioner shall enter into informal agreements with business and civic groups or individuals for volunteer services to maintain and make improvements to real and personal property in state parks, monuments, historic sites, and trails in accordance with plans devised by the commissioner after consultation with the groups.

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(b) The commissioner may erect appropriate signs to recognize and express appreciation to groups and individuals providing volunteer services under the adopt-a-park program.

(c) The commissioner may provide assistance to enhance the comfort and safety of volunteers and to facilitate the implementation and administration of the adopt-a-park program.

~~(d) This section is not subject to chapter 14.~~

Sec. 23. Minnesota Statutes 1996, section 97A.085, subdivision 4a, is amended to read:

Subd. 4a. **HEARING REQUIRED.** Before designating a game refuge under this section, the commissioner must hold a public hearing within the county where the majority of the proposed game refuge exists. Notices of the time and place of the hearing must be posted in five conspicuous places within the proposed game refuge at least 15 days before the hearing. A notice of the hearing must be published in a legal newspaper in each county where the area is located at least seven days before the hearing. ~~Designation of a game refuge under this section is not subject to chapter 14.~~

Sec. 24. Minnesota Statutes 1996, section 116O.05, subdivision 3, is amended to read:

Subd. 3. **RULES.** ~~The corporation is not subject to chapter 14, but~~ must publish in the State Register any guidelines, policies, ~~rules,~~ or eligibility criteria prepared or adopted by the corporation for any of its financial or technology transfer programs.

Sec. 25. Minnesota Statutes 1996, section 171.321, subdivision 2, is amended to read:

Subd. 2. **RULES.** (a) The commissioner of public safety shall prescribe rules governing the physical qualifications of school bus drivers and tests required to obtain a school bus endorsement. The rules must provide that an applicant for a school bus endorsement or renewal is exempt from the physical qualifications and medical examination required to operate a school bus upon providing evidence of being medically examined and certified within the preceding 24 months as physically qualified to operate a commercial motor vehicle, pursuant to Code of Federal Regulations, title 49, part 391, subpart E, or rules of the commissioner of transportation incorporating those federal regulations.

(b) The commissioner of public safety, in conjunction with the commissioner of economic security, shall adopt rules prescribing a training program for Head Start bus drivers. ~~Adoption of this program is not subject to chapter 14.~~ The program must provide for initial classroom and behind-the-wheel training, and annual in-service training. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a Head Start agency, the Head Start grantee, a licensed driver training school, or by another person or entity approved by both commissioners.

Sec. 26. Minnesota Statutes 1996, section 176.102, subdivision 2, is amended to read:

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Subd. 2. **ADMINISTRATORS.** The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services and shall by rule establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. The commissioner shall annually review the fees and give notice of any adjustment in the State Register. ~~An annual adjustment is not subject to chapter 14.~~ By March 1, 1993, the commissioner shall report to the legislature on the status of the commission's monitoring of rehabilitation services. The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 27. Minnesota Statutes 1996, section 176A.08, is amended to read:

176A.08 EXEMPTION FROM AND APPLICABILITY OF CERTAIN LAWS.

The fund shall not be considered a state agency for any purpose including, but not limited to, chapters 13, 14, 15, 15A, and 43A. However, the fund shall be subject to sections 179A.01 to 179A.25. The insurance operations of the fund are subject to all of the provisions of chapters 60A and 60B. The commissioner of commerce has the same powers with respect to the board as the commissioner has with respect to a private workers' compensation insurer under chapters 60A and 60B. The fund is considered an insurer for the purposes of chapters 60C, 72A, 79, and 176. The fund is subject to the same tax liability as a mutual insurance company in this state pursuant to section 60A.15. As a condition of its authority to transact business in this state the fund shall be a member of the workers' compensation reinsurance association and is bound by its plan of operation.

Sec. 28. Minnesota Statutes 1996, section 240A.02, subdivision 2, is amended to read:

Subd. 2. **MEETINGS.** The commission shall meet at least quarterly and at other times determined by the commission and shall adopt rules, ~~without regard to chapter 14,~~ governing its proceedings.

Sec. 29. Minnesota Statutes 1996, section 256B.431, subdivision 2e, is amended to read:

Subd. 2e. **CONTRACTS FOR SERVICES FOR VENTILATOR DEPENDENT PERSONS.** The commissioner may contract with a nursing facility eligible to receive medical assistance payments to provide services to a ventilator dependent person identified by the commissioner according to criteria developed by the commissioner, including:

- (1) nursing facility care has been recommended for the person by a preadmission screening team;
- (2) the person has been assessed at case mix classification K;
- (3) the person has been hospitalized for at least six months and no longer requires inpatient acute care hospital services; and

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(4) the commissioner has determined that necessary services for the person cannot be provided under existing nursing facility rates.

The commissioner may issue a request for proposals to provide services to a ventilator dependent person to nursing facilities eligible to receive medical assistance payments and shall select nursing facilities from among respondents according to criteria developed by the commissioner, including:

- (1) the cost-effectiveness and appropriateness of services;
- (2) the nursing facility's compliance with federal and state licensing and certification standards; and
- (3) the proximity of the nursing facility to a ventilator-dependent person identified by the commissioner who requires nursing facility placement.

The commissioner may negotiate an adjustment to the operating cost payment rate for a nursing facility selected by the commissioner from among respondents to the request for proposals. The negotiated adjustment must reflect only the actual additional cost of meeting the specialized care needs of a ventilator-dependent person identified by the commissioner for whom necessary services cannot be provided under existing nursing facility rates and which are not otherwise covered under Minnesota Rules, parts 9549.0010 to 9549.0080 or 9505.0170 to 9505.0475. The negotiated payment rate must not exceed 200 percent of the highest multiple bedroom payment rate for a Minnesota nursing facility, as initially established by the commissioner for the rate year for case mix classification K. The negotiated adjustment shall not affect the payment rate charged to private paying residents under the provisions of section 256B.48, subdivision 1. ~~The negotiated adjustment paid pursuant to this paragraph is specifically exempt from the definition of "rule" and the rulemaking procedures required by chapter 14 and section 256B.502.~~

Sec. 30. Minnesota Statutes 1996, section 325F.665, subdivision 6, is amended to read:

Subd. 6. **ALTERNATIVE DISPUTE SETTLEMENT MECHANISM.** (a) Any manufacturer doing business in this state, entering into franchise agreements for the sale of its motor vehicles in this state, or offering express warranties on its motor vehicles sold or distributed for sale in this state shall operate, or participate in, an informal dispute settlement mechanism located in the state of Minnesota which complies with the provisions of the Code of Federal Regulations, title 16, part 703, and the requirements of this section. The provisions of subdivision 3 concerning refunds or replacement do not apply to a consumer who has not first used this mechanism before commencing a civil action, unless the manufacturer allows a consumer to commence an action without first using this mechanism.

(b) An informal dispute settlement mechanism provided for by this section shall, at the time a request for arbitration is made, provide to the consumer and to each person who will arbitrate the consumer's dispute, information about this section as approved and directed by the attorney general, in consultation with interested parties. The informal dispute settlement mechanism shall permit the parties to present or submit any arguments based on this section and shall not prohibit or discourage the consideration of any such arguments. ~~In developing and approving information about this section as provided herein, the attorney general is not subject to the rulemaking provisions of chapter 14.~~

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(c) If, in an informal dispute settlement mechanism, it is decided that a consumer is entitled to a replacement vehicle or refund under subdivision 3, then any refund or replacement offered by the manufacturer or selected by a consumer shall include and itemize all amounts authorized by subdivision 3. If the amount of excise tax refunded is not separately stated, or if the manufacturer does not apply for a refund of the tax within one year of the return of the motor vehicle, the department of public safety may refund the excise tax, as determined under subdivision 3, paragraph (h), directly to the consumer and lienholder, if any, as their interests appear on the records of the registrar of motor vehicles.

(d) No documents shall be received by any informal dispute settlement mechanism unless those documents have been provided to each of the parties in the dispute at or prior to the mechanism's meeting, with an opportunity for the parties to comment on the documents either in writing or orally. If a consumer is present during the informal dispute settlement mechanism's meeting, the consumer may request postponement of the mechanism's meeting to allow sufficient time to review any documents presented at the time of the meeting which had not been presented to the consumer prior to the meeting.

(e) The informal dispute settlement mechanism shall allow each party to appear and make an oral presentation in the state of Minnesota unless the consumer agrees to submit the dispute for decision on the basis of documents alone or by telephone, or unless the party fails to appear for an oral presentation after reasonable prior written notice. If the consumer agrees to submit the dispute for decision on the basis of documents alone, then manufacturer or dealer representatives may not participate in the discussion or decision of the dispute.

(f) Consumers shall be given an adequate opportunity to contest a manufacturer's assertion that a nonconformity falls within intended specifications for the vehicle by having the basis of the manufacturer's claim appraised by a technical expert selected and paid for by the consumer prior to the informal dispute settlement hearing.

(g) Where there has been a recent attempt by the manufacturer to repair a consumer's vehicle, but no response has yet been received by the informal dispute mechanism from the consumer as to whether the repairs were successfully completed, the parties must be given the opportunity to present any additional information regarding the manufacturer's recent repair attempt before any final decision is rendered by the informal dispute settlement mechanism. This provision shall not prejudice a consumer's rights under this section.

(h) If the manufacturer knows that a technical service bulletin directly applies to the specific mechanical problem being disputed by the consumer, then the manufacturer shall provide the technical service bulletin to the consumer at reasonable cost. The mechanism shall review any such technical service bulletins submitted by either party.

(i) A consumer may be charged a fee to participate in an informal dispute settlement mechanism required by this section, but the fee may not exceed the conciliation court filing fee in the county where the arbitration is conducted.

(j) Any party to the dispute has the right to be represented by an attorney in an informal dispute settlement mechanism.

(k) The informal dispute settlement mechanism has all the evidence-gathering powers granted an arbitrator under section 572.14.

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(l) A decision issued in an informal dispute settlement mechanism required by this section may be in writing and signed.

Sec. 31. Minnesota Statutes 1996, section 346.58, is amended to read:

346.58 DOGS AND CATS; BEST MANAGEMENT STANDARDS FOR CARE BY DEALERS, COMMERCIAL BREEDERS, AND BROKERS.

The commissioner of agriculture shall consult with interested persons, including but not limited to persons representing dog and cat dealers, breeders, and brokers, the Minnesota federated humane society, the Minnesota council for dog clubs, the American dog owners association, the board of animal health, the Minnesota purebred dog breeders association, the Minnesota citizens for animal care, the United States Department of Agriculture, and the Minnesota veterinary medical association. The commissioner shall issue an order containing best management standards of care for dogs and cats by dealers, commercial breeders, and brokers. ~~These standards are not subject to chapter 14.~~ The commissioner shall urge dealers, commercial breeders, and brokers to follow the standards issued in the order.

Sec. 32. Minnesota Statutes 1996, section 347.51, subdivision 2a, is amended to read:

Subd. 2a. **WARNING SYMBOL.** If a county issues a certificate of registration to the owner of a dangerous dog pursuant to subdivision 2, the county must provide, for posting on the owner's property, a copy of a warning symbol to inform children that there is a dangerous dog on the property. The design of the warning symbol must be uniform and specified by the commissioner of public safety, after consultation with animal control professionals. ~~The design specification process is exempt from rulemaking under chapter 14 and is exempt from section 14.38.~~ The commissioner shall provide the number of copies of the warning symbol requested by each county and shall charge the county the actual cost of the warning symbols received. The county may charge the registrant a reasonable fee to cover its administrative costs and the cost of the warning symbol.

Sec. 33. EFFECT OF AMENDMENTS OR REPEALS.

The exemptions in this article are eliminated because the entity is not subject to Minnesota Statutes, chapter 14, or the agency action is not a rule. The agency or other entity need not comply with chapter 14, in order to take actions affected by the amendments and repeals in this article.

Sec. 34. REPEALER.

Minnesota Statutes 1996, sections 469.173, subdivision 2; and 469.308, subdivision 2, are repealed.

Sec. 35. EFFECTIVE DATE.

This article is effective June 30, 1997.

New language is indicated by underline, deletions by ~~strikeout~~.

ARTICLE 4

EXEMPTIONS RETAINED BUT AMENDED

Section 1. Minnesota Statutes 1996, section 16A.641, subdivision 4, is amended to read:

Subd. 4. **SALE AND ISSUANCE.** State bonds must be sold and issued upon sealed bids in the manner and on the terms and conditions determined by the commissioner in accordance with the laws authorizing them and subject to the approval of the attorney general, but not subject to chapter 14, including section 14.386. For each series, in addition to provisions required by subdivision 3, the commissioner may determine:

- (1) the time, place, and notice of sale and method of comparing bids;
- (2) the price, not less than par for highway bonds;
- (3) the principal amount and date of issue;
- (4) the interest rates and payment dates;
- (5) the maturity amounts and dates, not more than 20 years from the date of issue, subject to subdivision 5;
- (6) the terms, if any, on which the bonds may or must be redeemed before maturity, including notice, times, and redemption prices; and
- (7) the form of the bonds and the method of execution, delivery, payment, registration, conversion, and exchange, in accordance with section 16A.672.

Sec. 2. Minnesota Statutes 1996, section 16A.671, subdivision 5, is amended to read:

Subd. 5. **TERMS.** The commissioner may establish by order with the approval of the attorney general, but not subject to chapter 14, including section 14.386, the terms of each series of certificates of indebtedness including:

- (1) the manner of sale under subdivision 6;
- (2) the price, principal amount, and date of issue;
- (3) the interest rate or rates and payment dates, or the basis of computation of a variable rate;
- (4) the maturity date or dates, within the current biennium except as provided in subdivision 10;
- (5) the terms, if any, of redemption before maturity;
- (6) the form and method of execution, delivery, payment, registration, conversion, and exchange, under section 16A.672.

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Sec. 3. Minnesota Statutes 1996, section 62J.61, is amended to read:

62J.61 RULEMAKING; IMPLEMENTATION.

Subdivision 1. **EXEMPTION.** ~~The commissioner of health is exempt from rulemaking chapter 14, including section 14.386, in implementing sections 62J.50 to 62J.54, subdivision 3, and 62J.56 to 62J.59.~~

Subd. 2. **PROCEDURE.** (a) The commissioner shall publish proposed rules in the State Register or, if the commissioner determines that publishing the text of the proposed rules would be unduly cumbersome, shall publish notice of the proposed rules that contains a detailed description of the rules along with a statement that a free copy of the entire set of rules is available upon request to the agency.

(b) Interested parties have 30 days to comment on the proposed rules. After the commissioner has considered all comments, the commissioner shall publish the final rules notice in the State Register that the rules have been adopted 30 days before they are to take effect.

(c) If the adopted rules are the same as the proposed rules, the notice shall state that the rules have been adopted as proposed and shall cite the prior publication. If the adopted rules differ from the proposed rules, the portions of the adopted rules which differ from the proposed rules shall be included in the notice of adoption together with a citation to the prior State Register that contained the notice of the proposed rules.

(d) The commissioner may use emergency and permanent rulemaking to implement the remainder of this article.

Subd. 3. **RESTRICTIONS.** The commissioner shall not adopt any rules requiring patients to provide their social security numbers unless and until federal laws are modified to allow or require such action nor shall the commissioner adopt rules which allow medical records, claims, or other treatment or clinical data to be included on the health care identification card, except as specifically provided in this chapter.

Subd. 4. **PATIENT PRIVACY.** The commissioner shall seek comments from the ethics and confidentiality committee of the Minnesota health data institute and the department of administration, public information policy analysis division, before adopting or publishing final rules relating to issues of patient privacy and medical records.

Subd. 5. **BIENNIAL REVIEW OF RULEMAKING PROCEDURES AND RULES.** The commissioner shall biennially seek comments from affected parties about the effectiveness of and continued need for the rulemaking procedures set out in subdivision 2 and about the quality and effectiveness of rules adopted using these procedures. The commissioner shall seek comments by holding a meeting and by publishing a notice in the State Register that contains the date, time, and location of the meeting and a statement that invites oral or written comments. The notice must be published at least 30 days before the meeting date. The commissioner shall write a report summarizing the comments and shall submit the report to the Minnesota health data institute and to the Minnesota administrative uniformity committee by January 15 of every even-numbered year.

Sec. 4. Minnesota Statutes 1996, section 124.648, subdivision 3, is amended to read:

Subd. 3. PROGRAM GUIDELINES; DUTIES OF THE COMMISSIONER.

(a) The commissioner shall:

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(1) encourage all districts to participate in the school milk program for kindergartners;

(2) prepare program guidelines, not subject to chapter 14 until July 1, 1998, which will effectively and efficiently distribute appropriated and donated money to participating districts; and

(3) seek donations and matching funds from appropriate private and public sources.

(b) Program guidelines may provide for disbursement to districts through a mechanism of prepayments or by reimbursement for approved program expenses.

(c) It is suggested that the benefits of the school milk program may reach the largest number of kindergarten students if districts are allowed to submit annual bids stating the per-serving level of support that would be acceptable to the district for their participation in the program. The commissioner would review all bids received and approve bids in sufficient number and value to maximize the provision of milk to kindergarten students consistent with available funds.

Sec. 5. Minnesota Statutes 1996, section 128C.02, subdivision 4, is amended to read:

Subd. 4. **RULES ARE APA EXEMPT.** The rules of the league are exempt from sections 14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62 chapter 14, including section 14.386.

Sec. 6. [128C.03] PROCEDURES.

The league shall adopt procedures to ensure public notice of all eligibility rules and policies that will afford the opportunity for public hearings on proposed eligibility rules. If requested by 100 or more parents or guardians of students, the public hearing must be conducted by an administrative law judge from the office of administrative hearings, by a person hired under contract by the office of administrative hearings, or by an independent hearing officer appointed by the commissioner of children, families, and learning from a list maintained for that purpose. At the conclusion of a hearing requested by 100 or more parents or guardians of students, the person conducting the hearing shall write a report evaluating the extent to which the league has shown that the proposed rule is needed and reasonable and the legality of the proposed rule. The league shall pay for hearings under this section.

Sec. 7. Minnesota Statutes 1996, section 245A.09, subdivision 10, is amended to read:

Subd. 10. **RULEMAKING PROCESS; COMMISSIONER EXEMPTED.** When developing, making, adopting, and issuing interpretive guidelines under the authority granted under subdivision 8, the commissioner is exempt from the rulemaking provisions of chapter 14 until July 1, 1998.

Sec. 8. Minnesota Statutes 1996, section 256B.434, subdivision 12, is amended to read:

Subd. 12. **CONTRACTS ARE VOLUNTARY.** Participation of nursing facilities in the alternative payment demonstration project is voluntary. The terms and procedures governing the alternative payment demonstration project are determined under this sec-

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tion and through negotiations between the commissioner and nursing facilities that have submitted a letter of intent to participate in the alternative demonstration project. For purposes of developing requests for proposals and contract requirements, and negotiating the terms, conditions, and requirements of contracts the commissioner is exempt from the rulemaking requirements in chapter 14 until December 31, 2000.

Sec. 9. Minnesota Statutes 1996, section 474A.17, is amended to read:

474A.17 ADMINISTRATIVE PROCEDURE ACT NOT APPLICABLE.

Chapter 14 shall, including section 14.386, does not apply to actions taken by any state agency or entity under this chapter.

Sec. 10. REPORT.

The world trade center corporation shall report to the legislative coordinating commission, or another joint legislative group established to review administrative rules, by January 15, 1999, on the desirability of continuing the corporation's exemption from Minnesota Statutes, chapter 14.

Sec. 11. INITIAL REPORT.

The first report required by Minnesota Statutes, section 62J.61, subdivision 5, is due by January 15, 1998.

Sec. 12. EFFECTIVE DATE; APPLICATION.

Sections 1 to 4 and 6 to 9 are effective June 30, 1997. Section 5 is effective the day following final enactment. Rules adopted before the effective date of section 5 remain in effect until amended or repealed.

ARTICLE 5

**RULEMAKING EXEMPTION PROCEDURES
AND OTHER CHANGES**

Section 1. Minnesota Statutes 1996, section 3.305, is amended by adding a subdivision to read:

Subd. 8. RULE REVIEW. Upon written request of two or more of its members or five or more members of the legislature, the legislative coordinating commission shall review a state agency rule as defined in section 14.02, subdivision 4. The commission may perform this review by holding one or more commission meetings or by establishing a bicameral group as provided in subdivision 6 to hold these meetings.

Sec. 2. Minnesota Statutes 1996, section 14.03, subdivision 3, is amended to read:

Subd. 3. **RULEMAKING PROCEDURES.** (a) The definition of a rule in section 14.02, subdivision 4, does not include:

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(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) an application deadline on a form; and the remainder of a form and instructions for use of the form to the extent that they do not impose substantive requirements other than requirements contained in statute or rule;

(3) the curriculum adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices.

(b) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules of the commissioner of corrections relating to the placement and supervision of inmates serving a supervised release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(2) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(3) opinions of the attorney general;

(4) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(5) the data element dictionary and the annual data acquisition calendar of the department of children, families, and learning to the extent provided by section 121.932;

(6) the occupational safety and health standards provided in section 182.655;

(7) revenue notices and tax information bulletins of the commissioner of revenue;

(8) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09; or

(9) the interpretive guidelines developed by the commissioner of human services to the extent provided in chapter 245A.

Sec. 3. Minnesota Statutes 1996, section 14.03, is amended by adding a subdivision to read:

Subd. 3a. POLICY FOR FUTURE EXCLUSIONS. The legislature will consider granting further exemptions from the rulemaking requirements of this chapter for rules that are necessary to comply with a requirement in federal law or that are necessary to avoid a denial of funds or services from the federal government that would otherwise be available to the state.

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Sec. 4. Minnesota Statutes 1996, section 14.386, is amended to read:

14.386 PROCEDURE FOR ADOPTING EXEMPT RULES; DURATION.

(a) A rule adopted, amended, or repealed by an agency, under a statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rule-making provisions of chapter 14 or from the definition of a rule, has the force and effect of law only if:

- (1) the revisor of statutes approves the form of the rule by certificate;
- (2) the office of administrative hearings approves the rule as to its legality within 14 days after the agency submits it for approval and files two copies of the rule with the revisor's certificate in the office of the secretary of state; and
- (3) a copy is published by the agency in the State Register.

A statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule does not excuse compliance with this section unless it makes specific reference to this section.

(b) A rule adopted under this section is effective for a period of two years from the date of publication of the rule in the State Register. The authority for the rule expires at the end of this two-year period.

(c) The chief administrative law judge shall adopt rules relating to the rule approval duties imposed by this section and section 14.388, including rules establishing standards for review.

~~(d) This section does not apply to rules adopted, amended, or repealed under section 14.388.~~

This section also does not apply to:

- (1) ~~rules implementing emergency powers pursuant to sections 12.31 to 12.37;~~
- (2) ~~rules of agencies directly in the legislative or judicial branches;~~
- (3) ~~rules of the regents of the University of Minnesota;~~
- (4) ~~rules of the department of military affairs;~~
- (5) ~~rules of the comprehensive health association provided in section 62E.10;~~
- (6) ~~rules of the tax court provided by section 271.06;~~
- (7) ~~rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public;~~
- (8) ~~rules of the commissioner of corrections relating to the placement and supervision of inmates serving a supervised release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;~~
- (9) ~~rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;~~

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- (10) opinions of the attorney general;
- (11) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;
- (12) the data element dictionary and the annual data acquisition calendar of the department of children, families, and learning to the extent provided by section 121.932;
- (13) the occupational safety and health standards provided in section 182.655;
- (14) revenue notices and tax information bulletins of the commissioner of revenue;
- (15) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09 any group or rule listed in section 14.03, subdivisions 1 and 3, except as otherwise provided by law;
- (16) (2) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459;
- (17) (3) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005; or
- (18) (4) game refuges designated by the commissioner of natural resources under section 97A.085.

(e) If a statute provides that a rule is exempt from chapter 14, and section 14.386 does not apply to the rule, the rule has the force of law unless the context of the statute delegating the rulemaking authority makes clear that the rule does not have force of law.

Sec. 5. **[14.389] EXPEDITED PROCESS.**

Subdivision 1. APPLICATION. This section applies when a law requiring or authorizing rules to be adopted states that this section must or may be used to adopt the rules. When a law refers to this section, the process in this section is the only process an agency must follow for its rules to have the force and effect of law. Sections 14.19 and 14.366 apply to rules adopted under this section.

Subd. 2. NOTICE AND COMMENT. The agency must publish notice of the proposed rule in the State Register and must mail the notice to persons who have registered with the agency to receive mailed notices. The mailed notice must include either a copy of the proposed rule or a description of the nature and effect of the proposed rule and a statement that a free copy is available from the agency upon request. The notice in the State Register must include the proposed rule or the amended rule in the form required by the revisor under section 14.07, and a citation to the most specific statutory authority for the rule, including authority for the rule to be adopted under the process in this section. The agency must allow 30 days after publication in the State Register for comment on the rule.

Subd. 3. ADOPTION. The agency may modify a proposed rule if the modifications do not result in a substantially different rule, as defined in section 14.05, subdivision 2, paragraphs (b) and (c). If the final rule is identical to the rule originally published in the State Register, the agency must publish a notice of adoption in the State Register. If the final rule is different from the rule originally published in the State Register, the agency must publish a copy of the changes in the State Register. The rule is effective upon publication in the State Register.

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Subd. 4. LEGAL REVIEW. Before publication of the final rule in the State Register, the agency must submit the rule to an administrative law judge in the office of administrative hearings. The administrative law judge shall within 14 days approve or disapprove the rule as to its legality and its form to the extent the form relates to legality.

Subd. 5. OPTION. A law authorizing or requiring rules to be adopted under this section may refer specifically to this subdivision. If the law contains a specific reference to this subdivision, as opposed to a general reference to this section:

(1) the notice required in subdivision 2 must include a statement that a public hearing will be held if 100 or more people request a hearing. The request must be in the manner specified in section 14.25; and

(2) if 100 or more people submit a written request for a public hearing, the agency may adopt the rule only after complying with all of the requirements of chapter 14 for rules adopted after a public hearing.

Sec. 6. Minnesota Statutes 1996, section 14.47, subdivision 1, is amended to read:

Subdivision 1. PLAN OF PUBLICATION AND SUPPLEMENTATION. The revisor of statutes shall:

(1) formulate a plan for the compilation of all permanent agency rules and, to the extent practicable, other rules, adopted pursuant to the administrative procedure act or filed pursuant to the provisions of section 14.38, subdivisions 5 to 9 or section 14.386 which were in effect at the time the rules were filed or subdivision 11, including their order, classification, arrangement, form, and indexing, and any appropriate tables, annotations, cross references, citations to applicable statutes, explanatory notes, and other appropriate material to facilitate use of the rules by the public, and for the compilation's composition, printing, binding, and distribution;

(2) publish the compilation of permanent agency rules and, if practicable, other rules, adopted pursuant to the administrative procedure act or filed pursuant to the provisions of section 14.38, subdivisions 5 to 9 or section 14.386 which were in effect at the time the rules were filed or subdivision 11, which shall be called "Minnesota Rules";

(3) periodically either publish a supplement or a new compilation, which includes all rules adopted since the last supplement or compilation was published and removes rules incorporated in prior compilations or supplements which are no longer effective;

(4) include in Minnesota Rules a consolidated list of publications and other documents incorporated by reference into the rules after June 30, 1981, and found conveniently available by the revisor under section 14.07, subdivision 4, indicating where the publications or documents are conveniently available to the public; and

(5) copyright any compilations and or supplements in the name of the state of Minnesota.

Sec. 7. Minnesota Statutes 1996, section 15.50, subdivision 2, is amended to read:

Subd. 2. CAPITOL AREA PLAN. (a) The board shall prepare, prescribe, and from time to time, after a public hearing, amend a comprehensive use plan for the capitol area, called the area in this subdivision, which consists of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of

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the center line of the Arch-Pennsylvania freeway and the center line of Marion Street, thence southerly along the center line of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the center line of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the center line of Summit Avenue to the center line of the new West Kellogg Boulevard, thence southerly along the east line of the new West Kellogg Boulevard, to the center line of West Seventh Street, thence northeasterly along the center line of West Seventh Street to the center line of the Fifth Street ramp, thence northwesterly along the center line of the Fifth Street ramp to the east line of the right-of-way of Interstate Highway 35-E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Exchange Street, thence easterly along the south line of Exchange Street to the west line of Cedar Street, thence northerly along the west line of Cedar Street to the center line of Tenth Street, thence northeasterly along the center line of Tenth Street to the center line of Minnesota Street, thence northwesterly along the center line of Minnesota Street to the center line of Eleventh Street, thence northeasterly along the center line of Eleventh Street to the center line of Jackson Street, thence northwesterly along the center line of Jackson Street to the center line of the Arch-Pennsylvania freeway extended, thence westerly along the center line of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin. If construction of the labor interpretive center does not commence prior to December 31, 2000, at the site recommended by the board, the boundaries of the capitol area revert to their configuration as of 1992.

Under the comprehensive plan, or a portion of it, the board may regulate, by means of zoning rules adopted under the administrative procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty, and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty, and architectural integrity of the area. No person may undertake these construction activities as defined in the board's rules in the capitol area without first submitting construction plans to the board, obtaining a zoning permit from the board, and receiving a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of Saint Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

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(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when it requests reports for its planning purpose.

(c) No public building, street, parking lot, or monument, or other construction may be built or altered on any public lands within the area unless the plans for the project conform to the comprehensive use plan as specified in paragraph (d) and to the requirement for competitive plans as specified in paragraph (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under paragraph (e) may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan must show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas, open spaces, monuments, and other memorials; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement may be made to public lands or buildings in the area without the written approval of the board.

(e) The board shall secure by competitions plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition that may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. A competition must be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected become the property of the state of Minnesota, and the board may award one or more premiums in each competition and may pay the costs and fees that may be required for its conduct. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided the plans have been considered by the advisory committee described in paragraph (h). Plans for projects estimated to cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) Notwithstanding paragraph (e), an architectural competition is not required for the design of any light rail transit station and alignment within the capitol area. The board and its advisory committee shall select a preliminary design for any transit station in the capitol area. Each stage of any station's design through working drawings must be reviewed by the board's advisory committee and approved by the board to ensure that the station's design is compatible with the comprehensive plan for the capitol area and the board's design criteria. The guideway and track design of any light rail transit alignment within the capitol area must also be reviewed by the board's advisory committee and approved by the board.

(g) Of the amount available for the light rail transit design, adequate funds must be available to the board for design framework studies and review of preliminary plans for light rail transit alignment and stations in the capitol area.

(h) The board may not adopt any plan under paragraph (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is ei-

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ther an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee may not be contestants under paragraph (e). The comments and criticism must be a matter of public information. The committee shall advise the board on all architectural and planning matters. For that purpose, the committee must be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the data are developed or in the process of preparation, whether by the commissioner of administration, the commissioner of trade and economic development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area, and a copy of any data prepared by any public employee or agency must be filed with the board promptly upon completion.

The board may employ stenographic or technical help that may be reasonable to assist the committee to perform its duties.

When so directed by the board, the committee may serve as, and any member or members of the committee may serve on, the jury or as professional advisor for any architectural competition, and the board shall select the architectural advisor and jurors for any competition with the advice of the committee.

The city of Saint Paul shall advise the board.

(i) The comprehensive plan for the area must be developed and maintained in close cooperation with the commissioner of trade and economic development, the planning department and the council for the city of Saint Paul, and the board of the arts, and no plan or amendment of a plan may be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts and without a public hearing with opportunity for public testimony.

(j) The board and the commissioner of administration, jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance, and cleanliness of the public and ceremonial areas of the state capitol building. The board shall consult with and receive advice from the director of the Minnesota state historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed under this paragraph are binding upon the commissioner of administration. The provisions of sections ~~14.02, 14.04 to 14.28, 14.38, and 14.44 to 14.45~~ chapter 14, including section 14.386, do not apply to this paragraph.

(k) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program. The board shall report any changes to the comprehensive plan adopted by the board to the committee on governmental operations and gambling of the house of representatives and the committee on governmental operations and reform of the senate and upon request shall provide testimony concerning the changes. The board shall also provide testimony to the

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legislature on proposals for memorials in the capitol area as to their compatibility with the standards, policies, and objectives of the comprehensive plan.

(l) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase, or eminent domain proceedings any real property situated in the area described in this section, and it may also acquire an interest less than a fee simple interest in the property, if it finds that the property is needed for future expansion or beautification of the area.

(m) The board is the successor of the state veterans service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and amendments to it.

(n) The board shall meet at the call of the chair and at such other times as it may prescribe.

(o) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs, of which a part that the commissioner of administration and commissioner of veterans affairs may mutually determine must be on the first floor above the ground, and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available, to other state departments and agencies as the commissioner may deem desirable.

Sec. 8. Minnesota Statutes 1996, section 18.022, subdivision 9, is amended to read:

Subd. 9. **RULES.** The commissioner may adopt rules in accordance with sections 14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62 chapter 14 prescribing control measures to be used to prevent the spread of shade tree diseases and shall include the following: (a) A definition of shade tree, (b) qualifications for inspectors, (c) methods of identifying diseased shade trees, (d) procedures for giving reasonable notice of inspection of private real property, (e) measures for the treatment and removal of any shade tree which may contribute to the spread of shade tree disease, and (f) such other matters as shall be determined to be necessary by the commissioner to prevent the spread of shade tree disease and enforce the provisions of this section. The rules of the commissioner shall apply in a county, city or town unless the county, city or town adopts an ordinance or resolution pursuant to subdivision 6 which is determined by the commissioner to be more stringent than the rules of the commissioner. The rules of the commissioner or the more stringent ordinance or resolution of the city, county or town shall apply to all state agencies and special purpose districts which own or control land within any county, city or town exercising the powers granted in this section.

Sec. 9. Minnesota Statutes 1996, section 18.0227, subdivision 3, is amended to read:

Subd. 3. **ADMINISTRATION.** The commissioner shall develop the experimental grasshopper control program and may adopt rules, guidelines, and procedures notwithstanding chapter 14 to implement the program, except the commissioner must comply with section 14.38, subdivisions 7 and 8 14.386, paragraph (a), clauses (1) and (3). Section 14.386, paragraph (b), does not apply to these rules, guidelines, and procedures.

Sec. 10. Minnesota Statutes 1996, section 62E.10, subdivision 8, is amended to read:

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Subd. 8. **DEPARTMENT OF STATE EXEMPTION.** The association is exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the association may use the provisions of section 14.38, subdivisions 5 to 9 14.386, paragraph (a), clauses (1) and (3). Section 14.386, paragraph (b), does not apply to these rules.

Sec. 11. Minnesota Statutes 1996, section 85A.02, subdivision 5b, is amended to read:

Subd. 5b. **EXEMPTIONS.** The board is not subject to sections 3.841 to 3.845, 15.057, 15.061, 16A.1285, and 16A.28; chapter 16B, except for sections 16B.07, 16B.102, 16B.17, 16B.19, 16B.35, and 16B.55; and chapter 14, except section 14.38, subdivision 7, relating to the legal status of rules and the legislative review of rules 14.386, paragraph (a), clauses (1) and (3). Section 14.386, paragraph (b), does not apply to the board's actions.

Sec. 12. Minnesota Statutes 1996, section 85A.05, subdivision 2, is amended to read:

Subd. 2. **ISSUANCE OF BONDS.** Upon request by resolution of the Minnesota zoological board and upon authorization as provided in subdivision 1 the commissioner of finance shall sell and issue Minnesota zoological garden bonds in the aggregate amount requested, upon sealed bids and upon such notice, at such price, in such form and denominations, bearing interest at such rate or rates, maturing in such amounts and on such dates, without option of prepayment or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks within or outside the state, with such provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale or delivery of definitive bonds, and in accordance with such further rules, as the commissioner of finance shall determine, subject to the approval of the attorney general, but not subject to the provisions of sections 14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62 chapter 14, including section 14.386. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any appurtenant interest coupons and their seals may be printed, lithographed, engraved, or stamped thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an officer of a bank designated by them as authenticating agent. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Sec. 13. Minnesota Statutes 1996, section 115A.58, subdivision 2, is amended to read:

Subd. 2. **ISSUANCE OF BONDS.** Upon request by the director and upon authorization as provided in subdivision 1, the commissioner of finance shall sell Minnesota state waste management bonds. The bonds shall be in the aggregate amount requested, and sold upon sealed bids upon the notice, at the price in the form and denominations, bearing interest at the rate or rates, maturing in the amounts and on the dates (with or without option of prepayment upon notice and at specified times and prices), payable at a bank or banks within or outside the state (with provisions, if any, for registration, conversion, and exchange and for the issuance of temporary bonds or notes in anticipation of the

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sale or delivery of definitive bonds), and in accordance with further provisions as the commissioner of finance shall determine, subject to the approval of the attorney general, but not subject to the provisions of sections ~~14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62~~ chapter 14, including section 14.386. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any interest coupons and their seals may be printed, lithographed, engraved, stamped, or otherwise reproduced thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an authorized representative of a bank designated by the commissioner of finance as registrar or other authenticating agent. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Sec. 14. Minnesota Statutes 1996, section 116.17, subdivision 2, is amended to read:

Subd. 2. **ISSUANCE OF BONDS.** Upon request by resolution of the agency and upon authorization as provided in subdivision 1 the commissioner of finance shall sell and issue Minnesota state water pollution control bonds in the aggregate amount requested, upon sealed bids and upon such notice, at such price, in such form and denominations, bearing interest at a rate or rates, maturing in amounts and on dates, with or without option of prepayment upon notice and at specified times and prices, payable at a bank or banks within or outside the state, with provisions, if any, for registration, conversion, and exchange and for the issuance of temporary bonds or notes in anticipation of the sale or delivery of definitive bonds, and in accordance with further provisions, as the commissioner of finance shall determine, subject to the approval of the attorney general, but not subject to the provisions of sections ~~14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62~~ chapter 14, including section 14.386. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any appurtenant interest coupons and their seals may be printed, lithographed, engraved, stamped, or otherwise reproduced thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an authorized representative of a bank designated by the commissioner as registrar or other authenticating agent. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Sec. 15. Minnesota Statutes 1996, section 116C.06, subdivision 1, is amended to read:

Subdivision 1. The board shall hold public hearings on matters that it determines to be of major environmental impact. The board shall prescribe by rule in conformity to the provisions of sections ~~14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62~~ chapter 14, the procedures for the conduct of all hearings and review procedures.

Sec. 16. Minnesota Statutes 1996, section 124.41, subdivision 2, is amended to read:

Subd. 2. **APPLICATION FORMS; RULES.** The commissioner, with the assistance of the attorney general or a designated assistant, shall prepare forms of applications for debt service loans and capital loans and instruments evidencing the loans. The state

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board shall promulgate rules to facilitate the commissioner's operations in compliance with sections 124.36 to 124.46. The rules shall be subject to the procedure set forth in sections ~~14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62~~ chapter 14.

Sec. 17. Minnesota Statutes 1996, section 124.46, subdivision 2, is amended to read:

Subd. 2. Upon receipt of each such certification, subject to authorization as provided in subdivision 4, the commissioner of finance shall from time to time as needed issue and sell state of Minnesota school loan bonds in the aggregate principal amount stated in the commissioner's certificate, for the prompt and full payment of which, with the interest thereon, the full faith, credit, and taxing powers of the state are hereby irrevocably pledged, and shall credit the net proceeds of their sale to the purposes for which they are appropriated by section 124.40, subdivision 1. Such bonds shall be issued and sold at such price, in such manner, in such number of series, at such times, and in such form and denominations, shall bear such dates of issue and of maturity, either without option of prior redemption or subject to prepayment upon such notice and at such times and prices, shall bear interest at such rate or rates and payable at such intervals, shall be payable at such bank or banks within or without the state, with such provisions for registration, conversion, and exchange, and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further provisions as the commissioner of finance shall determine subject to the limitations stated in this subdivision (but not subject to the provisions of sections ~~14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62~~ chapter 14, including section 14.386). The maturity date shall in no case be more than 20 years after the date of issue of any bond and the principal amounts and due dates shall conform as near as may be with the commissioner's estimates of dates and amounts of payments to be received on debt service and capital loans. The bonds and any interest coupons appurtenant to them shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of these officers and their seals may be printed, lithographed, stamped, engraved, or otherwise reproduced thereon. Each bond shall be authenticated by the manual signature on its face of one of the officers or a person authorized to sign on behalf of a bank or trust company designated by the commissioner to act as registrar or other authenticating agent. The commissioner of finance is authorized and directed to ascertain and certify to purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms.

Sec. 18. Minnesota Statutes 1996, section 136A.40, is amended to read:

136A.40 ADMINISTRATION.

The administration of sections 136A.25 to 136A.42, shall be under the authority independent of other departments and agencies and notwithstanding chapter 16B. The authority shall not be subject to the provisions of sections ~~14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62~~ chapter 14, including section 14.386 in connection with the adoption of any rules, rents, fees or charges or with the exercise of any other powers or duties.

Sec. 19. Minnesota Statutes 1996, section 145.925, subdivision 9, is amended to read:

Subd. 9. **RULES; REGIONAL FUNDING.** Notwithstanding any rules to the contrary, including rules proposed in the State Register on April 1, 1991, the commissioner,

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in allocating grant funds for family planning special projects, shall not limit the total amount of funds that can be allocated to an organization that has submitted applications from more than one region, except that no more than \$75,000 may be allocated to any grantee within a single region. For two or more organizations who have submitted a joint application, that limit is \$75,000 for each organization. This subdivision does not affect any procedure established in rule for allocating special project money to the different regions. The commissioner shall revise the rules for family planning special project grants so that they conform to the requirements of this subdivision. In adopting these revisions, the commissioner is not subject to the rulemaking provisions of chapter 14, but is bound by section 14.38, subdivision 7 14.386, paragraph (a), clauses (1) and (3). Section 14.386, paragraph (b), does not apply to these rules.

Sec. 20. Minnesota Statutes 1996, section 150A.04, subdivision 5, is amended to read:

Subd. 5. **RULES.** The board may promulgate rules as are necessary to carry out and make effective the provisions and purposes of sections 150A.01 to 150A.12, in accordance with sections 14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62 chapter 14. The rules may specify training and education necessary for administering general anesthesia and intravenous conscious sedation.

Sec. 21. Minnesota Statutes 1996, section 152.02, subdivision 12, is amended to read:

Subd. 12. If any substance is designated, rescheduled, or deleted as a controlled substance under federal law and notice thereof is given to the state board of pharmacy, the state board of pharmacy shall similarly control the substance under this chapter, after the expiration of 30 days from publication in the Federal Register of a final order designating a substance as a controlled substance or rescheduling or deleting a substance. Such order shall be filed pursuant to section 14.38 with the secretary of state. If within that 30-day period, the state board of pharmacy objects to inclusion, rescheduling, or deletion, it shall publish the reasons for objection and afford all interested parties an opportunity to be heard. At the conclusion of the hearing, the state board of pharmacy shall publish its decision, which shall be subject to the provisions of chapter 14.

In exercising the authority granted by this chapter, the state board of pharmacy shall be subject to the provisions of chapter 14. The state board of pharmacy shall provide copies of any proposed rule under this chapter to the advisory council on controlled substances at least 30 days prior to any hearing required by section 14.14, subdivision 1. The state board of pharmacy shall consider the recommendations of the advisory council on controlled substances, which may be made prior to or at the hearing.

Sec. 22. Minnesota Statutes 1996, section 161.1231, subdivision 5, is amended to read:

Subd. 5. **FEES.** The commissioner shall establish and collect fees for use of the parking facilities. The fees must be established and adjusted in compliance with United States Code, title 23, section 137, and are not subject to chapter 14, including section 14.38, subdivisions 5 to 9 14.386, or 16A.1285.

Sec. 23. Minnesota Statutes 1996, section 167.50, subdivision 2, is amended to read:

Subd. 2. **ISSUANCE AND SALE.** The bonds shall be issued and sold upon sealed bids after published notice. The bonds shall be issued and sold at the times and prices (not

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less than par and accrued interest), in the form and denominations, bearing interest at the rate or rates, maturing on dates, with or without option of prior redemption upon notice and at specified times and prices, payable at a bank or banks, within or without the state, with provisions for registration, conversion, and exchange and for the issuance of temporary bonds or notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further provisions, as the commissioner of finance may determine, subject to the approval of the attorney general (but not subject to the provisions of sections 14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62 chapter 14, including 14.386). Each bond shall mature within 20 years from its date of issue and shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of these officers on the face of and any interest coupons appurtenant to any bond, and their seals may be printed, lithographed, stamped, engraved, or otherwise reproduced thereon, provided that the signature of one of the officers, or of an authorized representative of a corporate registrar or other agent designated by the commissioner of finance to authenticate the bonds, shall be manually subscribed on the face of each bond.

Sec. 24. Minnesota Statutes 1996, section 169.06, subdivision 1, is amended to read:

Subdivision 1. **UNIFORM SYSTEM.** The commissioner shall adopt a manual and specifications for a uniform system of traffic-control devices consistent with the provisions of this chapter for use upon highways within this state. Such uniform system shall correlate with and so far as possible conform to the system then current as approved by the American Association of State Highway Officials. The manual and specifications must include the design and wording of minimum-maintenance road signs. The adoption of the manual and specifications by the commissioner as herein provided is specifically exempted from the provisions and requirements of sections 14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62 and acts amendatory thereto chapter 14, including section 14.386.

Sec. 25. Minnesota Statutes 1996, section 174.51, subdivision 2, is amended to read:

Subd. 2. **SALE; GENERAL OBLIGATIONS.** The bonds shall be sold upon sealed bids and upon notice, at a price, in form and denominations, bearing interest at a rate or rates, maturing in amounts and on dates, without option of prior redemption or subject to prepayment upon notice and at times and prices, payable at a bank or banks within or outside the state, with or without provisions for registration, conversion, exchange, and issuance of temporary bonds or notes in anticipation of the sale or delivery of definitive bonds, and in accordance with further provisions, as the commissioner of finance shall determine subject to the approval of the attorney general, but not subject to the provisions of sections 14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62 chapter 14, including 14.386. Each bond shall mature within 20 years from its date of issue and shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures on the bonds and on any interest coupons and the seals may be printed or otherwise reproduced, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of a person authorized to sign on behalf of a bank designated by the commissioner of finance as registrar or other authenticating agent. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things

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necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Sec. 26. Minnesota Statutes 1996, 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, ~~shall remain~~ 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 shall must contain reasonable 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 ~~shall be~~ 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 ~~pursuant to~~ under this section, including all previous fee schedules, are not subject to expiration under ~~section 14.387~~ 14.386, paragraph (b).

Sec. 27. Minnesota Statutes 1996, section 182.655, subdivision 1, is amended to read:

Subdivision 1. Standards and variances shall be proposed, granted, adopted, modified or revoked by the commissioner in accordance with the procedures of this section. The standards and variances are exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the commissioner may use the provisions of section ~~14.38, subdivisions 5 to 9~~ 14.386, paragraph (a), clauses (1) and (3). Section 14.386, paragraph (b), does not apply to these rules.

Sec. 28. Minnesota Statutes 1996, section 256B.501, subdivision 10, is amended to read:

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Subd. 10. **RULES.** To implement this section, the commissioner shall promulgate rules in accordance with chapter 14. ~~To implement subdivision 3, the commissioner shall promulgate rules in accordance with sections 14.01 to 14.38.~~

Sec. 29. Minnesota Statutes 1996, section 256B.502, is amended to read:

256B.502 RULES.

The commissioners of health and human services shall promulgate rules necessary to implement Laws 1983, chapter 199, ~~except as otherwise indicated in accordance with sections 14.01 to 14.38.~~

Sec. 30. Minnesota Statutes 1996, section 256B.503, is amended to read:

256B.503 RULES.

To implement Laws 1983, chapter 312, article 9, sections 1 to 7, the commissioner shall promulgate rules in accordance with sections 14.01 to 14.38. Rules adopted to implement Laws 1983, chapter 312, article 9, section 5, must (a) be in accord with the provisions of Minnesota Statutes, chapter 256E, (b) set standards for case management which include, encourage and enable flexible administration, (c) require the county boards to develop individualized procedures governing case management activities, (d) consider criteria promulgated under section 256B.092, subdivision 3, and the federal waiver plan, (e) identify cost implications to the state and to county boards, and (f) require the screening teams to make recommendations to the county case manager for development of the individual service plan.

The commissioner shall adopt rules to implement this section by July 1, 1986.

Sec. 31. Minnesota Statutes 1996, section 401.03, is amended to read:

401.03 PROMULGATION OF RULES; TECHNICAL ASSISTANCE.

The commissioner shall, as provided in sections 14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62 ~~chapter 14,~~ promulgate rules for the implementation of sections 401.01 to 401.16, and shall provide consultation and technical assistance to counties to aid them in the development of comprehensive plans.

Sec. 32. Minnesota Statutes 1996, section 458A.03, subdivision 2, is amended to read:

Subd. 2. **RULES.** The commission may prescribe and promulgate rules as it deems necessary or expedient in furtherance of the purposes of sections 458A.01 to 458A.15 upon like procedure and with like force and effect as provided for state agencies by sections 14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62 chapter 14.

Sec. 33. Minnesota Statutes 1996, section 475A.06, subdivision 2, is amended to read:

Subd. 2. **FORMALITIES.** The bonds shall be issued and sold upon sealed bids and upon such notice, at such price, at such times, in such form and denominations, bearing interest at such rate or rates, maturing in such amounts and on such dates, either without option of prepayment or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks within or outside the state, with such provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale or delivery of definitive bonds, and in accordance with such further rules, as the com-

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missioner of finance shall determine, subject to the approval of the attorney general, but not subject to the provisions of sections 14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62 chapter 14, including section 14.386. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any appurtenant interest coupons and their seals may be printed, lithographed, engraved, or stamped thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an officer of a bank designated by them as authenticating agent. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Sec. 34. Minnesota Statutes 1996, section 507.09, is amended to read:

507.09 FORMS APPROVED; AMENDMENTS.

The several forms of deeds, mortgages, land contracts, assignments, satisfactions, and other conveyancing instruments prepared by the uniform conveyancing blanks commission and filed by the commission with the secretary of state pursuant to Laws 1929, chapter 135, as amended by Laws 1931, chapter 34, are approved and recommended for use in the state. Such forms shall be kept on file with and be preserved by the commissioner of commerce as a public record. The commissioner of commerce may appoint an advisory task force on uniform conveyancing forms to recommend to the commissioner of commerce amendments to existing forms or the adoption of new forms. The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059. The commissioner of commerce may adopt amended or new forms consistent with the laws of this state by complying with the procedures in section 14.38, subdivision 7, clauses (1), (2), and (3) 14.386, paragraph (a), clauses (1) and (3). Section 14.386, paragraph (b), does not apply to these forms.

Sec. 35. TRANSITION.

The repeal of authority to use procedures in Minnesota Statutes, section 14.38, subdivisions 5 to 9 to adopt rules and the repeal of references to other rulemaking authority in specific sections of Minnesota Statutes, chapter 14 does not affect the validity of rules adopted under those procedures before the effective date of this article.

Sec. 36. REPEALER.

- (a) Minnesota Statutes 1996, section 14.387, is repealed.
- (b) Minnesota Statutes 1996, section 14.38, subdivisions 5, 6, 7, 8, and 9, are repealed.
- (c) Minnesota Statutes 1996, section 214.06, subdivision 3, is repealed.

Sec. 37. EFFECTIVE DATES.

Sections 1 to 35, and 36, paragraph (b), are effective the day following final enactment.

Section 36, paragraphs (a) and (c), are effective June 30, 1997.

Presented to the governor May 19, 1997

Signed by the governor May 20, 1997, 10:38 a.m.

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