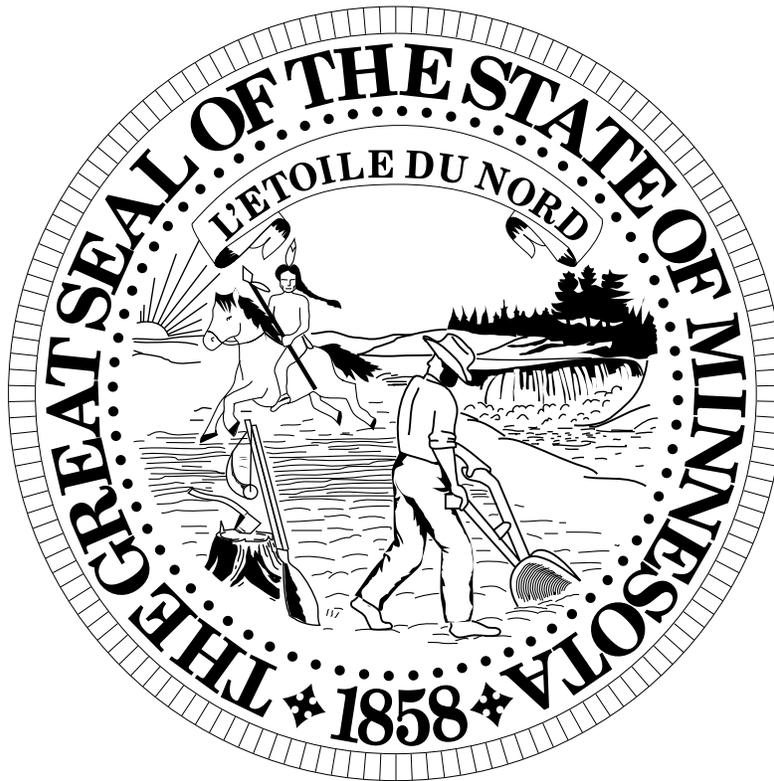


State of Minnesota

State Register

Rules and Official Notices Edition



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State Register

Judicial Notice Shall Be Taken of Material Published in the *State Register*

The *State Register* is the official publication of the State of Minnesota, published weekly to fulfill the legislative mandate set forth in *Minnesota Statutes* § 14.46. The *State Register* contains:

- proposed, adopted, exempt, expedited emergency and withdrawn rules
- executive orders of the governor
- appointments
- proclamations and commendations
- commissioners' orders
- revenue notices
- official notices
- state grants and loans
- contracts for professional, technical and consulting services
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Printing Schedule and Submission Deadlines

Vol. 27 Issue Number	PUBLISH DATE	Deadline for: Emergency Rules, Executive and Commissioner's Orders, Revenue and Official Notices, State Grants, Professional-Technical-Consulting Contracts, Non-State Bids and Public Contracts	Deadline for both Adopted and Proposed RULES
#18	Monday 28 October	Noon Tuesday 22 October	Noon Wednesday 16 October
#19	Monday 4 November	Noon Tuesday 29 October	Noon Wednesday 23 October
#20	TUESDAY 12 NOVEMBER	Noon Tuesday 5 November	Noon Wednesday 30 October
#21	Monday 18 November	Noon Tuesday 12 November	Noon Wednesday 6 November

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Minnesota Rules: Amendments and Additions

NOTICE: How to Follow State Agency Rulemaking in the State Register

The *State Register* is the official source, and only complete listing, for all state agency rulemaking in its various stages. State agencies are required to publish notice of their rulemaking action in the *State Register*. Published every Monday, the *State Register* makes it easy to follow and participate in the important rulemaking process. Approximately 80 state agencies have the authority to issue rules. Each agency is assigned specific **Minnesota Rule** chapter numbers. Every odd-numbered year the **Minnesota Rules** are published. The current 1999 set is a 13-volume bound collection of all adopted rules in effect at the time. Supplements are published to update this set of rules. Generally speaking, proposed and adopted exempt rules do not appear in this set because of their short-term nature, but are published in the *State Register*.

An agency must first solicit **Comments on Planned Rules** or **Comments on Planned Rule Amendments** from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency (*Minnesota Statutes* §§ 14.101). It does this by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, or within 60 days of the effective date of any new statutory grant of required rulemaking.

When rules are first drafted, state agencies publish them as **Proposed Rules**, along with a notice of hearing, or a notice of intent to adopt rules without a hearing in the case of noncontroversial rules. This notice asks for comment on the rules as proposed. Proposed emergency rules and withdrawn proposed rules are also published in the *State Register*. After proposed rules have gone through the comment period, and have been rewritten into their final form, they again appear in the *State Register* as **Adopted Rules**. These final adopted rules are not printed in their entirety in the *State Register*, only the changes made since their publication as Proposed Rules. To see the full rule, as adopted and in effect, a person simply needs two issues of the *State Register*, the issue the rule appeared in as proposed, and later as adopted. For a more detailed description of the rulemaking process, see the most current edition of the *Minnesota Guidebook to State Agency Services*.

The *State Register* features partial and cumulative listings of rules in this section on the following schedule: issues #1-13 inclusive; issues #14-25 inclusive; issue #26 cumulative for issues #1-26; issues #27-38 inclusive; issue #39, cumulative for issues #1-39; issues #40-51 inclusive; and issues #1-52 (or 53 in some years), cumulative for issues #1-52 (or 53). An annual subject matter index for rules was separately printed usually in August, but starting with Volume 19 now appears in the final issue of each volume. For copies or subscriptions to the *State Register*, contact Minnesota's Bookstore, 117 University Avenue, St. Paul, MN 55155 (612) 297-3000, or toll-free 1-800-657-3757.

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Proposed Rules

Comments on Planned Rules or Rule Amendments

An agency must first solicit **Comments on Planned Rules** or **Comments on Planned Rule Amendments** from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency (*Minnesota Statutes* §§ 14.101). It does this by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking.

Rules to be Adopted After a Hearing

After receiving comments and deciding to hold a public hearing on the rule, an agency drafts its rule. It then publishes its rules with a notice of hearing. All persons wishing to make a statement must register at the hearing. Anyone who wishes to submit written comments may do so at the hearing, or within five working days of the close of the hearing. Administrative law judges may, during the hearing, extend the period for receiving comments up to 20 calendar days. For five business days after the submission period the agency and interested persons may respond to any new information submitted during the written submission period and the record then is closed. The administrative law judge prepares a report within 30 days, stating findings of fact, conclusions and recommendations. After receiving the report, the agency decides whether to adopt, withdraw or modify the proposed rule based on consideration of the comments made during the rule hearing procedure and the report of the administrative law judge. The agency must wait five days after receiving the report before taking any action.

Rules to be Adopted Without a Hearing

Pursuant to *Minnesota Statutes* § 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing. An agency must first solicit **Comments on Planned Rules** or **Comments on Planned Rule Amendments** from the public. The agency then publishes a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Board of Accountancy

Proposed Permanent Rules Relating to Licensure and Regulation of Accountants

DUAL NOTICE: NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING UNLESS 25 OR MORE PERSONS REQUEST A HEARING, AND NOTICE OF HEARING IF 25 OR MORE REQUESTS FOR HEARING ARE RECEIVED

Proposed Permanent Rules Relating to Licensure and Regulation of Accountants, *Minnesota Rules*, Chapter 1105; Repeal of *Minnesota Rules*, Chapter 1100

Introduction. The Minnesota State Board of Accountancy intends to adopt rules without a public hearing following the procedures set forth in the Administrative Procedure Act, *Minnesota Statutes*, sections 14.22 to 14.28, and rules of the Office of Administrative Hearings, *Minnesota Rules*, parts 1400.2300 to 1400.2310. If, however, 25 or more persons submit a written request for a hearing on the rules by 4:30 p.m. on November 27, 2002, a public hearing will be held in room 4, Golden Rule building, 85 East Seventh Place, St. Paul, Minnesota 55101, starting at 10:00 a.m. on Tuesday, December 10, 2002. To find out whether the rules will be adopted without a hearing or if the hearing will be held, you should contact the agency contact person after November 27, 2002 and before December 10, 2002.

Agency Contact Person. Comments or questions on the rules and written requests for a public hearing on the rules must be submitted to the agency contact person. The agency contact person is: Dennis J. Popenhagen, Executive Secretary, at Minnesota State Board of Accountancy, 85 East 7th Place, Suite #125. St. Paul, Minnesota 55101, **phone:** (651) 296-7938, **Fax:** (651) 282-2644, **email:** boa@state.mn.us. **TTY** users may call the Board at: TTY/TDD 297-5353 or 1-800-627-3529.

Subject of Rules and Statutory Authority. The Board intends to reorganize and renumber its existing rules in Chapter 1100 and to adopt rules relating to the Uniform Accounting Act (UAA) passed into law and known as *Minnesota Statutes* 2001 Chapter 326A with effective date of 1/1/2003. The proposed rules are to govern administration of the board, examinations, issuance of certificates, licensing, professional conduct and discipline, continuing education, practice monitoring, Registered Accounting Practitioner (RAP), effective 7/1/2004, and educational/experience requirements for the Certified Public Accountant examination effective 1/1/2006.

The statutory authority to adopt the rules is *Minnesota Statutes*, section 326.18. A copy of the proposed rules is published in the *State Register* and attached to this notice as mailed.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Proposed Rules

Comments. You have until 4:30 p.m. on Wednesday, November 27, 2002 to submit written comment in support of or in opposition to the proposed rules or any part or subpart of the rules. Your comment must be in writing and received by the agency contact person by the due date. Comment is encouraged. Your comments should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed. You are encouraged to propose any change desired. Any comments that you would like to make on the legality of the proposed rules must also be made during this comment period.

Request for a Hearing. In addition to submitting comments, you may also request that a hearing be held on the rules. Your request for a public hearing must be in writing and must be received by the agency contact person by 4:30 p.m. on Wednesday, November 27, 2002. Your written request for a public hearing must include your name and address. You must identify the portion of the proposed rules to which you object or state that you oppose the entire set of rules. Any request that does not comply with these requirements is not valid and cannot be counted by the agency when determining whether a public hearing must be held. You are also encouraged to state the reason for the request and any changes you want made to the proposed rules.

Withdrawal of Requests. If 25 or more persons submit a valid written request for a hearing, a public hearing will be held unless a sufficient number withdraw their requests in writing. If enough requests for hearing are withdrawn to reduce the number below 25, the agency must give written notice of this to all persons who requested a hearing, explain the actions the agency took to effect the withdrawal, and ask for written comments on this action. If a public hearing is required, the agency will follow the procedures in *Minnesota Statutes*, sections 14.131 to 14.20.

Alternative Format/Accommodation. Upon request, this Notice can be made available in an alternative format, such as large print, Braille, or cassette tape. To make such a request or if you need an accommodation to make this hearing accessible, please contact the agency contact person at the address or telephone number listed above.

Modifications. The proposed rules may be modified, either as a result of public comment or as a result of the rule hearing process. Modifications must be supported by data and views submitted to the agency or presented at the hearing and the adopted rules may not be substantially different than these proposed rules, unless the procedure under part 1400.2110 has been followed. If the proposed rules affect you in any way, you are encouraged to participate in the rulemaking process.

Cancellation of Hearing. The hearing scheduled for Tuesday, December 10, 2002 will be canceled if the agency does not receive requests from 25 or more persons that a hearing be held on the rules. If you requested a public hearing, the agency will notify you before the scheduled hearing whether or not the hearing will be held. You may also call the agency contact person at (651) 296-7938 after Wednesday, November 27, 2002 to find out whether the hearing will be held.

Notice of Hearing. If 25 or more persons submit valid written requests for a public hearing on the rules, a hearing will be held following the procedures in *Minnesota Statutes*, sections 14.131 to 14.20. The hearing will be held on the date and at the time and place listed above. The hearing will continue until all interested persons have been heard. Administrative Law Judge Richard Luis is assigned to conduct the hearing. Judge Luis can be reached at the Office of Administrative Hearings, 100 Washington Square, Suite 1700, Minneapolis, Minnesota 55401-2138, **phone** Judge Luis at: (612) 349-2542, and **fax:** (612) 349-2665.

Hearing Procedure. If a hearing is held, you and all interested or affected persons, including representatives of associations or other interested groups, will have an opportunity to participate. You may present your views either orally at the hearing or in writing at any time before the close of the hearing record. All evidence presented should relate to the proposed rules. You may also submit written material to the Administrative Law Judge to be recorded in the hearing record for five working days after the public hearing ends. This five-day comment period may be extended for a longer period not to exceed 20 calendar days if ordered by the Administrative Law Judge at the hearing. Following the comment period, there is a five-working-day rebuttal period during which the agency and any interested person may respond in writing to any new information submitted. No additional evidence may be submitted during the five-day response period. All comments and responses submitted to the Administrative Law Judge must be received at the Office of Administrative Hearings no later than 4:30 p.m. on the due date. All comments or responses received will be available for review at the Office of Administrative Hearings. This rule hearing procedure is governed by *Minnesota Rules*, parts 1400.2000 to 1400.2240, and *Minnesota Statutes*, sections 14.131 to 14.20. Questions about procedure may be directed to the Administrative Law Judge.

The agency requests that any person submitting written views or data to the Administrative Law Judge prior to the hearing or during the comment or rebuttal period also submit a copy of the written views or data to the agency contact person at the address stated above.

Statement of Need and Reasonableness. A statement of need and reasonableness is now available from the agency contact person. This statement contains a summary of the justification for the proposed rule, including a description of who will be affected by the proposed rule and an estimate of the probable cost of the proposed rule. The statement may be reviewed and copies obtained at the cost of reproduction from the agency.

Lobbyist Registration. *Minnesota Statutes*, chapter 10A, requires each lobbyist to register with the State Campaign Finance and Public Disclosure Board. Questions regarding this requirement may be directed to the Campaign Finance and Public Disclosure Board at: Suite 190, Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155, **phone:** (651) 296-5148 or 1-800-657-3889.

Adoption Procedure if No Hearing. If no hearing is required, the agency may adopt the rules after the end of the comment period. The rules and supporting documents will then be submitted to the Office of Administrative Hearings for review for legality. You may ask to be notified of the date the rules are submitted to the office. If you want to be so notified, or want to receive a copy of the adopted rules, or want to register with the agency to receive notice of future rule proceedings, submit your request to the agency contact person listed above.

Adoption Procedure After a Hearing. If a hearing is held, after the close of the hearing record, the Administrative Law Judge will issue a report on the proposed rules. You may ask to be notified of the date when the Administrative Law Judge's report will become available, and can make this request at the hearing or in writing to the Administrative Law Judge. You may also ask to be notified of the date on which the agency adopts the rules and the date on which they are filed with the Secretary of State, and can make this request at the hearing or in writing to the agency contact person stated above.

Order. I order that the rulemaking hearing be held at the date, time, and location listed above.

Dated: 18 October 2002

Dennis J. Poppenhagen
Executive Director

1105.0100 1-1; DEFINITIONS.

Subpart 1. Scope. For purposes of this chapter, the terms in this part and in *Minnesota Statutes*, section 326A.01, have the meanings given.

Subp. 2. Act. "Act" means *Minnesota Statutes*, chapter 326A.

Subp. 3. AICPA. "AICPA" means the American Institute of Certified Public Accountants.

Subp. 4. Applicant. "Applicant" means a person applying to take the Uniform Certified Public Accountant Examination.

Subp. 5. Certificate holder. "Certificate holder" means a person who has passed the Uniform Certified Public Accountant Examination, received a CPA certificate, but was not licensed prior to January 1, 2003.

Subp. 6. Contested case. "Contested case" means a proceeding before the board in which the legal rights, duties, or privileges of specific parties are required by law or constitutional right to be determined after a board hearing.

Subp. 7. Director. "Director" means a director of a firm issued a permit under part 1105.7100 (Rule 11-6) or *Minnesota Statutes*, section 326A.05.

Subp. 8. Examination. "Examination" means an examination conducted under parts 1105.1600 to 1105.2400 (Rules 3-3 to 3-11) or *Minnesota Statutes*, section 326A.03.

Subp. 9. Financial statements. "Financial statements" means statements and footnotes related to them that undertake to present an actual or anticipated financial position as of a point in time, or results of operations, cash flow, or changes in financial position for a period of time, in conformity with generally accepted accounting principles or another comprehensive basis of accounting. "Financial statements" does not include incidental financial data included in management advisory service reports to support recommendation to a client, nor does it include tax returns and supporting schedules.

Subp. 10. NASBA. "NASBA" means the National Association of State Boards of Accountancy.

Subp. 11. Officer. "Officer" means an officer of a firm issued a permit under part 1105.7100 (Rule 11-6) or *Minnesota Statutes*, section 326A.05.

Subp. 12. Quality review. "Quality review" means a peer review as required by *Minnesota Statutes*, section 326A.05, subdivision 8.

Subp. 13. RAP or registered accounting practitioner. "RAP" or "registered accounting practitioner" means a person registered by the board as a registered accounting practitioner under *Minnesota Statutes*, section 326A.06, paragraph (b), and part 1105.6600 (Rule 11-1).

Subp. 14. RAP firm. "RAP firm" means a sole proprietorship, corporation, partnership, or any other form of organization issued a RAP firm permit under this chapter.

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Proposed Rules

Subp. 15. Registrant. “Registrant” means a person who is a registered accounting practitioner.

Subp. 16. Registration. “Registration” means the voluntary registration of accounting practitioners under parts 1105.6600 to 1105.7700 (Rules 11-1 to 11-12) and *Minnesota Statutes*, section 326A.06, paragraph (b).

Subp. 17. Report. “Report,” as defined in *Minnesota Statutes*, section 326A.01, subdivision 15, and as used in this chapter and *Minnesota Statutes*, section 326A.10, paragraph (a), includes forms of language contained in a report that refers to financial statements, when the forms of language express or deny any assurance as to the reliability of the financial statements to which it refers. Among the possible sources of such forms of language are pronouncements by authoritative bodies describing the work that should be performed and/or the responsibilities that should be assumed, for specified kinds of professional engagements, and in addition, prescribing the form of report, which should be issued upon completion of such engagements. A form of report prescribed by such a pronouncement will ordinarily constitute a form of language, which is conventionally understood as implying assurance and expertise. For this reason, as provided in *Minnesota Statutes*, section 326A.10, report includes the issuance of reports using the forms of language set out in the AICPA’s Statement on Standards for Accounting and Review Services No. 1 (SSARS 1), for reports with respect to “reviews” of financial statements and compilations of financial statements, as well as the forms of language for “special reports” set out in the AICPA’s Statement on Auditing Standards Nos. 14, 34, and 62 (SAS 14, 35, and 62) or successor pronouncements.

1105.0200 1-2; INTERPRETATION OF RULES.

Subpart 1. Canons of construction. Except as otherwise specifically provided, this chapter shall be interpreted in accordance with *Minnesota Statutes*, chapter 645.

Subp. 2. Other statutory authority. Nothing contained in this chapter prohibits or limits in any way the exercise by the board of powers granted to it by *Minnesota Statutes*, sections 214.001 to 214.12, 319A.01 to 319A.22, and 326.53, and chapter 326A.

Subp. 3. Oral opinions. Oral requests to board or staff members for oral opinions and interpretations of this chapter and *Minnesota Statutes*, chapter 326A, are discouraged. Whenever given, oral opinions are nonbinding and applicants, certificate holders, licensees, registrants, or other persons who act in reliance upon them do so at their own risk.

Subp. 4. Exceptions. In the application of this chapter, the board may make exceptions for reasons of individual hardship including health, military service, foreign residency, or other good cause. The applicant, licensee, firm, or registered accounting practitioner has the burden of proving such hardship.

1105.0300 2-1; BOARD OF ACCOUNTANCY MEETINGS.

The board shall meet at least eight times each year. The chair or a quorum of the board has the authority to call meetings of the board. The board shall follow and apply the rules of procedure contained in *Minnesota Statutes*, chapters 13, 14, and 326A, as regards to notice and conduct of meetings and shall operate under Robert’s Rules of Order, newly revised, when not in conflict with state laws governing licensing boards.

1105.0400 2-2; ELECTION AND TENURE OF OFFICERS.

The board shall elect annually from among its members a chair, a vice-chair, and other officers the board may require. The officers shall assume the duties of their respective offices at the conclusion of the meeting at which they were elected.

1105.0500 2-3; DUTIES OF OFFICERS.

The chair or, in the event of the chair’s absence or inability to act, the vice-chair shall preside at all meetings of the board. The board shall determine other duties of the officers.

1105.0600 2-4; FEES.

The following fees apply:

- A. CPA examination applications, \$212;
- B. administration of CPA examination, per section, \$53;
- C. initial issuance of certificate, \$50;
- D. renewal of certificate, \$45;
- E. initial CPA firm permits, \$100;
- F. renewal of CPA firm permits, except for sole practitioners, \$35;
- G. renewal of CPA firm permits for sole practitioners, \$35;
- H. annual delinquency fee for permit, certificate, or registration renewal applications, \$50;

I. copies of records, per page, 25 cents;

J. registration of noncertificate holders or nonregistrants in connection with renewal of firm permits, \$45;

K. applications for reinstatement, \$20;

L. initial registration of a registered accounting practitioner, \$50;

M. initial registered accounting practitioner firm permits, \$100;

N. renewal of registered accounting practitioner firm permits, except for sole practitioners, \$35;

O. renewal of registered accounting practitioner firm permits for sole practitioners, \$35;

P. computer-based CPA examination application, \$40;

Q. computer-based CPA examination, fee determined by third-party examination administrator; and

R. *Minnesota Statutes*, section 326A.14, practice privilege application, \$35.

1105.0700 2-5; REFUNDING FEES.

Fees must be refunded if an application is rejected. Once an application for examination or reexamination has been approved by the board, the fee may not be refunded. The fee may be applied to a subsequent examination within the next year, after which the fee is forfeited.

1105.0800 2-6; CPA EXAMINATION CANCELLATION FEES.

Applicants canceling sitting for a written examination between April 1 and April 14 for the May examination and between October 1 and October 14 for the November examination shall forfeit \$25 of their fees. Applicants canceling sitting for an examination after April 14 for the May examination and after October 14 for the November examination shall forfeit their entire fees.

1105.0900 2-7; VERIFICATION AND TRANSFER OF GRADE FEES.

Requests for verification of data on examinees, certificate holders, registrants, or licensees, and requests for transfer of grades, must be made in writing and accompanied by a \$20 administrative processing fee and a self-addressed stamped envelope.

1105.1000 2-8; PRORATING FEES.

Certificate or registration fees pertain to a calendar year and must not be prorated.

1105.1100 2-9; OBLIGATION OF LICENSEES AND REGISTRANTS TO NOTIFY THE BOARD OF CHANGES OF ADDRESS AND OTHER INFORMATION.

Each licensee or registrant shall notify the board in writing within 30 days of any change of address and, in the case of individual licensees or registrants, change of employment. In addition, each licensee and registrant shall annually notify the board of correct business and home addresses and telephone and facsimile numbers.

1105.1200 2-10; COMMUNICATIONS.

An applicant, licensee, or registrant shall respond to communications from the board, committees of the board, or the attorney general on behalf of the board within 30 days of the mailing of communications, unless an earlier response is requested within the communications. An applicant, licensee, or registrant shall appear before the board, committees of the board, or the attorney general on behalf of the board when requested to do so and provide copies of all pertinent records, including handwriting samples, to assist the board in its deliberations. Communications must be addressed to "Executive Secretary, Board of Accountancy."

1105.1300 2-11; APPEARANCE BEFORE BOARD.

At the request of the board, a committee of the board, or the attorney general on behalf of the board or a committee of the board, a holder of a certificate or registration issued by the board and an applicant for examination, certificate, or registration shall appear before the board, committees of the board, or the attorney general; respond to any questions of the board, committees of the board, or the attorney general; and produce any evidence requested by the board, committees of the board, or the attorney general to assist the board in determining the person's qualifications or compliance with *Minnesota Statutes* or rules.

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Proposed Rules

1105.1400 3-1; SEMESTER HOUR; ACCREDITED COLLEGES, UNIVERSITIES, SCHOOLS, AND PROGRAMS; CREDIT FOR COURSES.

Subpart 1. Definition; semester hour. As used in this chapter, a “semester hour” means the conventional college semester hour. Quarter hours may be converted to semester hours by multiplying them by two-thirds.

Subp. 2. Definition; accreditation. As used in this chapter, “accreditation” refers to the process of quality control of the education process. There are three different levels of accreditation referred to in this chapter and the degree to which the board relies on accreditation differs according to the level at which the degree-granting institution is accredited. The three levels of accreditation are described in items A to C.

A. Level one accreditation, the educational institution, is granted to a four-year, degree-granting college or university that is accredited by one or more recognized regional accrediting agencies or successor agencies listed with the United States Department of Education.

B. Level two accreditation, the business school, is granted to a business school or college of business that has been accredited by a national accreditation agency recognized by the board, such as the American Assembly of Collegiate Schools of Business (AACSB), following a specific and comprehensive review of its faculty, resources, and curricula. In evaluating a candidate’s credentials, the board shall rely on this accreditation as evidence that the institution’s business school has met minimum overall standards of quality for such schools.

C. Level three accreditation, the accounting program or department, is granted to an accounting program or department that has been accredited by a national accreditation agency recognized by the board, such as the AACSB. Accounting programs or departments accredited in this manner have met standards substantially higher and much more specific than those required for level one or level two accreditation. For level three accreditation, the accounting program or department must meet a stringent set of standards that address faculty credentials, student quality, physical facilities, and curricula. Graduates who submit transcripts from accredited accounting programs shall be deemed to have met the board’s specific accounting and business course requirements.

Subp. 3. Institution accredited when degree is granted. A candidate is considered as graduating from an accredited educational institution if, at the time the educational institution grants the applicant’s degree, it is accredited at the appropriate level as outlined in this chapter.

Subp. 4. Institution accredited when applicant files with board. If an educational institution was not accredited at the time an applicant’s degree was received, but is so accredited at the time the application is filed with the board, the institution is considered to be accredited for the purpose of subpart 3, if it:

A. certifies that the applicant’s total educational program would qualify the applicant for graduation with a baccalaureate degree during the time the institution has been accredited; and

B. furnishes the board satisfactory proof, including college catalogue course numbers and descriptions, that the preaccrediting courses used to qualify the applicant as an accounting major are substantially equivalent to postaccrediting courses.

Subp. 5. Degree includes courses taken at nonaccredited institution. If an applicant’s degree was received at an accredited educational institution pursuant to subpart 3 or 4, but the educational program that was used to qualify the applicant as an accounting major included courses taken at nonaccredited institutions, either before or after graduation, the courses are considered to have been taken at the accredited institution from which the applicant’s degree was received, if the accredited institution either:

A. has accepted the courses by including them in its official transcript; or

B. has certified to the board that it will accept the courses for credit toward graduation.

Subp. 6. College or university not accredited. A graduate of a four-year, degree-granting college or university not accredited at the time the applicant’s degree was received or at the time the application was filed is considered to be a graduate of an accredited educational institution if:

A. a credentials evaluation service approved by the board certifies that the applicant’s degree is equivalent to a degree from an accredited educational institution defined in subpart 2, item A; or

B.(1) an accredited educational institution as defined by subpart 2, item A, accepts the applicant’s nonaccredited baccalaureate degree for admission to a graduate business degree program;

(2) the applicant satisfactorily completes at least 15 semester hours, or the equivalent, in postbaccalaureate education at the accredited educational institution, of which at least nine semester hours, or the equivalent, is in accounting; and

(3) the accredited educational institution certifies that the applicant is in good standing for the continuation in the graduate program, or has maintained a grade point average in these courses that is necessary for graduation.

Subp. 7. **Advanced subjects.** The advanced subjects completed to qualify under subpart 6, item B, shall not be used to satisfy the requirements of subpart 8.

Subp. 8. **Accounting and business concentration.** The accounting and business concentration or equivalent described in *Minnesota Statutes*, section 326A.03, subdivision 3, must consist of the semester hours specified in part 1105.1500 (Rule 3-2). No more than six hours may be recognized for internships or life experience.

1105.1500 3-2; EDUCATION REQUIREMENTS.

Subpart 1. **Education requirements on or after July 1, 2006.** On or after July 1, 2006, for purposes of *Minnesota Statutes*, section 326A.03, subdivision 3, an applicant is considered to have met the education requirement if the applicant has met any one of the following conditions:

A. earned a graduate degree with a concentration in accounting from an accounting program or department that is accredited (level three accreditation) by an accrediting agency recognized by the board;

B. earned a graduate degree from a business school or college of business that is accredited (level two accreditation) by an accrediting agency recognized by the board that included at least 24 semester hours in accounting at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination thereof, including coverage of, but not necessarily separate courses in, the subject of financial accounting, auditing, taxation, and management accounting;

C. earned a baccalaureate degree from a business school or college of business that is accredited (level two accreditation) by an accrediting agency recognized by the board that included at least 24 semester hours in accounting at the undergraduate or graduate level, including coverage of, but not necessarily separate courses in, the subjects of financial accounting, auditing, taxation, and management accounting; and completed at least an additional 24 semester hours in business-related or accounting courses at the undergraduate or graduate level; or

D. earned a baccalaureate or higher degree from an accredited educational institution (level one accreditation) that included at least 24 semester hours of accounting at the upper division or graduate level, including coverage of, but not necessarily separate courses in, the subjects of financial accounting, auditing, taxation, and management accounting. Upper division is normally defined as junior or senior level. In accounting, this would normally be all courses taken beyond the elementary level.

Subp. 2. **Education requirements before July 1, 2006.** Before July 1, 2006, an applicant shall meet the education requirements of items A to C.

A. An applicant shall be a graduate of an accredited high school or possess an equivalent education. At the discretion of the board, an applicant who has not graduated from high school may be required to take the prescribed high school equivalency test given by the University of Minnesota.

B. An applicant with an accounting major or concentration in accounting granted by a college or university fully accredited by the North Central Association of Schools and Colleges or its equivalent regional accrediting association is considered to meet the educational requirements in *Minnesota Statutes*, section 326A.03, subdivision 2.

C. The following credits from a college or university fully accredited by the North Central Association of Schools and Colleges or its equivalent regional accrediting association constitute the equivalent of an accounting major:

	<u>Semester Hours</u>	<u>Quarter Hours</u>
(1) <u>Accounting and business law</u>	<u>24</u>	<u>36</u>
(2) <u>Business and economics (may include accounting and business law not listed in subitem (1))</u>	<u>24</u>	<u>36</u>
(3) <u>Nonbusiness</u>	<u>32</u>	<u>48</u>
(4) <u>Other</u>	<u>40</u>	<u>60</u>
<u>Total</u>	<u>120</u>	<u>180</u>

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Proposed Rules

Applicants shall have successfully completed the following types of courses: elementary financial accounting, elementary managerial accounting, intermediate accounting, cost and managerial accounting, and auditing. Credit is not permitted for duplicate courses.

The credits in item A must include a minimum of 18 semester or 27 quarter credits of accounting.

1105.1600 3-3; APPLICATIONS FOR EXAMINATION.

Subpart 1. Forms; due date. Applications to take the certified public accountant examination (CPA) must be made on a form provided by the board and filed with the board by a due date specified by the board. In the case of a nonresident, the application must be supported by a statement that the applicant is currently, or will have been within the 90 days preceding or following the date of the CPA examination applied for, a resident of Minnesota, attending a school in Minnesota in which the applicant is seeking education designed to qualify the applicant to sit for the CPA examination, or working in Minnesota for the purpose of obtaining qualifying experience.

Subp. 2. Completion of filing. An application is not considered filed until the application fee and examination fee required by this chapter and all required supporting documents have been received, including proof of identify as determined by the board, official transcripts, and proof that the applicant has completed the education requirement.

Subp. 3. Forfeiture for failure to appear. Prior to the implementation of a computer-based examination, an applicant shall be present and prepared to engage in the work promptly at the hours appointed. An applicant who is unable to be present shall notify the board as soon as reasonably possible, but no later than 4:30 p.m. on the day before the first day of the complete examination. If the applicant fails to do so, the applicant shall be excluded from all remaining sections of the current examination, forfeit the entire fee charged for both the application and examination, and not be allowed to sit for reexamination for the next examination. The applicant may sit for subsequent examinations. An applicant who is unable to be present at the examination for which an application was approved by the board shall reapply for a later examination consistent with the examination application deadlines in subpart 4 and shall furnish current information on forms provided by the board. The applicant may apply the fee being held by the board to a subsequent examination with the next year or the fee shall be forfeited. First-time applicants shall take all sections of the examination.

Upon the implementation of a computer-based examination, an applicant who fails to appear for the examination shall forfeit all fees charged for both the application and the examination.

Subp. 4. Eligibility notification; deadlines. The board, if necessary, shall forward notification of eligibility to the examination delivery vendor and an approved test site.

Prior to implementation of a computer-based examination, deadlines for application for the CPA examination or reexamination are March 1 for the May examination and September 1 for the November examination. For the purposes of this part, applications for the examination are not filed timely unless they are received at the board office by 4:30 p.m. on the date specified or postmarked by the United States Postal Service by that date. If the deadline falls on a Saturday, Sunday, or holiday, the application shall be received in the board office by 4:30 p.m. on the first working day thereafter or postmarked by the United States Postal Service by that date.

Subp. 5. Incomplete file. Prior to implementation of a computer-based examination, if the board has not received all the necessary supporting documentation by 4:30 p.m. on April 1 for the May examination, or postmarked by the United States Postal Service by that date, or by 4:30 p.m. on October 1 for the November examination, or postmarked by the United States Postal Service by that date, the file is incomplete and shall be deferred for consideration for a later examination.

1105.1700 3-4; TIME AND PLACE OF EXAMINATION.

Prior to the implementation of a computer-based examination, notice of the time and place of the examination shall be mailed at least ten days prior to the date set for the examination to each candidate whose application to sit for the examination has been approved by the board.

Upon the implementation of a computer-based examination, eligible candidates shall be notified of the time and place of the examination or shall independently contact the state board or the delivery vendor to schedule the time and place for the examination at an approved test site. Scheduling reexaminations must be made in accordance with part 1105.2000 (Rule 3-7), subpart 2.

1105.1800 3-5; EXAMINATION CONTENT.

Subpart 1. Scope. The examination required by *Minnesota Statutes*, section 326A.03, must test the knowledge and skills required for performance as an entry-level certified public accountant. The examination must include the subject areas of accounting and auditing and related knowledge and skills.

Subp. 2. Ethics. A written examination on professional ethics is required before issuance of a certificate. A grade of at least 75 percent correct is required to pass the ethics examination.

Subp. 3. Oral examination. An oral examination and attendance at a lecture or discussion session may be required covering questions on professional qualifications, experience, general knowledge relating to accountancy, fitness as an accountant, and professional ethics.

1105.1900 3-6; DETERMINING AND REPORTING EXAMINATION GRADES.

An applicant shall be required to pass all sections of the examination provided for in *Minnesota Statutes*, section 326A.03, subdivision 4, in order to qualify for a certificate. The board will review and approve examination grades as determined by the examination provider and will report the official results to the candidate. The candidate must attain the uniform passing grade established through a psychometrically acceptable standard-setting procedure.

1105.2000 3-7; RETAKE AND CONDITIONING POLICIES.

Subpart 1. Prior to computer-based examination. Prior to the implementation of a computer-based examination, if at a given sitting of the examination an applicant passes two or more but not all sections, the applicant shall be given credit for those sections that the applicant passed and need not sit for reexamination in those sections, provided that:

- A. at that sitting, the applicant wrote all sections of the examination for which the applicant does not have credit;
- B. the applicant attained a minimum grade of 50 on each section taken at that sitting;
- C. the applicant passes the remaining sections of the examination within five consecutive examinations given after the one at which the first sections were passed; and
- D. at each subsequent sitting at which the applicant seeks to pass any additional sections, the applicant sits for all sections for which the applicant does not have credit and attains a minimum grade of 50 on sections taken at that sitting.

An applicant who fails three or more sections and receives no grade less than 50 shall be allowed to sit for reexamination at the next examination given and shall be required to retake all sections of the examination. An applicant who fails three or more sections and receives a grade of less than 50 in any section shall not be allowed to sit for reexamination at the next examination but may sit for subsequent examinations.

Subp. 2. After implementation of a computer-based examination. Upon the implementation of a computer-based examination, an applicant may take the required examination sections individually and in any order. The applicant shall retain conditional credit for any section or sections passed for 18 months, without having to attain a minimum score on any failed section or sections and without regard to whether the applicant has taken other sections. In addition:

- A. an applicant must pass all four sections of the Uniform Certified Public Accountant Examination within a rolling 18-month period, that begins on the date that the first section or sections passed are taken; and
- B. an applicant may not retake a failed section or sections of the examination in the same examination window. The examination window shall be determined by the board.

In the event all four sections of the Uniform Certified Public Accountant Examination are not passed within the rolling 18-month period, credit for any section passed outside the 18-month period expires and that section must be retaken.

Subp. 3. Transition.

A. Applicants having earned conditional credits on the paper-and-pencil examination, as of the launch date of the computer-based Uniform Certified Public Accountant Examination, shall be given conditional credits for the corresponding sections of the computer-based examination as follows:

<u>Paper-and-Pencil Examination</u>	<u>Computer-Based Examination</u>
<u>Auditing</u>	<u>Auditing and Attestation</u>
<u>Financial Accounting and Reporting (FARE)</u>	<u>Financial Accounting and Reporting (FARE)</u>
<u>Accounting and Reporting (ARE)</u>	<u>Regulation</u>

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Proposed Rules

Business Law and
Professional
Responsibilities (LPR)

Business Environment and
Concepts

B. Candidates who have attained conditional status as of the launch date of the computer-based Uniform Certified Public Accountant Examination shall be allowed 18 months to complete any remaining sections of the examination.

C. If a previously conditioned candidate does not pass all remaining sections during the 18-month period specified in item B, conditioned credits earned under the paper-and-pencil examination expire and the candidate loses credit for the sections earned under the paper-and-pencil examination. Any section passed during the transition period is subject to the conditioning provisions of the computer-based examination.

Subp. 4. Other states. An applicant shall be given credit for sections of an examination passed in another state if the credit would have been given, under then applicable requirements, if the applicant had taken the examination in this state.

Subp. 5. Waiver. The board may, in particular cases, waive or defer any of the requirements of subparts 1 to 4 regarding the circumstances in which the various sections of the examination must be passed upon a showing that, by reason of circumstances beyond the applicant's control, the applicant was unable to meet the requirement.

1105.2100 3-8; EXAMINATION CHARGES.

The board shall charge, or provide for a third party to charge, each applicant a fee for each section of the examination or reexamination taken by the applicant as specified in part 1105.0600 (Rule 2-4).

1105.2200 3-9; CHEATING.

Subpart 1. Generally. Cheating by an applicant in applying for, taking, or subsequent to the examination invalidates any grade otherwise earned by a candidate on any section of the examination, and may warrant summary expulsion from the test site and disqualification from taking the examination for a specified period of time as determined by the board.

Subp. 2. Actions constituting cheating. For purposes of this part, the following actions or attempted activities, among others, may be considered cheating:

A. falsifying or misrepresenting educational credentials or other information required for admission to the examination;

B. communication between candidates inside or outside the test site or copying another candidate's answers while the examination is in progress;

C. communication with others inside or outside the test site while the examination is in progress;

D. substitution of another person to sit in the test site in the place of a candidate; and

E. reference to crib sheets, textbooks, or other material, other than that provided to the candidate as part of the examination, inside or outside the test site while the examination is in progress.

Subp. 3. Remedial action during examination. In any case in which it appears that cheating has occurred or is occurring, the board or its representatives shall either summarily expel the candidate involved from the examination or move the candidate to a position in the test site away from other examinees where the candidate can be watched more closely.

Subp. 4. Investigation. In any case in which the board believes that it has evidence that a candidate has cheated on the examination, including those cases where the candidate has been expelled from the examination, the board shall conduct an investigation expeditiously following the examination session for the purpose of determining whether there was cheating, and if so what remedy should be applied. The board shall decide whether the candidate shall be:

A. given credit for any portion of the examination completed in the session; and

B. barred from taking the examination and, if so, for what period of time.

Subp. 5. Penalties. In any case in which the board or its representative permits a candidate to continue taking the examination, it shall, depending on the circumstances take one or more of the following actions:

A. admonish the candidate;

B. seat the candidate in a segregated location for the rest of the examination;

C. keep a record of the candidate's seat location and identifying information, and the names and identifying information of the candidates in close proximity of the candidate; and

D. notify the AICPA and/or the testing site of the circumstances, furnishing the candidate's identifying information, so that the candidate is more closely monitored in future examination sessions.

Subp. 6. Findings. In any case in which a candidate is refused credit for a section of the examination taken, or is disqualified from taking other sections, the board shall give the candidate a statement containing its findings, the evidence upon which the findings are based, and a notice of the right of the candidate to a formal hearing by the board, with right of appeal, pursuant to the procedures in *Minnesota Statutes*, section 326A.08.

Subp. 7. Other states. In any case in which the candidate is refused credit for any section of the examination taken, disqualified from taking any section of the examination, or barred from taking the examination in the future, the board shall provide to the board of accountancy of any other state to which the candidate may apply for the examination information as to the board's findings and actions taken.

Subp. 8. Disclosure of examination questions. The board may impose disciplinary action, as provided for in *Minnesota Statutes*, section 326A.08, subdivision 5, against an applicant, licensee, or certificate holder who discloses examination questions to any other entity or person, with or without compensation, prior to, during, or subsequent to any administration of the examination.

1105.2300 3-10; SECURITY AND IRREGULARITIES.

Notwithstanding any other provisions under this chapter, the board may postpone scheduled examinations, the grading of examinations, or the issuance of certificates due to a breach of examination security; unauthorized acquisition or disclosure of the contents of an examination; suspected or actual negligence, errors, omissions, or irregularities in conducting an examination; or for any other reasonable cause or unforeseen circumstance.

1105.2400 3-11; EMERGENCY EXAMINATION PROCEDURES.

When circumstances exist making it impossible for the board to conduct the examination at the time, date, or place scheduled or make it impossible for a majority of examination candidates to attend the examination at the time, date, or place scheduled, the board shall waive certain rules to avoid hardship on examination candidates affected. These rules are parts 1105.0600 (Rule 2-4), items A and B; 1105.1600 (Rule 3-3), subpart 3; and 1105.1700 (Rule 3-4). The circumstances include notice to the board of the unavailability of the examination site with insufficient time to give notice to examination candidates; weather emergencies as declared by the governor, the governor's designees, or those state officials empowered to close public highways; civil disturbances; natural disasters; and other causes that affect the board's ability to fairly administer the examination.

1105.2500 4-1; APPLICATIONS.

A. Applications for initial certificates and for renewal of certificates pursuant to the Act must be made on a form provided by the board and, in the case of applications for renewal, must be filed no later than the expiration date set by the Act or this chapter. Applications are not considered filed until the applicable fee prescribed in this chapter is received. If an application for renewal is filed late, it must also be accompanied by the delinquency fee prescribed in this chapter.

B. Applications for renewal of certificates must be accompanied by evidence satisfactory to the board that the applicant has complied with the continuing professional education requirements under this chapter and *Minnesota Statutes*, section 326A.04, subdivision 4.

1105.2600 4-2; EXPERIENCE REQUIRED FOR INITIAL CERTIFICATE ISSUED ON OR AFTER JULY 1, 2006.

The experience required to be demonstrated for issuance of an initial certificate pursuant to *Minnesota Statutes*, section 326A.03, subdivision 6, must meet the requirements in items A to C.

A. Experience consists of providing any type of services or advice using accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills.

B. The applicant shall have the applicant's experience verified to the board by a licensee as defined in the Act or from another state. Acceptable experience includes employment in industry, government, academia, or public practice. The board shall look at such factors as the complexity and diversity of the work.

C. One year of experience consists of full- or part-time employment that extends over a period of no less than one year and no more than three years and includes no fewer than 2,000 hours of performance of services described in item A.

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1105.2700 4-3; EXPERIENCE REQUIRED FOR CPA EXAMINATION AND INITIAL CERTIFICATE UNTIL JULY 1, 2006.

Subpart 1. Intent. It is the intent of this requirement that applicants have had practical public accounting experience of reasonable variety and importance, requiring independent thought and judgment on important accounting, auditing, and income tax matters, consistent with the competence generally expected of a certified public accountant.

Subp. 2. Measurement. Experience recognized by the board is measured on the basis of calendar months and days worked by the applicant as an employee on the staff of a certified public accountant in public practice or in qualifying governmental experience or self-employment. Part-time work in public accounting is equivalent in proportion to full-time work, with a maximum of eight hours per day or 40 hours per week. The experience must be verified by the employer. Self-employment experience must be verified by five clients.

Subp. 3. Audit experience. Persons claiming audit experience for work with governmental entities shall, for individuals other than auditors in the office of the legislative auditor or state auditor claiming experience under *Minnesota Statutes*, section 326A.03, subdivision 8, clause (2):

A. have their audit work directly relied upon by third parties outside of their agency or department and, in the case of federal government employees, have experience at the Federal GS 11 range or higher; or

B. have experience similar to that of the auditors in the offices of the legislative auditor and the office of the state auditor.

The burden rests with the applicant to demonstrate to the board that other governmental experience should be recognized as qualifying. A written statement must be filed with the board, giving a complete description of the purposes, work standards, and procedures of any position believed to be qualifying. This statement shall be approved by a responsible administrative officer of the applicable governmental unit as determined by the board.

Subp. 4. Qualifying self-employment. The board shall grant a license to an applicant who shows to the satisfaction of the board that the applicant's qualifying self-employment has included experience or education in:

A. applying a variety of auditing procedures and techniques to the usual and customary financial transactions recorded in the accounting records;

B. preparation of audit working papers covering the audit of the accounts usually found in accounting records;

C. planning programs of audit work including the selection of procedures to be followed;

D. preparation of written explanations and comments on the findings of an audit and on the content of accounting records; and

E. preparation and analysis of financial statements together with explanations and notes.

1105.2800 4-4; EVIDENCE OF APPLICANT'S EXPERIENCE.

A. A licensee who has been requested by an applicant to submit to the board evidence of the applicant's experience and has refused to do so shall, upon request by the board, explain in writing or in person the basis for the refusal.

B. The board may require a licensee who has furnished evidence of an applicant's experience to substantiate the information.

C. An applicant may be required to appear before the board or its representative to supplement or verify evidence of experience.

D. The board may inspect documentation relating to an applicant's claimed experience.

1105.2900 4-5; EDUCATION REQUIRED FOR INITIAL CERTIFICATION ON OR AFTER JULY 1, 2006.

A. Applicants who meet the requirements of part 1105.1500 (Rule 3-2), subpart 1, item A, B, or C, are presumed to have completed the education requirements of *Minnesota Statutes*, section 326A.03, subdivision 6.

B. Applicants who meet the requirements of part 1105.1500 (Rule 3-2), subpart 1, item D, shall complete an additional 24 semester hours in business-related or accounting courses at the undergraduate or graduate level at an accredited educational institution.

C. Applicants who meet the requirements of part 1105.1500 (Rule 3-2), subpart 1, item D, and have in total at least 150 semester hours from an accredited educational institution are presumed to have completed the educational requirements of *Minnesota Statutes*, section 326A.03, subdivision 6, if the 150 hours include at least the following:

<u>Subject Matter</u>	<u>Semester Hours</u>
<u>Upper division or graduate-level courses in financial accounting, auditing, taxation, or management accounting</u>	24
<u>Undergraduate or graduate-level courses in business-related subjects or accounting (not including elementary-level courses)</u>	24

1105.3000 4-6; CONTINUING PROFESSIONAL EDUCATION REQUIREMENTS FOR RENEWAL OF CERTIFICATE.

The requirements of continuing professional education in items A to H apply to the renewal of certificates pursuant to *Minnesota Statutes*, section 326A.04, subdivision 4.

A. A certificate holder seeking renewal of a certificate shall show the completion of at least 120 hours of continuing professional education complying with this chapter during the three-year period preceding renewal, with a minimum of 20 hours in each year. A certificate holder seeking renewal of a certificate shall demonstrate participation in a program of learning meeting the standards set forth in the Statement on Standards for Continuing Professional Education (CPE) Programs jointly approved by NASBA and AICPA. At least eight hours of the 120 hours shall be in accounting or business ethics.

B. A certificate holder whose certificate has lapsed shall complete at least 120 hours of CPE complying with this chapter during the three-year period preceding the date of reapplication. A certificate holder whose certificate has lapsed shall identify and complete a program of learning designed to demonstrate the currency of the licensee’s competencies directly related to the certificate holder’s area of service.

C. For purposes of this part, the year ends on June 30.

D. Certificates may not be renewed until CPE requirements of this part are met or an exception is granted.

E. A certificate holder granted an exception from the competency requirement by the board under part 1105.3300 (Rule 4-9) may discontinue use of the word “inactive” in association with the certificate holder’s CPA title upon showing that the certificate holder has completed at least 120 hours of continuing professional education complying with this chapter during the three-year period preceding the certificate holder’s request to discontinue use of the word “inactive.”

F. Certificate holders who have elected to be exempt from certificate renewal pursuant to part 1105.3700 (Rule 4-13) need not comply with this part.

G. Failure to report CPE, reporting of an amount less than that required, or fraudulently reporting CPE is a basis for disciplinary action as specified in *Minnesota Statutes*, section 326A.08. A certificate holder not in compliance with this part on June 30 of each year shall be assessed a fee of \$50 for the first month of noncompliance and \$25 per month of noncompliance thereafter.

H. Certificate holders who, prior to July 1, 2004, have a hardship in complying with the three-year 120-hour requirement in item A shall request annually from the board prior to June 30 an exception from all or part of the requirement. The granting of an exception is solely at the board’s discretion.

1105.3100 4-7; PROGRAMS QUALIFYING FOR CONTINUING PROFESSIONAL EDUCATION CREDIT.

Subpart 1. Regular qualifications. A program qualifies as acceptable continuing professional education for purposes of this chapter and *Minnesota Statutes*, section 326A.04, subdivision 4, if it is a program of learning that contributes to the growth in the professional knowledge and professional competence of a licensee. The program must meet the minimum standards of quality of development, presentation, measurement, and reporting of credits in the Statement on Standards for Continuing Professional Education (CPE) Programs jointly approved by NASBA and AICPA or such other standards acceptable to the board. Beginning July 1, 2004, program sponsors qualifying under this chapter must be members of NASBA’s CPE registry and, in the case of self-study programs, members of NASBA’s Quality Assurance Service program. Exceptions to this requirement are seminar or lecture programs sponsored by CPA firms or certificate holders for their own employees, and colleges and universities whose academic programs qualify an applicant to sit for the CPA examination. CPE programs sponsored by professional organizations recognized by the board as a report acceptance body pursuant to part 1105.5300 (Rule 7-8) are exempt from the registry requirement.

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Subp. 2. Qualifications by request. The board shall accept programs meeting the standards in the Statement on Standards for Continuing Professional Education (CPE) Programs jointly approved by NASBA and AICPA or standards deemed by the board to be comparable to them. A certificate holder must request written approval of the board prior to the end of a CPE year for any programs that do not meet the specific requirements of item A but the certificate holder believes contributes to the certificate holder's professional knowledge and professional competence. If the approval is not requested or not obtained, the program may not be used to satisfy the hour requirements of part 1105.3000 (Rule 4-6), item A.

Subp. 3. Nonresident. A nonresident licensee seeking renewal of a certificate in this state meets the CPE requirement of this chapter by meeting the CPE requirements for renewal of a certificate in the state in which the licensee's principal office is located.

Nonresident applicants for renewal shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee's principal office is located by signing a statement to that effect on the renewal application of this state.

If a nonresident licensee's principal office state has no CPE requirements for renewal of a certificate, the nonresident licensee must comply with all CPE requirements for renewal of a certificate in this state.

1105.3200 4-8; CONTINUING PROFESSIONAL EDUCATION RECORDS.

A. Persons seeking renewal of certificates pursuant to the Act shall file with their applications a signed statement indicating they have met the requirements for participation in a program of continuous learning as set forth by the board or contained in the Statement on Standards for Continuing Professional Education (CPE) Programs jointly approved by the NASBA and the AICPA and indicate the number of hours claimed for each of the three preceding years ending on June 30. Responsibility for documenting the acceptability of the program and the validity of the credits rests with the applicant who must retain such documentation for five years following completion of each learning activity.

B. The board shall verify on a test basis information submitted by applicants for renewal of certificates. In cases where the board determines that the requirement is not met, the board may grant an additional period of time in which the deficiencies can be cured. Fraudulent reporting is a basis for disciplinary action.

1105.3300 4-9; EXCEPTIONS.

A. The board may make an exception to the requirement set out in part 1105.3000 (Rule 4-6), item A, for a licensee who is retired or who does not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including the issuance of reports on financial statements or other compilation communication; of one or more kinds of management advisory, financial advisory, or consulting services; the preparation of tax returns; or the furnishing of advice on tax matters. Licensees shall request an exception only in connection with the application for certificate renewal for the following year.

B. The board may in particular cases make exceptions to the requirements in part 1105.3000 (Rule 4-6), item A, for reasons of individual hardship including health, military service, foreign residence, or other good cause.

C. A licensee granted such an exception by the board must place the word "inactive" adjacent to the licensee's CPA title on any business card, letterhead, or any other document or device, with the exception of the CPA certificate, on which the CPA title appears.

D. A licensee granted an exception by the board must comply with a reentry competency requirement defined by the board in part 1105.3000 (Rule 4-6), item C, before the licensee may discontinue use of the word "inactive" in association with the CPA title.

1105.3400 4-10; INTERSTATE RECIPROcity.

If the substantial equivalency standard in *Minnesota Statutes*, section 326A.14, is not applicable, the board shall issue a certificate to the holder of a certificate issued by another state provided that the applicant:

A. has successfully completed the CPA examination, meaning that the applicant passed the examination in accordance with the rules of the other state at the time it granted the applicant's initial certificate;

B. has, in addition to meeting the requirements of item A, satisfied the requirements in *Minnesota Statutes*, section 326A.04, subdivision 3, paragraph (a), clause (2);

C. has experience of the type required under this chapter and the Act for issuance of the initial certificate; and

D. has met the CPE requirement pursuant to *Minnesota Statutes*, section 326A.04, subdivision 3, paragraph (a), clause (3), if applicable.

1105.3500 4-11; INTERNATIONAL RECIPROcity.

Subpart 1. Foreign countries. The board shall designate a professional accounting credential issued in a foreign country as substantially equivalent to a CPA certificate and:

A. may rely on the International Qualifications Appraisal Board for evaluation of foreign credential equivalency; and

B. may accept a foreign accounting credential in partial satisfaction of its domestic credentialing requirements if:

(1) the holder of the foreign accounting credential met the issuing body's education requirement and passed the issuing body's examination used to qualify its own domestic candidates; and

(2) the foreign credential is valid and in good standing at the time of application for a domestic credential.

Subp. 2. **Qualifying examinations.** The board shall satisfy its requirements through qualifying examinations that the holder of a foreign credential deemed by the board to be substantially equivalent to a CPA certificate possesses adequate knowledge of United States practice standards and the board's regulations. The board may rely on the National Association of State Boards of Accountancy, the American Institute of Certified Public Accountants, or other professional bodies to develop, administer, and grade such qualifying examinations. The board shall specify the qualifying examinations and process by resolution.

Subp. 3. **Requirements for renewal.** An applicant for renewal of a CPA certificate originally issued in reliance on a foreign accounting credential shall:

A. make application for renewal at the time and in the manner prescribed by the board for all other certificate renewals;

B. pay the fees as prescribed for all other certificate renewals;

C. if the applicant has a foreign credential in effect at the time of the application for renewal of the CPA certification, present documentation from the foreign accounting credential issuing body that the applicant's foreign credential has not been suspended or revoked and the applicant is not the subject of a current investigation. If the applicant for renewal no longer has a foreign credential, the applicant must present proof from the foreign credentialing body that the applicant for renewal was not the subject of any disciplinary proceedings or investigations at the time that the foreign credential lapsed; and

D. either show completion of continuing professional education substantially equivalent to that required under part 1105.3000 (Rule 4-6) within the three-year period preceding renewal application, or petition the board for complete or partial waiver of the CPE requirement based on the ratio of foreign practice to practice in this state.

Subp. 4. **Self-reporting.** The holder of a CPA certificate issued in reliance on a foreign accounting credential shall report any investigations undertaken, or sanctions imposed, by a foreign credentialing body against the CPA's foreign credentialing.

Subp. 5. **Sanctions against foreign credentials.** Suspension or revocation of, or refusal to renew, the CPA's foreign accounting credential by the foreign credentialing body may be evidence of conduct reflecting adversely upon the CPA's fitness to retain the certificate and may be a basis for board action.

Subp. 6. **Conviction.** Conviction of a felony or any crime involving dishonesty or fraud under the laws of a foreign country is evidence of conduct reflecting adversely on the CPA's fitness to retain the certificate and is a basis for board action.

Subp. 7. **Notification.** The board shall notify the appropriate foreign credentialing authorities of any sanctions imposed against a CPA.

Subp. 8. **Joint investigations.** The board may participate in joint investigations with foreign credentialing bodies and may rely on evidence supplied by those bodies in disciplinary hearings.

1105.3600 4-12; QUALITY REVIEW FOR CERTIFICATE HOLDERS WHO DO NOT PRACTICE IN LICENSED FIRM.

A certificate holder who issues compilation reports as defined in the Act other than through a CPA firm that holds a permit under Minnesota Statutes, section 326A.05, must undergo a quality review as described in parts 1105.4600 to 1105.5500 (Rules 7-1 to 7-10).

1105.3700 4-13; EXEMPTION FROM CERTIFICATE RENEWAL REQUIREMENT.

A. A certificate holder who does not engage in the practice of public accounting in any manner or who does not hold out as a CPA in any manner is not required to renew the certificate. The election of exempt status by a person takes effect on January 1 following notification to the board. The notification must be made on a form provided by the board and continues in effect until a future renewal application is received by the board and a certificate renewal granted.

B. Persons granted exempt status shall inform the board of any address change within 30 days of the date of occurrence.

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C. Persons electing to change from exempt status shall report continuing professional education as described in subitems (1) to (3).

(1) Before the certificate is renewed by the board, the person shall submit evidence of completion of 50 hours of continuing professional education per year of exemption, up to a maximum of 120 hours, to be taken within 12 months prior to renewal application in subjects specifically approved in advance by the board and meeting the requirements in part 1105.3100 (Rule 4-7). Persons electing to return to active status from exempt status shall have the 50-hour requirement prorated for periods less than a full year.

(2) If at the time of application for exempt status the certificate holder had not yet reported continuing professional education equivalent to at least 40 hours per year for each of the last three years, the certificate holder shall be required to report continuing professional education for those years in addition to the hours required in subitem (1).

(3) Hours reported in subitem (1) may be used to satisfy the requirement in part 1105.3000 (Rule 4-6) to the extent the hours fall within the annual reporting period.

D. For purposes of this part, the "practice of public accounting in any manner" means issuing a report as described in part 1105.0100 (Rule 1-1), subpart 17, whether or not a fee is received. In addition, for purposes of this subpart, "hold out" means any oral or written communication conveying the facts that the person holds a CPA certificate, including, without limitation, the displaying of the CPA certificate in any location where business is conducted, the use of titles or legends on letterheads, business cards, resumes, office doors, or advertisements and listings, including published membership listings of professional organizations.

E. Certificate holders who have never met the experience or education requirements specified in *Minnesota Statutes*, section 326A.03, subdivision 6 or 8, may not elect to be exempt from the renewal requirement.

1105.3800 4-14; INITIAL ISSUANCE OF CERTIFICATE ON OR AFTER JANUARY 1, 2003.

A certificate shall be issued to a person who has:

A. completed the examination specified in *Minnesota Statutes*, section 326A.03, subdivision 4, with a passing grade;

B. paid the required fee specified in part 1105.0600 (Rule 2-4);

C. not engaged in conduct for which the board is authorized to act pursuant to *Minnesota Statutes*, section 326A.08;

D. complied with all applicable statutes and rules;

E. for initial certificate applications received until July 1, 2006, completed the experience required by part 1105.2700 (Rule 4-3) and *Minnesota Statutes*, section 326A.03, subdivision 5; and

F. for initial certificate applications received on or after July 1, 2006:

(1) for those where initial sitting for the examination required by *Minnesota Statutes*, section 326A.03, was before July 1, 2006, upon the completion of experience required by part 1105.2700 (Rule 4-3) and *Minnesota Statutes*, section 326A.03, subdivision 5; or

(2) for those whose initial sitting for the examination required by *Minnesota Statutes*, section 326A.03, was on or after July 1, 2006:

(a) upon completion of experience required by part 1105.2600 (Rule 4-2) and *Minnesota Statutes*, section 326A.03, subdivision 6, paragraph (b); and

(b) upon completion of education required by part 1105.2900 (Rule 4-5).

The provisions of item F, subitem (1), may not be used after December 31, 2008.

1105.3900 4-15; RENEWAL BY CERTIFICATE HOLDERS WHO HAVE NOT MET EXPERIENCE REQUIREMENTS OF MINNESOTA STATUTES, SECTION 326A.03, SUBDIVISION 8.

A. Certificate holders who have not met the experience requirements of *Minnesota Statutes*, section 326A.03, subdivision 8, shall file an annual statement with the board containing the person's name, address, and telephone and facsimile numbers; employer name, address, and telephone number; and certification that the person has not or will not until the experience required by *Minnesota Statutes*, section 326A.03, subdivision 8, has been fulfilled, hold out as a CPA in any manner. For this purpose, "hold out" is defined in part 1105.3700 (Rule 4-13), item D.

B. The renewal must be submitted on a form provided by the board by December 31 of each year.

C. The board shall notify each certificate holder of the renewal requirement. Each certificate holder shall file the form and pay the delinquency fee as required in part 1105.0600 (Rule 2-4) if the registration form is not received by December 31 or post-marked by the United States Postal Service by that date. The certificate holder shall also inform the board of any address change within 30 days of the date of occurrence.

D. The certificates of persons who on January 1, 2003, have not met the experience required by *Minnesota Statutes*, section 326A.03, subdivision 8, must be revoked following the procedures of *Minnesota Statutes*, chapter 14, if the experience is not obtained before July 1, 2006. Persons who have had their certificates revoked or who have been notified by the board that such action is pending can file an application for initial certificate provided that the then-current requirements specified in part 1105.3800 (Rule 4-14), item F, subitem (2), units (a) and (b), have been satisfied. The board shall use the grades achieved on the examination that was the basis for the certificate held on January 1, 2003, for determining completion of the examination required by *Minnesota Statutes*, section 326A.03, subdivision 4.

1105.4000 5-1; APPLICATION FOR FIRM PERMIT.

A. Applications by firms for initial issuance and for renewal of permits pursuant to *Minnesota Statutes*, section 326A.05, must be made on a form provided by the board and, in the case of applications for renewal, must be filed no later than December 31. Applications are not considered filed until the applicable fee and all required documents prescribed in this chapter are received. If an application for permit renewal is filed late, it must also be accompanied by the delinquency fee prescribed in part 1105.0600 (Rule 2-4).

B. A sole proprietor may apply simultaneously for a certificate or a renewal of a certificate and a firm permit.

C. Applications must include the firm name, addresses, and telephone numbers of the main office and of any branch offices of the firm in this state, the name of the person in charge of each branch office, and the names of the partners, shareholders, members, managers, directors, and officers practicing in this state.

D. The board shall not issue a permit to a firm until all partners, members, managers, shareholders, directors, and officers resident in this state and holding a certificate:

(1) for initial issuance of a permit, individually hold nonexpired certificates issued under *Minnesota Statutes*, section 326A.04; or

(2) for renewal of a permit, individually renew their certificates for the coming year.

E. A firm's partners, members, shareholders, directors, or officers resident in this state who do not hold, and are not eligible to hold, a certificate shall annually, in connection with initial issuance or renewal of the firm permit, submit with the application a statement signed by the person that:

(1) indicates that person's agreement to comply with rules adopted by the board and be subject to the board enforcement specified in *Minnesota Statutes*, section 326A.08;

(2) indicates that the person actively participates in the firm or affiliated entities on a full-time basis; and

(3) specifies all licenses held by the person that were issued by the state and any disciplinary actions that have been taken against the licenses in the last five years.

F. Persons specified in item E shall annually register with the board before December 31 on a form provided by the board and pay the fee specified in part 1105.0600 (Rule 2-4). The form must provide a space to indicate the percentage of voting and financial interest held by the individual in the firm.

G. The board shall not renew a permit of a firm that has not undergone a quality review within the previous three years and complied with the board's rules with respect to the reviews.

H. An affiliated entity, for the purpose of item E, subitem (2), and *Minnesota Statutes*, section 326A.05, subdivision 3, paragraph (c), clause (2), is an entity that is directly, or indirectly through one or more intermediaries, controlled by the firm. "Control" means the power to direct or cause the direction of the management and policies of the entity through ownership, by contact or otherwise.

1105.4100 5-2; NOTIFICATION OF CHANGES BY FIRMS.

A. A firm granted a permit pursuant to *Minnesota Statutes*, section 326A.05, shall file with the board a written notification of any of the following events concerning the practice of public accountancy within this state within 30 days after its occurrence:

(1) formation of a new firm;

(2) addition of a partner, member, manager, or shareholder;

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- (3) retirement, withdrawal, or death of a partner, member, manager, or shareholder;
- (4) any change in the name of the firm;
- (5) termination of the firm;
- (6) change in the management of any branch office in this state;
- (7) establishment of a new branch office or the closing or change of address of a branch office in this state; and
- (8) the occurrence of any event or events that would cause the firm not to be in conformity with this chapter or the Act.

B. In the event of any change in legal form of a firm, the new firm shall, within 30 days of the change, file an application for an initial permit according to this chapter and pay the fee required by this chapter.

1105.4200 5-3; APPLICATIONS FOR INITIAL ISSUANCE AND FOR RENEWAL OF PERMITS.

The application for initial issuance and for renewal of permits must specify that:

A. all individual licensed employees of the firm and those persons specified in part 1105.4000 (Rule 5-1), item D, who are responsible for supervising attest or compilation services or who sign or authorize someone to sign an accountant's report on financial statements have met the competency requirements set out in professional standards; and

B. all attest and compilation services rendered by the firm in this state are under the charge of a person holding a valid certificate issued under *Minnesota Statutes*, section 326A.04, or the corresponding provision of prior law.

1105.4300 5-4; QUALITY REVIEW AS CONDITION FOR RENEWAL OF PERMIT.

A. The board has established in parts 1105.4600 to 1105.5500 (Rules 7-1 to 7-10) procedures to perform the following functions:

(1) review of financial statements and the reports of licensees on financial statements, to assess compliance with applicable professional standards;

(2) improvement of reporting practices of licensees through educational and rehabilitative measures;

(3) referrals to the complaint committee of cases requiring further investigation;

(4) verification that individuals in the firm responsible for supervising attest or compilation services and signing the accountant's report on financial statements on behalf of the firm meet the competency requirement set out in applicable professional standards;

(5) verification that a certificate holder who issues compilation reports for the public other than through a CPA firm, who supervises the services or signs the compilation report on the financial statements, meets the competency requirements set out in applicable professional standards; and

(6) other functions necessary to carry out the quality review process.

B. A quality review oversight committee shall be appointed by the board to monitor the report acceptance bodies designated by the board in part 1105.5300 (Rule 7-8) and report to the board that their programs meet the requirements in this chapter and the Act. The oversight committee must be constituted and act according to subitems (1) to (4).

(1) It must be composed of five individuals appointed by the board for three-year staggered terms. No individuals who are members or employees of the board or employees, directors, or officers of a report acceptance body designated in part 1105.5300 (Rule 7-8) may serve on the committee. At least two of the individuals appointed by the board shall be licensees at the time of their appointment. The chair of the committee shall be a licensee and shall be designated as chair by the board.

(2) It must have full access to the quality review process that is subject to oversight.

(3) It must provide the board with an assessment of the effectiveness of the report acceptance bodies designated in part 1105.5300 (Rule 7-8), item B, and the quality review process. In addition, the committee must provide to the board the names of those certificate holders and firms that have undergone and have had an accepted quality review as well as whether the certificate holders and firms are meeting the terms, conditions, and remedial actions, if any, required by the report acceptance body.

(4) It must maintain the confidentiality of information obtained during the quality review process except as provided in subitem (3).

1105.4400 5-5; INTERNET PRACTICE.

A CPA firm offering or rendering professional services via a Web site shall provide in the Web site's home page a means for regulators and the public to contact a responsible licensee in charge at the firm regarding complaints, questions, or regulatory compliance.

1105.4500 6-1; LICENSED PUBLIC ACCOUNTANTS.

A. In accordance with *Minnesota Statutes*, section 326A.06, paragraph (a), all persons holding an active licensed public accountant (LPA) license on December 31, 2002, shall, upon application, be issued a CPA certificate provided that all requirements for renewal of a CPA certificate have been met.

B. Display of the LPA certificate and use of the LPA designation in any manner by persons granted a CPA certificate is prohibited.

C. In accordance with *Minnesota Statutes*, section 326A.10, paragraph (e), use of the LPA title and abbreviation is restricted. The designation, title, and abbreviation must not be used after December 31, 2002.

D. The certificate issued in accordance with item A must contain the following wording:

“Pursuant to *Minnesota Statutes*, section 326A.06, paragraph (a), be it known that (name of individual) having met the requirements of the aforementioned statute is hereby granted this certificate as a Certified Public Accountant with all the privileges and duties granted and required under *Minnesota Statutes*.”

1105.4600 7-1; QUALITY REVIEW.

For the purpose of parts 1105.4600 to 1105.5500 (Rules 7-1 to 7-10), the terms in this part have the meanings given.

A. “Quality review” means a study, appraisal, or review of one or more aspects of the professional work of a person or firm as required by *Minnesota Statutes*, section 326A.05, subdivision 8, by a reviewer who meets the requirements of part 1105.5200 (Rule 7-7).

B. “Report acceptance body” means the organization that accepts the quality review report from the reviewer, reviews it, and determines what, if any, action the firm shall take in order to bring the firm’s practice up to the professional standards.

C. “Reviewer” means the licensed individual or firm selected to conduct the quality review.

1105.4700 7-2; QUALITY REVIEW STANDARDS.

For purposes of parts 1105.4600 to 1105.5500 (Rules 7-1 to 7-10), Standards for Performing and Reporting on Peer Reviews (Standards) and Statements on Quality Control Standards (Statements) that are contained in AICPA Professional Standards, Volume 2 (June 1, 2002), are incorporated by reference. This document is published by the American Institute of Certified Public Accountants, Inc. It is subject to frequent change and is available at the state law library.

Quality reviews conducted according to the standards meet the board’s requirements for a quality review. Inspections conducted under Section 104 of the Sarbanes-Oxley Act of 2002 shall meet the board’s requirements for a quality review. A firm shall notify the board and obtain permission prior to having a review conducted in accordance with any other standards.

The review conducted must include verification that the individuals in the firm who are responsible for supervising attest and compilation services and who sign or authorize someone to sign the accountant’s report on financial statements on behalf of the firm have met the competency requirements set out in professional standards.

1105.4800 7-3; QUALITY REVIEW REQUIREMENTS.

As a condition to renewal of its permit pursuant to *Minnesota Statutes*, section 326A.05, subdivision 8, every firm shall undergo a quality review in accordance with parts 1105.4600 to 1105.5500 (Rules 7-1 to 7-10) once every three years.

1105.4900 7-4; EXEMPTION FROM QUALITY REVIEW REQUIREMENT.

A firm is exempt from the quality review requirement specified in part 1105.4000 (Rule 5-1) if it annually represents to the board that it has not issued attest or compilation reports, that it does not intend to engage in such practices during the following year, and that it shall immediately notify the board in writing if it engages in such practices.

The representation must be made in writing, under oath, and upon forms provided by the board. The representation must be made annually at the time the firm applies for renewal of its permit.

If a firm under exemption notifies the board that it has issued attest or compilation reports, it must undergo a quality review during the first full year after its initial acceptance of an engagement, or sooner at the request of the firm.

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Proposed Rules

1105.5000 7-5; QUALITY REVIEW CYCLE FOR FIRMS.

Subpart 1. General. Firms that are participating in the quality review program on December 31, 2002, under the board's then-existing rules shall continue in their existing three-year cycles as follows:

A. firms in Cycle A whose year under review ends in 2005 shall submit their reports to the board no later than 12 months after the end of their year;

B. firms in Cycle B whose year under review ends in 2003 shall submit their reports to the board no later than 12 months after the end of their year; and

C. firms in Cycle C whose year under review ends in 2004 shall submit their reports to the board no later than 12 months after the end of their year.

Subp. 2. Transition period. Firms governed by subpart 1 shall submit their reports as follows:

A. firms in Cycle C whose year under review ended in 2001 shall submit their reports to the board no later than June 30, 2003;

B. firms in Cycle A whose year under review ended in 2002 shall submit their reports to the board no later than June 30, 2004; and

C. firms in Cycle B whose year under review ends in 2003 shall submit their reports to the board no later than 12 months after the end of their year.

Subp. 3. Firms that are subject to quality review after December 31, 2002. Firms that become subject to the quality review program after December 31, 2002, for the first time shall determine their cycles in accordance with part 1105.5100 (Rule 7-6).

Subp. 4. Three-year cycle. Firms shall report every three years on the anniversary of the reporting dates specified in subpart 1.

1105.5100 7-6; FIRM QUALITY REVIEW REQUIREMENT FOR FIRMS NEWLY SUBJECT TO REQUIREMENT ON OR AFTER JANUARY 1, 2003.

As a condition to renewal of a firm permit, a new firm shall undergo a quality review during the first full year after it becomes subject to the requirements for quality review, and shall report the material specified in part 1105.5400 (Rule 7-9) to the board no later than 12 months after the end of the first full year after becoming subject to the requirement.

After the initial report, the firm shall be required to report every three years.

A new firm is one that has not previously been issued a permit in Minnesota or has not had a quality review completed in the three-year period prior to application. It does not include the firms described in items A to D.

A. A firm that had been previously issued a permit in this state and changes its name or the legal form of its practice, but retains the same practice.

B. A new partnership, corporation, LLC, or LLP in which the constituent firms were already scheduled for quality review. The quality review of the new firm must be conducted in the latest of the constituent firms' cycles.

C. A partnership, corporation, LLC, or LLP that is dissolved with each individual firm taking clients from the partnership or corporation. The quality review for each of these individual firms remains in the same year to which the original partnership, corporation, LLC, or LLP was assigned.

D. A partnership, corporation, LLC, or LLP that is dissolved with one partner or shareholder taking all of the existing clients. The quality review for the firm taking over the existing business remains in the year to which the partnership, corporation, LLC, or LLP was originally assigned.

1105.5200 7-7; QUALIFICATIONS OF REVIEWER.

The reviewer shall have the following minimum qualifications:

A. hold a current certificate or permit as a CPA or a firm, from any state; and have undergone at least one quality review;

B. have knowledge and experience with the type of reports and financial statements to be reviewed, including experience in supervision of the preparation of the reports and statements;

C. be independent of the firm under review;

D. have no conflict of interest;

E. be familiar with all services in the area of auditing and accounting provided by the firm subject to review;

F. be familiar with the procedure for conducting a quality review according to professional standards for reviews; and

G. have attended a quality review seminar, the contents of which prepare the reviewer to conduct a quality review.

1105.5300 7-8; QUALIFICATIONS OF REPORT ACCEPTANCE BODIES.

A. The AICPA or an organization approved by the United States Securities Exchange Commission is an approved report acceptance body.

B. The Minnesota Association of Public Accountants, the Minnesota Society of Certified Public Accountants, other state accountancy boards, and any other organization able to demonstrate that it will fulfill its responsibilities in accordance with recognized review standards may apply to the board to be considered a report acceptance body. The board shall approve applications to be considered a report acceptance body if the applicant demonstrates that it has or will fulfill its responsibilities in accordance with recognized standards specified in part 1105.4700 (Rule 7-2). Approval must be withdrawn if a report acceptance body fails to fulfill its responsibilities.

C. The report acceptance bodies specified in item B shall not make membership a condition of acting as a report acceptance body for any firm.

1105.5400 7-9; REPORT TO BOARD.

A. By the date specified in part 1105.5000 (Rule 7-5), each firm that is scheduled to report that year shall submit the following material to the board:

(1) a copy of the modified, adverse, or unmodified report issued by the reviewer, including any letters of comment and responses;

(2) the final letter from the report acceptance body; and

(3) any agreements to correct deficiencies that have been entered into between the firm and the report acceptance body.

The board shall review and consider this material in its decision to issue a permit to the firm.

Failure to file the required material by the required date is cause for discipline against the firm's permit.

In the case of a modified or adverse report, where the report acceptance body and the firm have entered into an agreement to correct deficiencies, failure by the firm to abide by that agreement is grounds for discipline against the firm's permit and the certificates of the managers in charge of the firm's offices maintained in this state.

B. In addition to any agreement made between the report acceptance body and the firm, the board may:

(1) require that a partner, member, manager, shareholder, or employee of the firm complete continuing education in the areas of deficiency in addition to the continuing professional education hours required in part 1105.3000 (Rule 4-6);

(2) require that the firm maintain a minimum library of source materials designed to provide the firm with the resources necessary to cure the deficiencies noted; and

(3) impose any other discipline authorized by *Minnesota Statutes*, section 326A.08.

1105.5500 7-10; PRIVATE DATA.

The board and the quality review oversight committee shall treat all material of the firm obtained through the quality review process, as private data as defined by *Minnesota Statutes*, section 13.02, subdivision 12, or nonpublic data as defined by *Minnesota Statutes*, section 13.02, subdivision 9, as applicable. The reports received by the board pursuant to part 1105.5400 (Rule 7-9), item A, may be made public by the board.

If a firm becomes the subject of a disciplinary proceeding pursuant to *Minnesota Statutes*, section 326A.08, the board may make the information public according to *Minnesota Statutes*, chapter 14.

1105.5600 8-1; GROUNDS FOR ENFORCEMENT ACTIONS.

The grounds for revocation and suspension of certificates, registrations, and permits, and other disciplinary action against licensees, certificate holders, applicants, and individuals with privileges under *Minnesota Statutes*, section 326A.14, are set out in *Minnesota Statutes*, section 326A.08. In addition, the grounds include the following particular grounds for disciplinary action:

A. fraud or deceit in obtaining a certificate, registration, or permit, within the meaning of *Minnesota Statutes*, section 326A.08, subdivision 5, paragraph (a), clause (5), including the submission to the board of any knowingly false or forged evidence in, or in support of, an application for a certificate, registration, or permit, and cheating on an examination as defined in this chapter;

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B. dishonesty, fraud, or gross negligence through knowingly or through gross negligence, by making misleading, deceptive, or untrue representations in the performance of services;

C. violations of the Act or rules promulgated under the Act, within the meaning of *Minnesota Statutes*, section 326A.08, subdivision 5, paragraph (a), clause (1), including:

(1) using the CPA title or providing attest or compilation services in this state without a certificate, registration, or permit to practice issued under *Minnesota Statutes*, sections 326A.04 and 326A.05, or without properly qualifying to practice across state lines under the substantial equivalency provision of the Act;

(2) using or attempting to use a certificate, registration, or permit which has been suspended or revoked;

(3) making any false or misleading statement, in support of an application for a certificate, registration, or permit filed by another;

(4) failure of a licensee to provide any explanation requested by the board regarding evidence submitted by the licensee in support of an application filed by another, or regarding a failure or refusal to submit such evidence; and failure by a licensee to furnish for inspection, upon request by the board or its representative, documentation relating to any evidence submitted by the licensee in support of such an application;

(5) failure to satisfy the continuing professional education requirements in *Minnesota Statutes*, section 326A.04, subdivision 4, and failure to comply with the continuing education requirements of this chapter;

(6) failure to comply with professional standards as to the attest or compilation competency requirement for those who supervise attest or compilation engagements and sign reports on financial statements or other compilation communications with respect to financial statements; or

(7) failure to comply with the applicable quality review requirements set out in this chapter and *Minnesota Statutes*, sections 326A.04 and 326A.05, subdivision 8; and

D. conduct reflecting adversely upon the licensee's fitness to perform services, within the meaning of *Minnesota Statutes*, section 326A.08, subdivision 5, paragraph (a), clauses (2) and (10), includes:

(1) adjudication as mentally incompetent;

(2) fiscal dishonesty of any kind;

(3) presenting as one's own a certificate, registration, or permit issued to another;

(4) concealment of information regarding violations by other licensees of the Act or this chapter when questioned or requested by the board; and

(5) willfully failing to file a report or record required by state or federal law; willfully impeding or obstructing the filing of a report or record, or inducing another person to impede or obstruct a filing by another; and the making or filing of a report or record which one knows to be false.

1105.5700 8-2; RETURN OF CERTIFICATE, REGISTRATION, OR PERMIT TO PRACTICE.

Any licensee or registrant whose certificate, permit, or registration issued by the board is subsequently suspended or revoked shall promptly return the certificate, registration, or permit to the board.

1105.5800 8-3; REVIEW OF PROFESSIONAL WORK PRODUCT.

The board may solicit and receive publicly available reports of licensees, registrants, and individuals with privileges under *Minnesota Statutes*, section 326A.14, and related financial statements from clients, public agencies, banks, and other users of financial statements on a general and random basis without regard to whether an application for renewal of the particular licensee is then pending or whether there is any formal complaint or suspicion of impropriety on the part of the licensee, registrant, or individual. It may also review such reports and otherwise proceed with respect to the results of the review as prescribed in part 1105.4300 (Rule 5-4).

1105.5900 8-4; NOTICES OF HEARING BEFORE COMPLAINT COMMITTEE.

A. A notice of hearing issued by the board or its complaint committee pursuant to *Minnesota Statutes*, section 326A.08, must include:

(1) a statement of matters asserted or charged; and

(2) references to any particular sections of the Act or of the rules which are asserted to have been involved in unlawful conduct.

B. When the complaint and notice of hearing are served pursuant to *Minnesota Statutes*, section 326A.08, they must be accompanied by:

(1) a copy of the board's rules under this part; and

(2) a copy of *Minnesota Statutes*, section 326A.08.

C. The investigation and hearing before the complaint committee may result in the discovery of additional violations. The additional violations do not need to be specifically identified in the notice issued in item A.

1105.6000 8-5; SERVICE.

When required by this chapter, service shall be first class United States mail, postage prepaid, and addressed to the person at the last known address, unless some other manner of service is required by this chapter, the Act, or law.

1105.6100 9-1; APPLICATIONS FOR RELIEF FROM DISCIPLINARY PENALTIES.

A. A person whose certificate or registration has been revoked or suspended, an individual whose privileges under *Minnesota Statutes*, section 326A.14, have been revoked or limited, a firm whose permit to practice has been revoked or suspended, or a person or firm that has been subject to disciplinary action pursuant to *Minnesota Statutes*, section 326A.08, may apply to the board for modification of the suspension, revocation, or discipline after completion of all requirements contained in the board's original order.

B. The application must be in writing; must set out and, as appropriate, substantiate the reasons constituting good cause for the relief sought; and must be accompanied by at least two supporting recommendations, under oath, from licensees who have personal knowledge of the activities of the applicant since the suspension or revocation was imposed.

1105.6200 9-2; ACTION BY BOARD.

A. An application pursuant to part 1105.6100 (Rule 9-1) must ordinarily be processed by the board upon the basis of the materials submitted in support of it, supplemented by any additional inquiries required by the board or its complaint committee. At the board's discretion, a hearing may be held by the board or its complaint committee on an application following procedures the board may find suitable for the particular case.

B. The board may impose appropriate terms and conditions for reinstatement of a certificate, registration, permit, or privileges under *Minnesota Statutes*, section 326A.14, or modification of a suspension, revocation, or discipline.

C. In considering an application under part 1105.6100 (Rule 9-1), the board may consider all activities of the applicant since the disciplinary penalty from which relief is sought was imposed, the offense for which the applicant was disciplined, the applicant's activities during the time the certificate, registration, privileges under *Minnesota Statutes*, section 326A.14, or permit was in good standing, the applicant's rehabilitative efforts, restitution to damaged parties in the matter for which the penalty was imposed, and the applicant's general reputation for truth and professional probity.

D. No application for reinstatement may be considered while the applicant is under sentence for any criminal offense, including any period during which the applicant is on court-imposed probation or parole.

1105.6300 10-1; MISLEADING CPA FIRM NAMES.

A CPA firm name is misleading within the meaning of *Minnesota Statutes*, section 326A.10, paragraph (h), if, among other things, the CPA firm name:

A. implies the existence of a legal entity when the firm does not exist in that form;

B. includes the name of a person who is neither a present nor a past partner, member, or shareholder of the firm; or

C. includes the name of a person who is not a CPA if the title "CPAs" is included in the firm name.

1105.6400 10-2; FICTITIOUS FIRM NAMES.

A fictitious CPA firm name, that is, one not consisting of the names or initials of one or more present or former partners, members, or shareholders, may not be used by a CPA firm unless the name has been registered with and approved by the board as not being false or misleading.

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Proposed Rules

1105.6500 10-3; SAFE HARBOR LANGUAGE.

A. Nonlicensees not registered under Minnesota Statutes, section 326A.06, paragraph (b), and part 1105.6600 (Rule 11-1) must use the following disclaimer language in connection with financial statements so as not to violate the Act:

I (we) have prepared the accompanying (financial statements) of (name of entity) as of (time period) for the (period) then ended. This presentation is limited to preparing in the form of financial statements information that is the representation of management (owners).

I (we) have not audited or reviewed the accompanying financial statements and accordingly do not express an opinion or any other form of assurance on them. I am (we are) not licensed by or registered with the Minnesota State Board of Accountancy.”

B. Nonlicensees registered under Minnesota Statutes, section 326A.06, paragraph (b), and part 1105.6600 (Rule 11-1) must use the following disclaimer language in connection with financial statements so as to not violate the Act:

“I (we) have compiled the accompanying (financial statements) of (name of entity) as of (time period) for the (period) then ended in accordance with Statements on Standards for Accounting and Review Services. This presentation is limited to preparing in the form of financial statements information that is the representation of management (owners).

I (we) have not audited or reviewed the accompanying financial statements and accordingly do not express an opinion or any other form of assurance on them.”

C. Report language used by a nonlicensee must not contain a reference to the “American Institute of Certified Public Accountants” or “AICPA.”

1105.6600 11-1; REGISTERED ACCOUNTING PRACTITIONER.

The designation of “registered accounting practitioner” shall be issued by the board after June 30, 2003, to persons who have made application on a form provided by the board and who:

- A. have met the education requirement specified in part 1105.6700 (Rule 11-2);
- B. have met the RAP examination requirement specified in part 1105.6800 (Rule 11-3);
- C. have met the experience requirement specified in part 1105.6900 (Rule 11-4);
- D. have submitted documentation, which can be verified by the board, to support items A to C; and
- E. have paid the fee specified in part 1105.0600 (Rule 2-4).

1105.6700 11-2; EDUCATION REQUIREMENT FOR REGISTERED ACCOUNTING PRACTITIONER.

A. Persons applying for initial designation as a registered accounting practitioner shall have a minimum of an associate degree in accounting from an accredited college or university or who has in the opinion of the board at least an equivalent education.

B. An equivalent education shall consist of at least 60 semester hours from an accredited college or university in the subject matter areas described below:

<u>Accounting</u>	<u>18</u>
<u>Business-related (may include accounting not included above)</u>	<u>18</u>
<u>General education and other</u>	<u>24</u>
<u>Total</u>	<u>60</u>

1105.6800 11-3; EXAMINATION REQUIREMENT FOR REGISTERED ACCOUNTING PRACTITIONER.

A. Persons applying for initial designation as a registered accounting practitioner shall successfully pass all sections of an RAP examination designed to test knowledge in the subjects of accounting and compilation services, business law, and taxation with a score of 75 percent. The board may designate the Accreditation Council for Accountancy and Taxation examination or an examination developed or administered by another vendor whose objective is to test knowledge in the subject matter areas specified in part 1105.6700 (Rule 11-2) as the RAP examination that applicants must use.

B. Applicants must comply with the RAP examination application process specified by the RAP examination vendor designated by the board and pay any fees required to take the RAP examination.

C. An original copy of the RAP examination results is to be filed with the application required by part 1105.6600 (Rule 11-1).

1105.6900 11-4; EXPERIENCE REQUIREMENT FOR REGISTERED ACCOUNTING PRACTITIONER.

A. A person applying for initial designation as a registered accounting practitioner shall demonstrate to the board that the person has had one year of acceptable experience. Acceptable experience may consist of providing any type of service or advice using accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills.

B. Applicants shall have their experience verified to the board by a licensee or registered accounting practitioner. Acceptable experience includes employment in industry, government, academia, or public practice. The board shall look at such factors as the complexity and diversity of the work.

C. One year of experience consists of full- or part-time employment that extends over a period of no less than one year and no more than three years and includes no fewer than 2,000 hours of performance of services described in item A.

D. A licensee or registered accounting practitioner who has been requested by an individual to submit to the board evidence of the individual's experience and has refused to do so shall, upon request by the board, explain in writing or in person the basis for the refusal.

E. The board may require a licensee or registered accounting practitioner who has furnished evidence of an applicant's experience to substantiate the information.

F. The board may inspect documentation relating to an applicant's claimed experience.

1105.7000 11-5; RENEWAL OF REGISTRATION.

A. The registration of a registered accounting practitioner expires on December 31 each year and must be renewed annually before December 31 on a form provided by the board for such purpose. The fee specified in part 1105.0600 (Rule 2-4) must be paid. If an application for renewal is filed late, it shall also be accompanied by the delinquency fee prescribed in part 1105.0600 (Rule 2-4).

B. A registrant seeking renewal shall show that the registrant has completed no less than 90 hours of continuing professional education complying with the standards specified in part 1105.3100 (Rule 4-7) during the three-year period preceding renewal with a minimum of 20 hours in each year. A registrant's initial three-year period starts on January 1 following the date the individual is initially registered by the board.

C. Failure to report continuing professional education, reporting an amount less than that required, or fraudulently reporting continuing professional education is a basis for disciplinary action as specified in *Minnesota Statutes*, section 326A.08.

1105.7100 11-6; RAP FIRM APPLICATION.

A. Applications by RAP firms for initial issuance and for renewal of RAP firm permit must be made on a form provided by the board and, in the case of applications for renewal, shall be filed no later than December 31. Applications are not considered filed until the applicable fee and all required documents prescribed in this chapter are received. If an application for permit renewal is filed late, it must also be accompanied by the delinquency fee prescribed in part 1105.0600 (Rule 2-4).

B. A sole proprietor may apply simultaneously for renewal of an individual registration and a RAP firm permit.

C. Applications must include the RAP firm name; addresses and telephone numbers of the main office and of any branch offices of the RAP firm in this state; the name of the person in charge of each such branch office; and the names of the partners, shareholders, members, managers, directors, and officers practicing in this state.

D. The board shall not issue a permit to a RAP firm until all partners, members, managers, shareholders, directors, and officers resident in this state and holding a registration as a RAP have a minimum of two years of qualifying experience of the type specified in part 1105.6900 (Rule 11-4) and:

(1) for initial issuance of a RAP firm permit, individually hold a nonexpired registration issued under part 1105.6600 (Rule 11-1); and

(2) for renewal of a RAP permit, individually renewed their registration for the coming year.

E. RAP firm partners, members, shareholders, directors, or officers resident in this state who do not hold a registration issued under part 1105.6600 (Rule 11-1) shall annually, in connection with initial issuance and renewal of the RAP firm permit, submit with the application a statement signed by the person that:

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(1) indicates that person's agreement to comply with rules adopted by the board and to be subject to the board enforcement specified in *Minnesota Statutes*, section 326A.08;

(2) indicates that the person actively participates in the firm on a full-time basis; and

(3) specifies all licenses held by the person that were issued by the state and any disciplinary actions which have been taken against the licensees in the last five years.

F. No licensee may be a partner, member, manager, shareholder, director, officer, or employee of a RAP firm. Persons specified in item E shall annually register with the board before December 31 on a form provided by the board and pay the fee specified in part 1105.0600 (Rule 2-4). The form must provide a space to indicate the percentage of voting and financial interest held by the individual in the firm. The aggregate amount of percentages must not exceed 50 percent for all persons who do not hold a registration issued under part 1105.6600 (Rule 11-1).

G. The board shall not renew a permit of a RAP firm that has not undergone a quality review specified in part 1105.7400 (Rule 11-9) within the previous three years and complied with the board's rules with respect to such reviews.

1105.7200 11-7; NOTIFICATION OF CHANGES BY RAP FIRMS.

A. A RAP firm registered under this chapter shall file with the board a written notification of any of the following events concerning its practice within this state within 30 days after its occurrence:

(1) formation of a new RAP firm;

(2) addition of a partner, member, manager, or shareholder;

(3) retirement, withdrawal, or death of a partner, member, manager, or shareholder;

(4) any change in the name of the RAP firm;

(5) termination of the RAP firm;

(6) change in the management of any branch office in this state;

(7) establishment of a new branch office or the closing or change of address of a branch office in this state; and

(8) the occurrence of any event or events that would cause the RAP firm not to be in conformity with the provisions of this chapter.

B. In the event of any changes in legal form of a RAP firm, the new firm shall, within 30 days of the change, file an application for an initial RAP firm permit in accordance with this chapter and pay the fee required by this chapter.

1105.7300 11-8; APPLICATION FOR INITIAL ISSUANCE AND FOR RENEWAL OF RAP FIRM PERMIT.

The application for initial issuance and for renewal of a RAP firm permit must specify that all compilation services rendered in this state are under the charge of a person holding a valid registration issued under part 1105.6600 (Rule 11-1).

1105.7400 11-9; QUALITY REVIEW AS CONDITION FOR RENEWAL OF PERMIT.

A. The board has established in parts 1105.4600 to 1105.5500 (Rules 7-1 to 7-10) procedures to perform the following functions:

(1) review of financial statements and the reports of registrants on financial statements, to assess their compliance with applicable professional standards;

(2) improvement of reporting practices of licensees through educational and rehabilitative measures;

(3) referrals to the complaint committee of cases requiring further investigation; and

(4) other functions.

B. RAP firms are subject to the quality review requirements imposed on CPA firms.

1105.7500 11-10; COMPILATION REPORTS.

A. No holder of a registration issued under this chapter may issue a compilation report through any business form that does not hold a valid RAP firm permit issued under this chapter.

B. The form of the compilation report that can be issued is specified in part 1105.6500 (Rule 10-3), items B and C.

C. Registrants must comply with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants when performing compilation services except as specified in part 1105.6500 (Rule 10-3), item C. Such statements are contained in AICPA Professional Standards, Volume 2, published by the American Institute of Certified Public Accountants (June 1, 2002), which is incorporated by reference. This publication is subject to frequent change and is available through the state law library.

1105.7600 11-11; RAP GRANDPARENTING PROVISIONS.

Notwithstanding the provisions of part 1105.6600 (Rule 11-1), the designation of “registered accounting practitioner” shall be issued by the board after June 30, 2003, and before July 1, 2005, to individuals who have made application in a form provided by the board and who have:

- A. a minimum of three years of experience of the type specified in part 1105.6900 (Rule 11-4);
- B. completed a minimum of 90 hours of continuing professional education complying with the standards specified in part 1105.3100 (Rule 4-7) during the three-year period preceding application;
- C. undergone a quality review accepted by a report acceptance body during the three-year period preceding application;
- D. submitted documentation that can be verified by the board to support items A to C; and
- E. paid the fee specified in part 1105.0600 (Rule 2-4).

1105.7700 11-12; CODE OF PROFESSIONAL CONDUCT.

Registrants and RAP firms must comply with the board’s code of professional conduct and rules.

1105.7800 12-1; CODE OF PROFESSIONAL CONDUCT.

A. The AICPA Code of Professional Conduct as contained in AICPA Professional Standards, Volume 2, published by the American Institute of Certified Public Accountants (June 1, 2002), is incorporated by reference. This publication is subject to frequent change and is available through the state law library.

B. Failure to report continuing professional education or falsely reporting continuing professional education required by parts 1105.3000 and 1105.7000 (Rules 4-6 and 11-5) is an act discreditable to the profession and is basis for disciplinary action specified in *Minnesota Statutes*, section 326A.08.

C. Failure to report quality reviews required by parts 1105.4000 and 1105.7100 (Rules 5-1 and 11-6) or seeking an exemption when one is not warranted, is an act discreditable to the profession and is a basis for disciplinary action specified in *Minnesota Statutes*, section 326A.08.

D. Failure to file an application registration, renewal, or other document or form required to be filed with the board pursuant to this chapter, the Act, or any other statutes or rule is an act discreditable to the profession and is basis for disciplinary action specified in *Minnesota Statutes*, section 326A.08.

E. Persons and firms subject to the provisions of the Sarbanes-Oxley Act of 2002 shall comply with that Act. Failure to do so is an act discreditable to the profession and is basis for disciplinary action specified in *Minnesota Statutes*, section 326A.08.

F. Persons and firms performing audits in accordance with government auditing standards issued by the Comptroller General of the United States shall comply with those standards. Failure to do so is an act discreditable to the profession and is basis for disciplinary action specified in *Minnesota Statutes*, section 326A.08.

1105.7900 14-1; SUBSTANTIAL EQUIVALENCY.

A. Individuals seeking practice privileges under *Minnesota Statutes*, section 326A.14, shall complete an application in the form provided by the board and pay the fee required by part 1105.0600 (Rule 2-4). The practice privilege granted shall expire one year after it is effective.

B. The application is immediately due and shall be received by the board within 15 days after the individual knowingly becomes subject to the laws of this state by:

- (1) accepting an engagement or assignment to render professional services in this state; or
- (2) offering to render professional services through direct solicitation or marketing targeted to persons in this state.

C. Practice privileges of individuals who have a valid certificate or license are effective as follows:

(1) if the valid certificate or license is issued by a state which is in substantial equivalence with the Act, the practice privilege is effective upon application and payment of the fee; and

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated “all new material.” **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

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(2) if the valid certificate or license is issued by a state which is determined by the board not to be in substantial equivalence with the Act, the practice privilege is effective after the board verifies that the individual's qualifications are substantially equivalent to the Act.

D. Notice must be filed with the board within 30 days after an individual changes the individual's principal place of business or within 30 days after the license has been denied, revoked, or suspended in any jurisdiction.

E. Nonresident individuals are not considered to have entered this state for purposes of *Minnesota Statutes*, section 326A.14, and notice is not required under *Minnesota Statutes*, section 326A.14, if the individual's contact with this state is limited to any of the following activities:

(1) teaching either a college or continuing professional education course;

(2) delivering a lecture;

(3) moderating a panel discussion; or

(4) rendering professional services to the individual's employers or firm or to persons employed by the individual's employer or firm, including affiliated, parent, or subsidiary entities, provided the services are not rendered for the employer's or firm's clients.

F. An individual entering into an engagement to provide professional services via a Web site pursuant to *Minnesota Statutes*, section 326A.14, shall disclose, via the Web site, the individual's principal state of licensure, license number, and address.

REPEALER. *Minnesota Rules*, parts 1100.0100; 1100.0200; 1100.0300; 1100.0400; 1100.0500; 1100.0600; 1100.0650; 1100.0700; 1100.0800; 1100.0900; 1100.1000; 1100.1100; 1100.1200; 1100.1300; 1100.1400; 1100.1500; 1100.1700; 1100.1750; 1100.1900; 1100.2110; 1100.2115; 1100.2120; 1100.2130; 1100.2150; 1100.2200; 1100.2400; 1100.2500; 1100.2900; 1100.3200; 1100.3250; 1100.3300; 1100.3400; 1100.3550; 1100.3600; 1100.3700; 1100.4000; 1100.4100; 1100.4200; 1100.4300; 1100.4400; 1100.4500; 1100.4650; 1100.4700; 1100.4800; 1100.4900; 1100.4950; 1100.5100; 1100.5300; 1100.5700; 1100.5800; 1100.5850; 1100.6100; 1100.6400; 1100.6500; 1100.6600; 1100.6700; 1100.6800; 1100.6900; 1100.7000; 1100.7100; 1100.7200; 1100.7700; 1100.7800; 1100.8000; 1100.9100; 1100.9150; 1100.9200; 1100.9300; 1100.9400; 1100.9500; 1100.9600; 1100.9700; 1100.9800; and 1100.9900, are repealed.

EFFECTIVE DATE. These rules are effective January 1, 2003.

INCORPORATION BY REFERENCE: Part 1105.4700: Standards for Performing and Reporting on Peer Reviews (Standards) and Statements on Quality Control Standards (Statements), contained in AICPA Professional Standards, Volume 2 (June 1, 2002), published by the American Institute of Public Accountants, is available through the State Law Library.

Part 1105.7500: Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, contained in AICPA Professional Standards, Volume 2 (June 1, 2002), published by the American Institute of Public Accountants, is available through the State Law Library.

Part 1105.7800: AICPA Code of Professional Conduct, contained in AICPA Professional Standards, Volume 2 (June 1, 2002), published by the American Institute of Public Accountants, is available through the State Law Library.

Department of Children, Families, and Learning
Division of Accountability and Compliance

Proposed Permanent Rules Relating to Positive Behavioral Supports

NOTICE OF HEARING

Proposed Amendment to Rules Governing Behavioral Interventions, *Minnesota Rules*, parts 3525.0850 to 3525.0854, 3525.2710, subpart 4f, and 3525.2810, 1a(11); and the repeal of parts 3525.0200, subparts 1d, 1e, 1g, 2a, 2c, 8e, 8f, 25a, and 25b, and 3525.2900, subpart 5

Public Hearing. The Department of Children, Families, and Learning intends to adopt rules after a public hearing following the procedures set forth in the rules of the Office of Administrative Hearings, *Minnesota Rules*, parts 1400.2200 to 1400.2240, and the Administrative Procedure Act, *Minnesota Statutes*, sections 14.131 to 14.20. The agency will hold public hearings on the above-entitled rules at the following times and locations:

Monday, December 2, 2002
5:00 p.m.
Bemidji Public Library
509 America Avenue
Bemidji, MN 56601

Tuesday, December 3, 2002
5:00 p.m.
Willmar Municipal Utilities
700 S.W. Litchfield Avenue
Willmar, MN 56201

Thursday, December 5, 2002
2:00 and 5:00 p.m.
Minnesota Department of Children, Families, and Learning
1500 Highway 36 West
Roseville, MN 55113

Additional days of hearing will be scheduled if necessary.

All interested or affected persons will have an opportunity to participate by submitting either oral or written data, statements, or arguments. Statements may be submitted without appearing at the hearing.

Administrative Law Judge. The hearing will be conducted by Administrative Law Judge Beverly Heydinger, who can be reached at the Office of Administrative Hearings, 100 Washington Square, Suite 1700, Minneapolis, Minnesota 55401-2138, **phone:** (612) 341-7606, and **fax:** (612) 349-2665. Questions concerning the rule hearing procedure should be directed to the Administrative Law Judge.

Subject of Rules, Statutory Authority, and Agency Contact Person. The proposed rules govern: behavioral interventions, including the definitions of aversive procedure, aversive stimulus, behavioral intervention plan, deprivation procedure, emergency, manual restraint, mechanical restraint, positive behavioral supports, regulated intervention, seclusion, target behavior, and time out; training requirements for use of positive behavioral supports and other interventions; and the use of positive behavioral supports and other interventions, including the public agency's responsibility when law enforcement officials are involved. See *Minnesota Rules* 3525.0850 - 3525.0854; 3525.2710, subp. 4f; and 3525.2810, subp. 1a(11). The proposed rules also include the repeal of *Minnesota Rules*, parts 3525.0200, subparts 1d, 1e, 1g, 2a, 2c, 8e, 8f, 25a, and 25b, and 3525.2900, subpart 5.

The proposed rules are authorized by *Minnesota Statutes*, section 125A.07(a), which requires the Department to adopt "necessary rules for instruction of children with a disability.... These rules must also provide standards for the discipline, control, management, and protection of children with a disability," and *Minnesota Statutes*, section 121A.67, which states, "The commissioner must adopt rules governing the use of aversive and deprivation procedures by school district employees or persons under contract with a school district."

A copy of the proposed rules is published in the *State Register*. A free copy of the rules is available upon request from the agency contact person. The agency contact person is: Kristen Schroeder, Department of Children, Families, and Learning, 1500 Highway 36 West, Roseville, MN 55113. **Phone:** (651) 582-8607. **Fax:** (651) 582-8725, **Email:** kristen.schroeder@state.mn.us. **TTY** users may contact the Department at (651) 582-8201.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

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Statement of Need and Reasonableness. A Statement of Need and Reasonableness is now available for review at the Department offices in Roseville and at the Office of Administrative Hearings. This statement contains a summary of the justification for the proposed rules, including a description of who will be affected by the proposed rules and an estimate of the probable cost of the proposed rules. The statement may be reviewed and copies obtained at the cost of reproduction from the agency.

Public Comment. You and all interested or affected persons, including representatives of associations and other interested groups, are encouraged to participate in this rulemaking process. You may present your views either orally at a hearing or in writing at any time before the close of the hearing record. All evidence presented should relate to the proposed rules. You may also submit written material to the Administrative Law Judge to be recorded in the hearing record for five working days after the public hearing ends. This five-day comment period may be extended for a longer period not to exceed 20 calendar days if ordered by the Administrative Law Judge at the hearing. Following the comment period, there is a five-working-day rebuttal period during which the agency and any interested person may respond in writing to any new information submitted. No additional evidence may be submitted during the five-day rebuttal period. All comments and responses submitted to the Administrative Law Judge must be received at the Office of Administrative Hearings no later than 4:30 p.m. on the due date set at hearing. All comments or responses received will be available for review at the Office of Administrative Hearings.

The agency requests that any person submitting written views or data to the Administrative Law Judge prior to the hearing or during the comment or rebuttal period also submit a copy of the written views or data to the agency contact person at the address stated above.

Alternative Format/Accommodation. Upon request, this Notice can be made available in an alternative format, such as large print, Braille, or cassette tape. To make such a request or if you need an accommodation to make this hearing accessible, please contact the agency contact person at the address or telephone number listed above.

Modifications. The proposed rules may be modified as a result of the rule hearing process. Modifications must be supported by data and views presented during the rule hearing process, and the adopted rules may not be substantially different than these proposed rules, unless the procedure under *Minnesota Rules*, part 1400.2110, has been followed. If the proposed rules affect you in any way, you are encouraged to participate.

Adoption Procedure After The Hearing. After the close of the hearing record, the Administrative Law Judge will issue a report on the proposed rules. You may ask to be notified of the date when the judge's report will become available, and you can make this request at the hearing or in writing to the Administrative Law Judge. You may also ask to be notified of the date on which the agency adopts the rules and the rules are filed with the Secretary of State or ask to register with the agency to receive notice of future rule proceedings. These requests may be made at the hearing or in writing to the agency contact person stated above.

Lobbyist Registration. *Minnesota Statutes*, chapter 10A, requires each lobbyist to register with the State Campaign Finance and Public Disclosure Board. Questions regarding this requirement may be directed to the Campaign Finance and Public Disclosure Board at: Suite 190, Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155, **phone:** (651) 296-5148 or 1-800-657-3889.

Order. I order that the rulemaking hearing be held at the dates, times, and locations listed above.

Dated: 16 October 2002

Barbara Yates
for Christine Jax, Ph.D.
Commissioner

3525.0850 BEHAVIOR POSITIVE BEHAVIORAL SUPPORTS AND OTHER INTERVENTIONS.

~~Subpart 1. Scope. This policy is intended to encourage the use of positive approaches to behavioral interventions. The objective of any behavioral intervention must be that pupils acquire appropriate behaviors and skills. It is critical that behavioral intervention programs focus on skills acquisition rather than merely behavior reduction or elimination. Behavioral intervention policies, programs, or procedures must be designed to enable a pupil to benefit from an appropriate, individualized educational program as well as develop skills to enable them to function as independently as possible in their communities. Parts 3525.0850 to 3525.0854 apply to staff, contracted personnel, and volunteers in all education programs serving pupils with a disability under *United States Code*, title 20, chapter 33, sections 1400 et seq.~~

~~In education programs in facilities licensed by the Department of Corrections, parts 3525.0850 to 3525.0854 must be implemented except in emergency situations where other agency rules apply to serve a compelling penological interest.~~

~~Subp. 2. Purpose. The purpose of parts 3525.0850 to 3525.0854 is to require districts to use positive behavioral supports necessary for pupils to acquire appropriate functional behaviors and skills. When a behavioral intervention plan is necessary to address a pupil's behavior, the plan must be developed in consideration of the pupil's human dignity and personal privacy, and it must ensure the pupil's right to placement in the least restrictive educational environment.~~

~~Subp. 3. Definitions. As used in parts 3525.0850 to 3525.0854, the following terms have the meanings given them.~~

A. “Aversive procedure” means the application of an aversive stimulus.

B. “Aversive stimulus” means an object that is used or an event or situation that occurs immediately after a target behavior in order to suppress that behavior.

C. “Behavioral intervention plan” means a written statement of the positive behavioral supports and other interventions a district will use to teach a pupil appropriate functional behaviors and skills and to respond to the pupil’s targeted behaviors. Behavioral intervention plans are governed by part 3525.0851.

D. “Deprivation procedure” means the delay or withdrawal of goods, services, or activities that the pupil would otherwise receive.

E. “Emergency” means any situation in which the immediate use of a regulated intervention or other procedure is necessary to protect a pupil or other individual from physical injury or to prevent property damage. Emergency also includes any situation in which a law enforcement official restrains or removes a pupil from a classroom, building, or school grounds in response to the pupil’s behavior on school grounds. Emergency situations are governed by part 3525.0854.

F. “Functional behavioral assessment” or “FBA” means a process for gathering information to develop and utilize behavioral supports as defined in part 3525.0200, subpart 3a, and governed by part 3525.0851.

G. “Manual restraint” means an intervention intended to restrict a pupil’s movement by using physical contact as the only source of restraint. Manual restraint does not include physical contact or a physical prompt used to facilitate completion of a task or to redirect a pupil’s behavior when the pupil does not resist or the pupil’s resistance is minimal. Manual restraint is governed by part 3525.0852.

H. “Mechanical restraint” means an intervention intended to restrict a pupil’s movement by using devices as the source of restraint. Mechanical restraint does not include the use of devices intended for adaptive support for a pupil with physical disabilities. Mechanical restraint is governed by part 3525.0852, subpart 5.

I. “Positive behavioral supports” means an evaluation-based, individualized behavioral intervention for pupils with challenging behavior. Positive behavioral supports focus on proactive approaches to address a pupil’s targeted behaviors by teaching appropriate replacement behaviors, making environmental modifications, increasing skill performance, and using positive consequences.

J. “Prohibited procedure” means an aversive or deprivation procedure that may not be used under any circumstances. Prohibited procedures are governed by part 3525.0853.

K. “Regulated intervention” means the use of an aversive or deprivation procedure that is not prohibited. Regulated interventions are governed by part 3525.0852.

L. “Seclusion” means an intervention that removes a pupil from the current setting and isolates the pupil in a specially designated room or similar space. Seclusion is governed by part 3525.0852, subpart 4.

M. “Target behavior” means a behavior that is identified by the individualized education plan (IEP) team for change and described in observable and measurable terms.

N. “Time out” means an intervention that restricts a pupil’s opportunity to receive reinforcement from an ongoing activity without removing the pupil from the current setting. Time out is not governed by this chapter.

Subp. 4. **Training.** The district must ensure that all district staff, contracted personnel, and volunteers who are permitted to use regulated interventions are trained in:

A. the use of positive behavioral supports;

B. methods and techniques to prevent or de-escalate an emergency situation; and

C. the use of regulated interventions.

The training must comply with the district’s behavioral management policy under part 3525.1100, subpart 2, item F.

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Proposed Rules

3525.0851 BEHAVIORAL INTERVENTION PLANS.

Subpart 1. Evaluation. A district must conduct an IEP meeting within five school days to review or revise a pupil's IEP and determine the need for a functional behavioral assessment, as defined in part 3525.0200, subpart 3a, or other additional evaluation when:

A. the district continually or repeatedly uses any element of its discipline policy to respond to the pupil's behavior;

B. a regulated intervention is used in an emergency; or

C. a law enforcement official restrains or removes the pupil from a classroom, building, or school grounds in response to the pupil's behavior on school grounds.

Subp. 2. Functional behavioral assessment. When a district conducts a functional behavioral assessment, it must prepare a written report including the following information:

A. a description of targeted behaviors and their frequency, severity, and duration;

B. a description of the events, times, and situations that predict the occurrence and nonoccurrence of the behaviors;

C. a description of the antecedents, consequences, and other reinforcers that maintain the behaviors;

D. a description of the apparent functions of the behaviors and possible appropriate replacement behaviors;

E. documentation that the team has considered other treatable causes for the behaviors, including a mental or physical health condition;

F. a description of positive behavioral supports and other interventions used in the past and the effectiveness of each;

G. a description of changes in the environment in which the behaviors occur that may reduce the frequency of the behaviors;

H. summary statements and hypotheses about the purposes of the behaviors that will assist in the development of the pupil's behavioral intervention plan;

I. a description of any other evaluation data that may assist in the development of an appropriate behavioral intervention plan for the pupil; and

J. documentation that the team has considered whether any regulated intervention may be contraindicated for mental or physical health reasons.

Subp. 3. Behavioral intervention plan. The pupil's IEP team must develop a behavioral intervention plan through the IEP process under part 3525.2810. The behavioral intervention plan must:

A. be included in the pupil's IEP;

B. be based on the functional behavioral assessment report described in subpart 2;

C. be based on the pupil's present levels of performance, needs, goals, and objectives;

D. identify positive behavioral supports necessary for the pupil to acquire appropriate functional behaviors and skills;

E. identify any regulated intervention necessary to respond to the pupil's targeted behavior, ensure the intervention is the least intrusive possible, and ensure the intervention is not contraindicated for mental or physical health reasons;

F. identify any reasonable modifications to the school discipline policy necessary for the pupil;

G. identify a process and timeline for monitoring the effectiveness of the pupil's behavioral intervention plan;

H. identify a process for monitoring the number of times each regulated intervention is used and specific criteria for determining the effectiveness of each use; and

I. identify a method for informing the pupil's parent when the regulated intervention is used as part of the pupil's behavioral intervention plan.

Subp. 4. Consent. A district must obtain written parental consent prior to implementing a behavioral intervention plan that includes the use of any regulated intervention.

Subp. 5. Withdrawal of consent. A parent may withdraw consent for a regulated intervention at any time by submitting a written or oral statement to that effect to the district. Upon notification of the parent's withdrawal, the district must:

A. immediately stop implementing the regulated intervention for which consent was withdrawn and immediately notify the parent of its actions in writing;

B. conduct an IEP team meeting to review the pupil's IEP and behavioral intervention plan within five school days; and

C. continue implementing all other components of the pupil's IEP and behavioral intervention plan.

3525.0852 REGULATED INTERVENTIONS.

Subpart 1. In general. Regulated interventions are aversive and deprivation procedures that are not prohibited, including:

- A. manual restraint;
- B. mechanical restraint consistent with a written order from a licensed physician; and
- C. seclusion.

Subp. 2. Frequency; documentation. Each time a district uses a regulated intervention as part of a pupil's behavioral intervention plan, the district must document a description of the intervention, the reason for its use, the length of time the intervention was used, the number of times the intervention was used in each school day, the individuals involved, the pupil's response to the intervention, and the response of the individual who used the intervention.

Subp. 3. Limitations. The use of a regulated intervention is only authorized when it is included in the pupil's behavioral intervention plan in compliance with part 3525.0851 or the intervention is used in an emergency under part 3525.0854.

Pursuant to Minnesota Statutes, section 626.556, maltreatment of minors includes any physical injury, mental injury, or threatened injury inflicted, other than by accidental means, as a result of the use of a regulated intervention that has not been authorized.

Subp. 4. Seclusion. When using seclusion, the district must comply with the requirements in subpart 2 and the following:

- A. the district must comply with part 3525.0851;
- B. the pupil's behavioral intervention plan must address the length of time the pupil may remain in seclusion;
- C. the length of time a pupil may be in seclusion must not exceed 15 minutes;
- D. the pupil's behavioral intervention plan must include specific criteria for returning the pupil to the pupil's routine activities and educational setting;
- E. the pupil must be continuously monitored by trained staff;
- F. the pupil must have adequate access to drinking water and bathroom facilities;
- G. the specially designated room or similar space must:
 - (1) be a clean, safe environment where all fixtures are tamper proof, the walls and floors are properly covered, and control switches are located immediately outside the room;
 - (2) contain an observation window or other device to permit trained staff to continuously monitor the pupil;
 - (3) be at least five feet by six feet or substantially equivalent to these dimensions and large enough to allow the pupil to stand, stretch the pupil's arms, and lie down;
 - (4) not be locked by a lock, device, or object positioned to hold the door closed or otherwise prevent the pupil from leaving the specially designated space;
 - (5) be well-lighted, well-ventilated, and adequately heated; and
 - (6) comply with all applicable fire and safety codes.

Subp. 5. Mechanical restraint. When using mechanical restraint, the district must comply with the requirements in subpart 2 and the following:

- A. the district must comply with part 3525.0851;
- B. the pupil must have a written order from a licensed physician that describes the restraint and its purpose and specifies the duration and circumstances under which the restraint may be used;
- C. the restraint must be applied by an individual who is trained to apply the restraint;
- D. the pupil must be continuously monitored by trained staff;
- E. the pupil must be given an opportunity for release from the mechanical restraint in accordance with the physician's order or for at least ten minutes out of every 60 minutes the mechanical restraints are used; and

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F. the trained individual must lessen or discontinue the mechanical restraint in accordance with the physician's order or at least every 15 minutes to determine whether the pupil will stop or control the targeted behavior without the restraint.

3525.0853 PROHIBITED PROCEDURES.

Prohibited procedures are aversive and deprivation procedures that may not be used under any circumstances. Prohibited procedures include:

A. corporal punishment as defined in *Minnesota Statutes*, section 121A.58;

B. requiring a pupil to assume and maintain a specific physical position, activity, or posture that induces physical pain;

C. the presentation of intense sounds, lights, or other sensory stimuli;

D. the use of smell, taste, substance, or spray;

E. restricting a pupil's access to equipment or devices, including hearing aids and communication boards, that facilitate the pupil's functioning except when access is temporarily restricted to prevent a pupil from destroying or damaging the equipment or devices;

F. faradic skin shock;

G. totally or partially restricting a pupil's auditory or visual sense, not including the use of study carrels as an academic intervention;

H. withholding regularly scheduled meals or water;

I. denying a pupil access to bathroom facilities;

J. treatment of a demeaning nature, including interventions that are designed or likely to subject the pupil to verbal abuse, ridicule, or humiliation, or are likely to cause mental injury for that pupil;

K. locked seclusion, including the use of a lock, device, or object positioned to hold the door closed or otherwise prevent the pupil from leaving the specially designated space;

L. any regulated intervention implemented by personnel not trained in that procedure;

M. the use of a regulated intervention that is not in the pupil's IEP and not in response to an emergency; and

N. the use of mechanical restraint without, or contrary to, a written order from a licensed physician.

3525.0854 EMERGENCY.

If a district must use a regulated intervention as a safety measure to respond to a pupil's behavior in an emergency situation, or a law enforcement official restrains or removes a pupil from a classroom, building, or school grounds in response to the pupil's behavior on school grounds, the district must:

A. use the intervention only after positive behavior supports and other de-escalation techniques have failed;

B. use the least intrusive intervention available;

C. use the intervention for no longer than is necessary to protect the pupil or other individual from physical injury or to prevent property damage;

D. not exceed reasonable force as defined in *Minnesota Statutes*, section 121A.582;

E. document a description of the intervention, the reason for its use, the length of time the intervention was used, the number of times the intervention was used in each school day, the individuals involved, the pupil's response to the intervention, and the response of the person who used the intervention;

F. notify the pupil's parent of the use of the intervention within 24 hours; and

G. conduct an IEP team meeting in accordance with part 3525.0851, subpart 1.

3525.2710 EVALUATIONS AND REEVALUATIONS.

[For text of subparts 1 to 3, see M.R.]

Subp. 4. **Additional requirements for evaluations and reevaluations.**

[For text of items A to E, see M.R.]

F. Prior to using any ~~conditional procedure~~ regulated intervention, the IEP team must conduct a functional behavioral assessment (FBA) as defined in part 3525.0200, subpart 3a, and governed by part 3525.0851, subpart 2. The team must also document that it has ruled out any other treatable cause for the interfering behavior, for example, a medical or health condition, ~~for the interfering behavior.~~

[For text of subps 5 and 6, see M.R.]

3525.2810 DEVELOPMENT OF INDIVIDUALIZED EDUCATION PROGRAM PLAN.

Subpart 1. **Definitions.** As used in parts 3525.0200 to 3525.4770, the terms defined in this part have the meanings given them.

A. "Individualized education program" or "IEP" means a written statement for each pupil that is developed, reviewed, and revised in a meeting in accordance with this part and that includes:

[For text of subitems (1) to (10), see M.R.]

(11) any documentation required in part ~~3525.2900, subpart 5~~ 3525.0851.

[For text of item B, see M.R.]

[For text of subps 2 to 5, see M.R.]

REPEALER. Minnesota Rules, parts 3525.0200, subparts 1d, 1e, 1g, 2a, 2c, 8e, 8f, 25a, and 25b; and 3525.2900, subpart 5, are repealed.

Adopted Rules

A rule becomes effective after the requirements of *Minnesota Statutes* §§14.05-14.28 have been met and five working days after the rule is published in the *State Register*, unless a later date is required by statutes or specified in the rule.

If an adopted rule is identical to its proposed form as previously published, a notice of adoption and a citation to its previous *State Register* publication will be printed.

If an adopted rule differs from its proposed form, language which has been deleted will be printed with strikeouts and new language will be underlined. The rule's previous *State Register* publication will be cited.

Expedited and Emergency Expedited Rules

Provisions for the Commissioner of Natural Resources to adopt emergency expedited Game and Fish Rules are specified in *Minnesota Statutes* §§ 84.027. The commissioner may adopt emergency expedited rules when conditions exist that do not allow the Commissioner to comply with the requirements for emergency rules. The Commissioner must submit the rule to the attorney general for review and must publish a notice of adoption that includes a copy of the rule and the emergency conditions. Emergency expedited rules are effective upon publication in the *State Register*, and may be effective up to seven days before publication under certain emergency conditions. Emergency expedited rules are effective for the period stated or up to 18 months.

Bureau of Mediation Services

Adopted Permanent Rules Relating to Public Employment; Allowing Service by Facsimile; ~~Repealing Independent Review Rehearing Rules; Renumbering and Modifying Provisions on Independent Review for Public Employee Grievances~~

The rules proposed and published at *State Register*, Volume 26, Number 35, pages 1105-1109, February 19, 2002 (26 SR 1105), are adopted with the following modifications:

7315.0400 ~~[Withdrawn at 27 SR 638]~~

7315.0500 ~~[Withdrawn at 27 SR 638]~~

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Adopted Rules

7315.0650 [Withdrawn at 27 SR 638]

7315.0750 [Withdrawn at 27 SR 638]

7315.0900 [Withdrawn at 27 SR 638]

7315.1000 [Withdrawn at 27 SR 638]

7315.1100 [Withdrawn at 27 SR 638]

7315.1200 [Withdrawn at 27 SR 638]

7315.1300 [Withdrawn at 27 SR 638]

7315.1400 [Withdrawn at 27 SR 638]

7315.1500 [Withdrawn at 27 SR 638]

7315.1600 [Withdrawn at 27 SR 638]

7315.1700 [Withdrawn at 27 SR 638]

7315.1800 [Withdrawn at 27 SR 638]

7315.1900 [Withdrawn at 27 SR 638]

7315.2100 [Withdrawn at 27 SR 638]

7315.2200 [Withdrawn at 27 SR 638]

~~**RENUMBERING.** *Minnesota Rules*, chapter 7315, is renumbered as chapter 5540. The revisor of statutes shall correct any cross references to chapter 7315 accordingly.~~

~~**REPEALER.** *Minnesota Rules*, parts 7315.2300; 7315.2400; 7315.2500; 7315.2600; 7315.2700; 7315.2800; and 7315.2900, are repealed.~~

Withdrawn Rules

An agency may choose to withdraw rules it has proposed, thus cancelling any time-sensitive schedule for public comment, hearing, or further movement toward the rules' adoption. These rules will be listed as withdrawn by their individual rules numbers in the *State Register's* index to rulemaking activity. **Minnesota Rules: Amendments and Additions.** An agency that chooses to withdraw proposed rules, may reintroduce those same rules at a later date.

Minnesota Bureau of Mediation Services

Notice of Withdrawal of Proposed Rules Relating to Public Employment; Renumbering and Modifying Provisions on Independent Review for Public Employee Grievances, *Minnesota Rules* 7315.0400 - 7315.2200; and Repealing Independent Review Rehearing Rules; *Minnesota Rules* 5315.2300, 7315.2400, 7315.2500; 7315.2600; 7315.2700; 7315.2800; and 7315.2900

NOTICE IS HEREBY GIVEN regarding the withdrawal of the proposed permanent rules relating to Public Employment; Repealing Independent Review Rehearing Rules; Renumbering and Modifying Provisions of Independent Review for Public Employee Grievances that were published in the *State Register* on Tuesday, February 19, 2002, at 26 SR 1105.

Lance Teachworth
Commissioner

ERRATA

Corrections to agency errors in rules or in following the rulemaking processes, as well as incomplete notices, mislabeled rules, incorrect notices and citations will appear in this section. Whenever an error is corrected in this section, it's corresponding rule number(s) will also appear in the *State Register's* index to rulemaking activity, **Minnesota Rules: Amendments and Additions**.

Minnesota Department of Public Safety

State Fire Marshal Division

ERRATA TO DUAL NOTICE: Notice of Intent to Adopt Rules Without a Public Hearing Unless 25 or More Persons Request a Hearing, And Notice of Hearing If 25 or More Requests For Hearing Are Received

Proposed Amendments to Rules Governing the Fire Code, *Minnesota Rules*, Chapter 7510; Repeal of *Minnesota Rules*, parts 7510.3520, subparts 4,5, and 6; 7510.3540; 7510.3550; 7510.3560, subparts 1,6,7,11 and 16; 7510.3570; 7510.3580, subparts 5,6,7, and 8; 7510.3590; 7510.3600; 7510.3610, subparts 1,2,3, and 6; 7510.3620; 7510.3630; 7510.3640, subparts 2 and 3; 7510.3650, subpart 1; 7510.3660; 7510.3680; 7510.3690; 7510.3700; and 7510.3710, subparts 2,3,4,5,6,7,8,9, and 10

Proposed Amendment to Rules Governing the Minnesota Fire Code, *Minnesota Rules*, chapter 7510

Deadline extended. The deadline to submit written comments on these proposed rules and to submit a request that a hearing be held on these rules has been extended to November 22, 2002, at 4:30 p.m.

Revenue Notices

The Department of Revenue began issuing revenue notices in July of 1991. Revenue notices are statements of policy made by the department that provide interpretation, detail, or supplementary information concerning a particular statute, rule, or departmental practice. The authority to issue revenue notices is found in *Minnesota Statutes* § 270.0604.

Department of Revenue

Revenue Notice # 02-18: Sales and Use Tax - Taxable Services - Tree, Bush, Shrub and Stump Removal; Revocation of Revenue Notice # 92-12

This Revenue Notice supersedes Revenue Notices # 91-02, # 92-12, and # 94-04, to the extent this notice interprets, clarifies, or conflicts with the previous notices.

Tree, bush, shrub, and stump removal are services subject to the sales and use tax under *Minnesota Statutes*, section 297A.61, subdivision 3, paragraph (g), clause (5), item (vi). These services are taxable even if they are sold to a contractor and used by the contractor to complete a construction contract involving the new construction, reconstruction, or remodeling of a building or residence.

Revenue Notice # 92-12 is revoked.

Jennifer L. Engh
Assistant Commissioner

Official Notices

Pursuant to Minnesota Statutes §§ 14.101, an agency must first solicit comments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency by publishing a notice in the State Register at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking. The State Register also publishes other official notices of state agencies and non-state agencies, including notices of meetings and matters of public interest.

Minnesota Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design

REQUEST FOR COMMENTS on Possible Amendment to Rules Governing All Licensees and Certificate Holders, *Minnesota Rules*, 1800.0200 to 1800.5800

Subject of Rules. The Minnesota Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design requests comments on its possible amendment to rules pertaining generally to all licensees and certificate holders. The Board is considering rule amendments that are housekeeping in nature in furtherance of uniformity with applicable statutes.

Persons Affected. The amendment to the rules would likely affect all licensees and certificate holders within the Board's jurisdiction.

Statutory Authority. *Minnesota Statutes*, section 326.06, authorizes the Board to "make all rules, not inconsistent with law, needed in performing its duties."

Public Comment. Interested persons or groups may submit comments or information on these possible rules in writing or orally until 4:30 p.m. on Friday, December 27, 2002. The Board does not contemplate appointing an advisory committee to comment on the possible rules.

Rules Drafts. The Board does not anticipate that a draft of the rules amendments will be available before the publication of the proposed rules.

Agency Contact Person. Written or oral comments, questions, requests to receive a draft of the rules when it has been prepared, and requests for more information on these possible rules should be directed to: Patricia Munkel-Olson at the Minnesota Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design, 85 East 7th Place, Suite 160, St. Paul, Minnesota 55101, **phone:** (651) 296-2388, and **fax:** (651) 297-5310. **TTY** users may call the Board at: 1-800-627-3529.

Alternative Format. Upon request, this Request for Comments can be made available in an alternative format, such as large print, Braille, or cassette tape. To make such a request, please contact the agency contact person at the address or telephone number listed above.

NOTE: Comments received in response to this notice will not necessarily be included in the formal rulemaking record submitted to the administrative law judge when a proceeding to adopt rules is started. The agency is required to submit to the judge only those written comments received in response to the rules after they are proposed. If you submitted comments during the development of the rules and you want to ensure that the Administrative Law Judge reviews the comments, you should resubmit the comments after the rules are formally proposed.

Dated: 25 October 2002

William T. Sutherland, PE, Chair
Board of Architecture, Engineering,
Land Surveying, Landscape Architecture,
Geoscience and Interior Design

Minnesota Comprehensive Health Association

Notice of Meeting of the Communications Committee

NOTICE IS HEREBY GIVEN that a meeting of the Minnesota Comprehensive Health Association's (MCHA), Communications Committee will be held at 10:00 a.m., on Thursday, October 31, 2002. The meeting will take place at the MCHA executive office, 5775 Wayzata Blvd., Suite 910, St. Louis Park, MN.

For additional information, please call Lynn Gruber at (612) 593-9609.

Minnesota Comprehensive Health Association

Notice of Public Meetings on Proposed Changes to the Deductible Plan Member Contract

NOTICE IS HEREBY GIVEN that a representative of the Minnesota Comprehensive Health Association's (MCHA) executive staff will hold meetings in Minnesota as indicated below. The purpose of the meetings is to allow MCHA enrollees an opportunity to review and comment on proposed Deductible Plan Member Contract changes. Any contract changes must be approved by the Minnesota Department of Commerce.

Copies of the member contract with proposed changes will be available for members to review and discuss with MCHA staff. No formal presentation is planned. Please call 1-866-489-6951 to schedule a time and location to review the contract materials, if interested.

For additional information, please call Lynn Gruber at (952) 593-9609.

SCHEDULE OF 2002 PUBLIC MEETINGS ON PROPOSED DEDUCTIBLE PLAN MEMBER CONTRACT CHANGES

<u>LOCATION</u>	<u>DATE</u>	<u>TIME</u>
BRAINERD	Friday, November 1, 2002 Ramada Inn Brainerd 2115 S. 6th Street Brainerd, MN (218) 829-1441	10:00 a.m., to 1:00 p.m.
FERGUS FALLS	Friday, November 1, 2002 Bigwood Event Center 925 Western Avenue Fergus Falls, MN (218) 739-2211	4:00 p.m. to 6:00 p.m.
ROCHESTER	Monday, November 4, 2002 Best Western Apache 1517 SW 16th Street Rochester, MN (507) 289-8866	3:00 p.m. to 7:00 p.m.
TWIN CITIES	Wednesday, November 6, 2002 Mall of America "Sam Goode Center" (<i>east side near Underwater World</i>) Blue Cross Blue Shield Marketing Table Bloomington, MN	9:00 a.m. to 1:00 p.m.
	- or -	
	MCHA Executive Office 5775 Wayzata Blvd., Suite 910 St. Louis Park, MN (952) 593-9609	2:00 p.m. to 5:00 p.m.
DULUTH	Holiday Inn Hotel & Suites 200 West First Street Duluth, MN (218) 722-1202	4:00 p.m. to 7:00 p.m.

In case of inclement weather, please call the hotel to be informed of meeting cancellation. If you are unable to attend these meetings for any reason, please log onto the MCHA **website** at: mchaminn@aol.com for data provide at the meeting.

Minnesota Housing Finance Agency

Notice of Hearing on Bond Issues for Qualified Mortgage Bonds

NOTICE IS HEREBY GIVEN that the Minnesota Housing Finance Agency (the "Agency") will hold a public hearing at 9:00 a.m. on Wednesday, November 13, 2002, at the Minnesota Housing Finance Agency, 400 Sibley Street, Suite 300, St. Paul, Minnesota 55101, for the purposes of taking public testimony regarding the issuance of qualified mortgage bonds, comprising one

Official Notices

or more series, in an aggregate principal amount not exceeding \$250,000,000. The bonds will be issued as qualified mortgage bonds subject to the mortgage eligibility requirements of Section 143 of the Internal Revenue Code of 1986, as amended, and, after payment of expenses and funding of reserves, will provide approximately \$240,000,000 of mortgage loans to certain low and moderate income, first-time homebuyers of single family owner-occupied residences located throughout the State of Minnesota, which homebuyers qualify under the Agency's single family mortgage program and applicable federal tax law. The Agency's single family mortgage program is further described in the MHFA Mortgage Program Procedural Manual, a copy of which may be obtained from the Agency. Said bonds may be issued either as refunding bonds to refund certain outstanding bonds of the Agency or as "new money" bonds using a portion of the Agency's state bond volume allocation, and may be issued either as short-term bonds, subject to refunding or remarketing at a subsequent date on a long-term, fixed rate basis, or as long-term, fixed rate bonds on original issuance. The bonds covered by this hearing notice, up to an aggregate principal amount not exceeding \$250,000,000, are anticipated to be issued periodically to fund the Program during the calendar years 2002 and 2003, until fully utilized.

Parties wishing to comment on the financing program may appear in person at the hearing or may submit written comments to the undersigned prior to the hearing, which comments will be considered at the hearing. Parties desiring additional information should contact Ms. Sharon Bjostad of the Agency at **phone:** (651) 282-2577.

Katherine G. Hadley
Commissioner
Minnesota Housing Finance Agency

Department of Human Services

Decrease in Cases Requiring Inpatient Hospital Authorization

MHCP decreased the number of cases requiring Inpatient Hospital Authorization (IHA), previously called Inpatient Certification, effective for claims submitted after July 24, 2002. All previous exclusions listed in the June 24, 2002 and July 8, 2002 *State Registers* remain in effect unless noted. The following changes will take effect November 28, 2002.

Patients received in transfer from another acute care hospital will no longer require IHA except in the following situations:

- The admission is included on the list of *Admissions That Continue to Require IHA* found in the *State Register* publication dated June 24, 2002 or Provider Update # 122 dated July 8, 2002 at: www.dhs.state.mn.us/provider/upd/update122.htm
- An admission that groups to MDC 20 (Alcohol/drug Use and Alcohol/drug Induced Organic Mental Disorders) will require IHA regardless of being in another exclusion group.

DRG DRG Descriptor

434: Alcohol/Drug Abuse or Dependence, Detox or Other Symptoms Treated with CC

435: Alcohol/Drug Abuse or Dependence, Detox or Other Symptoms Treated without CC

521: Alcohol/Drug Abuse or Dependence with CC

522: Non-covered DRG under fee-for-service (*Alcohol/Drug Rehabilitation without CC*)

523: Alcohol/Drug Abuse or Dependence without Rehabilitation Therapy without CC

A list of DRGs excluded from IHA can be found in Chapter 13 of the Minnesota Health Care Programs (MHCP) provider manual at: www.dhs.state.mn.us/provider/manual. The following is a list of additional DRGs that are excluded from requiring IHA. The DRGs listed are grouped by the federal Medicare MDCs (Major Diagnostic Categories). An "S" after the DRG descriptor indicates that a surgical procedure drives the final DRG. An "M" after the DRG descriptor indicates the DRG is not determined by a surgical procedure.

DRG DRG Descriptor (DRG excluded from IHA)

Surgical (S) or Medical (M) DRG

MDC 5: DISEASES AND DISORDERS OF THE CIRCULATORY SYSTEM

514	Cardiac Defibrillator Implant with Cardiac Catheterization	S
515	Cardiac Defibrillator Implant without Cardiac Catheterization	S
516	Percutaneous Cardiovascular Procedures with Acute Myocardial Infarction	S
517	Percutaneous Cardiovascular Procedures without Acute Myocardial Infarction with Coronary Artery Stent Implant	S
518	Percutaneous Cardiovascular Procedures without Acute Myocardial Infarction without Coronary Artery Stent Implant	S

MDC 6: DISEASES AND DISORDERS OF THE DIGESTIVE SYSTEM

166	Appendectomy without Complicated Principal Diagnosis with CC	S
167	Appendectomy without Complicated Principal Diagnosis without CC	S

MDC 8: DISEASES AND DISORDERS OF THE MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUE

519	Cervical Spinal Fusion with CC	S
520	Cervical Spinal Fusion without CC	S

MDC 13: DISEASES & DISORDERS OF THE FEMALE REPRODUCTIVE SYSTEM

356	Female Reproductive System Reconstructive Procedures	S
365	Other Female Reproductive System OR Procedures	S

MDC 15: NEWBORNS AND OTHER NEONATES WITH CONDITIONS ORIGINATING IN THE PERINATAL PERIOD

389	Full Term Neonate with Major Problems	Neonate
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Clarifying information for Intensive Care Unit (ICU) exemption from IHA.

For patients hospitalized in an ICU bed, one of the following revenue codes must be included on the inpatient claim submitted to DHS to be excluded from IHA. The revenue codes are subject to changes made by the NUBC and HIPAA requirements.

ICU Revenue Codes used for determining exemption from IHA

<u>Rev Code</u>	<u>Description</u>
172	Nursery/Premie or Level II
173	Nursery- Level III
174	Nursery- Level IV
175	Nursery / ICU
200	ICU General
201	ICU Surgical
202	ICU Medical
203	ICU Peds
206	* Post /Intermediate ICU (use of Rev Code 206 may vary by hospital)
207	ICU Burn
208	ICU Trauma
209	ICU Other
210	CCU
211	CCU Myocardial Infarction
212	CCU Pulmonary Care
213	CCU Heart Transplant
214	* Post Intermediate CCU (use of Rev Code 206 may vary by hospital)
219	CCU Other
233	Nursing incremental, ICU
234	Nursing incremental, CCU

***Revenue Codes 206 and 214:** hospitals need to determine if these revenue codes are used and in which situations. If one of these codes is on the claim, the admission will be exempt from IHA if no other criteria places the case in an inclusion category, (e.g., admission to long-term hospitals).

Diagnostic Related Groups (DRG) are taken from DRG, Diagnostic Related Groups, Definitions Manual Version 17 and Version 19, published by 3M. Providers may purchase the DRG manual to assist in determining whether an IHA is necessary.

Effective January 1, 2003, DHS will begin using Medicare Grouper Version 19. Admissions prior to January 1, 2003 continue to be processed and paid under the grouper in effect during the time of admission to the hospital.

Official Notices

Metropolitan Council

Public Hearing on Proposed Revision to the Guidelines for Priority Funding for Housing Performance

Metropolitan Council will hold a public hearing on proposed revisions to its *Guidelines for Priority Funding for Housing Performance*.

The public hearing will be held at **3:30 p.m., Monday, December 2, 2002** as part of the Livable Communities Committee meeting in Room 1A at Mears Park Centre, 230 East Fifth Street, St. Paul. All interested persons are encouraged to attend the hearing and offer comments. People may register in advance to speak by calling: (651) 602-1418 or **TTY**: (651) 291-0904. Upon request, the Council will provide reasonable accommodations to persons with disabilities.

The procedure for the hearing will be as follows:

- Persons will be called to speak in the order in which they have signed in. Those preregistered by phone will be called on first.
- Individuals will be asked to limit their remarks to 5 minutes.
- Designated representatives of groups or organizations will be asked to limit their comments to 10 minutes.
- The chair of the hearing may limit the testimony of any person.

You may also submit comments for the official record in one of the following ways:

Mail: Guy Peterson
Metropolitan Council
230 East Fifth Street
St. Paul, MN 55101

Fax: (651) 602-1442

Public Comment Line: (651) 602-1500

Email: data.center@metc.state.mn.us

TTY: (651) 291-0904

Comments must be received by **5:00 p.m., Monday, December 16, 2002**. Call the Council's Data Center at **phone:** (651) 602-1140 or **TTY:** (651) 291-0904 for a copy of the proposed revisions.

Minnesota Technology, Inc.

Amended Bylaws of Minnesota Technology, Inc., for Quorums

NOTICE IS HEREBY GIVEN that Article 4.6 of the Bylaws of Minnesota Technology, Inc., was amended on June 21, 2002 to read:

4.6) Quorum. ~~A majority of the directors in office, which for purposes of this section shall not include *ex officio* members, shall constitute a quorum for the transaction of business at any meeting of the directors. A quorum for the transaction of business at any meeting of the directors shall be equal to the smallest number that is still a majority of the number of sitting, appointed directors. When determining whether such a quorum is present, any *ex officio* directors in attendance shall be included in the count. If a quorum of such directors is present when the meeting is convened, the directors present may continue to transact business until adjournment even though the withdrawal of a number of directors originally present leaves less than the number otherwise required for a quorum.~~

State Contracts

Informal Solicitations: Effective March 1, 2002, informal solicitations for professional/technical (consultant) contracts valued at over \$5,000 through \$50,000, may either be published in the *State Register* or posted on the Department of Administration, Materials Management Division's (MMD) website. Interested vendors are encouraged to monitor the P/T Contract section of the MMD website at www.mmd.admin.state.mn.us for informal solicitation announcements.

Formal Solicitations: Department of Administration procedures require that formal solicitations (announcements for contracts with an estimated value over \$50,000) for professional/technical contracts must be published in the *State Register*. Certain quasi-state agency and Minnesota State College and University institutions are exempt from these requirements.

Department of Administration

State Designer Selection Board

Request for Proposals for Designer Selection for Minnesota State Colleges and Universities - Student Services Addition & Remodeling to Inver Hills Community College - Inver Grove Heights, Minnesota (Project 02-20)

To Minnesota Registered Design Professionals:

The State of Minnesota (State) through its State Designer Selection Board has been requested to select a design team for the above project. Proposals from interested firms must be received by, 11:00 a.m. Tuesday, November 12, 2002 to:

Terry Lewko, Executive Secretary
State Designer Selection Board
Department of Administration
c/o Materials Management Division
50 Sherburne Avenue, Room 112
St. Paul, Minnesota 55155
Phone: (651) 297-1545

PROPOSALS RECEIVED AFTER THE SUBMISSION DEADLINE WILL NOT BE CONSIDERED.

Questions concerning procedures, or schedule are to be referred to the Executive Secretary at (651) 297-1545. Questions relating to the project are to be referred to the project contact(s) in Item 1.j.

1. PROJECT 02-20

- a. **PROJECT DESCRIPTION:** Office of the Chancellor intends to retain architectural and engineering consulting services for the design of a new Student Services addition and remodeling of existing spaces at Inver Hills Community College.

Project Scope

The new addition will be two stories totaling approximately 12,000 gross square feet connected to an existing building. This building will consist of office space for Enrollment Services, Career Center and Counseling, Business Services and Administration, customized training/continuing education, support spaces for the copy center and mail room, new shipping and receiving dock, and a new campus entry.

The remodeled space is approximately 19,000 gross square feet located on two floors. This first floor area will be remodeled for bookstore, conference room, computer training, and support spaces. The second floor will include counseling, financial aid, business office, student activities, foundation offices, health services, computer training and adult student program offices.

- b. **REQUIRED CONSULTANT SERVICES: The selected design team shall:**

1. Provide a comprehensive scope of services including Schematic Design (SD), Design Development (DD), Construction Documents (CD), Bidding and Construction Administration. Inver Hills Community College will fund the Schematic Design (SD) phase; the rest of the work will follow when additional project funding is approved by the 2004 Legislature.
2. Prepare all design documents using computer aided design and drafting technology in an electronic data exchange file format acceptable to Minnesota State Colleges and Universities. All drawings and specifications must conform to Minnesota State Colleges and Universities design standards and adhere to all applicable building, life safety, and energy codes and meet all ADA regulations and program requirements.

State Contracts

3. Demonstrate experience in the design and construction of institutional collegiate student service spaces, college classrooms, including state-of-the-art telecommunications systems, computer lab facilities, and similar spaces that are part of the program requirements.
4. Integrate the remodeled spaces of the Project with the existing facility.
5. Complete all designs, drawings and specifications in accordance with, as a minimum:
 - a. Current Minnesota State Colleges and Universities Design Standards
 - b. All applicable building, life safety and energy codes
 - c. ADA regulations and
 - d. Program requirements
6. Design building spaces for:
 - a. Energy efficiency
 - b. Efficient space utilization
 - c. Flexibility
 - d. High indoor air quality
 - e. Complete fire suppression systems, and
 - f. A contemporary telecommunications environment.
7. Provide all architectural services, including interiors and furniture, fixtures and equipment design, cost estimating, and project scheduling, and all engineering services including civil, structural, mechanical, fire protection, electrical, telecommunications systems design; audio/visual design, and all construction administration services, all in accordance with Minnesota State Colleges and Universities standard A/E contract form.

The Office of the Chancellor may retain other specialty consultants to assist in the Project work.

NOTE: A roof design consultant designated by Minnesota State Colleges and Universities will be assigned to and become an integral part of the consultant's design team. The consultant's fee shall include the fee and reimbursables of the roof design consultant.

- c. **SERVICES PROVIDED BY OTHERS:** The Owner will contract for or arrange to provide:
 1. Site property survey
 2. Geotechnical investigations and recommendations
 3. Asbestos survey, design and abatement to the existing building if required.
- d. **SPECIAL CONSIDERATIONS:** Design Team Requirement: The design team shall have applicable prior experience in the design and construction of similar projects, in a college setting. The firm shall provide examples of current and recent higher education academic and computer lab design experience. The design team shall demonstrate their use of life cycle costing during the design process. Life cycle items include, but are not limited to energy efficiency, sustainability, and the maintainability of design, materials, and equipment.

A history of constructability, meeting schedule deadlines, accurate cost estimating and designing within a project budget are critical criteria for selection of a designer. Quality control and complete, accurate and fully coordinated contract documents are an important element of the selected design team's services. A change order history of recent past projects and how the team proposes to address this issue should be provided as part of their submittal.

The design team shall provide examples of recently completed projects, including innovative solutions, for review by the selection committee. The design team shall provide a list of clients and involved contractors for similar projects worked on within the last five years including the names, addresses and phone numbers of contact persons.

The design team shall also:

1. Demonstrate prior experience with remodeling projects
2. Include verification of existing conditions and systems in their scope of services.
3. Evaluate existing adjacent buildings structural, mechanical and electrical systems to determine capabilities and capacities to support the proposed new uses of building spaces.
4. Assist in the preparation of project information to support the appropriation submittal to the Minnesota State Colleges and Universities Board of Trustees and the 2004 Minnesota Legislature for construction funding.

- e. **PROJECT BUDGET/FEES:** The estimated total project cost is \$6,531,000.00. This cost includes all professional fees and reimbursable fees, site investigations and surveys, hazardous materials design and abatement, building and site construction, project management, construction inspection and testing, furniture, fixtures, equipment, contingencies, art and inflation factors. The anticipated design fee for this project is 8.5% of the budgeted construction cost plus reimbursable expenses. Final total fees will be negotiated with the selected design team.

The funds to complete the Design Development, Construction Documents, Bidding and Construction are anticipated from the 2004 Legislative session.

- f. **PROJECT SCHEDULE:** The following preliminary schedule is suggested

Schematic Design Phase:	Begin January 2003, complete in May 2003.
Design Development Phase:	Begin July 2004, complete no later than October 2004.
Construction Documentation Phase:	Begin November 2004, complete no later than May 2005.
Construction Phase:	Receive bids in July 2005, complete all construction by August 2006.

- g. **PROJECT PRE-DESIGN INFORMATION:** A Pre-design Report dated October 1, 2002, was prepared by Hokanson/Lunning/Wende Associates, Inc.. A copy of this document is available for review at the Department of Administration in the Division of State Building Construction office. For review, contact Terry Lewko at (651) 297-1545.

Copies of the Pre-design Report document (on CD-R format) will be made available only to firms that are short-listed.

- h. **PROJECT INFORMATIONAL MEETING (S)/SITE VISIT (S):** An informational meeting is tentatively scheduled for **Thursday, October 31, 2002, at 1:00 p.m. in Conference Room A, College Center Building** at Inver Hills Community College, 2500 - 80th Street East, Inver Grove Heights, MN. All firms interested in this meeting should contact Pat Buhl at: (651) 450-8536 or **email** at: *Pbuhl@Inverhills.mnscu.edu* to sign up for the meeting.

- i. **STATE DESIGNER SELECTION BOARD SCHEDULE:**

Project Information Meeting and/or Site Visit:	Thursday, October 31, 2002, 1:00 p.m.
Project Proposals Due:	Tuesday, November 12, 2002, by 11:00 a.m.
Project Shortlist:	Tuesday, November 26, 2002
Project Information Meeting for Shortlisted firms:	None
Project Interviews and Award:	Tuesday, December 10, 2002

- j. **PROJECT CONTACT (S)**

Question concerning the project should be referred to:

Pat Buhl: Inver Hills Community College; **phone:** (651) 450-8536; **fax:** (651) 450-8677; **email:** *Pbuhl@Inverhills.mnscu.edu.*, mail address Inver Hills Community College, 2500 80th Street East, Inver Grove Heights, MN 55076 or,

Jim Morgan: Office of the Chancellor; **phone:** (651) 649-5934; **fax:** (651) 649-5779; **email:** *james.morgan@so.mnscu.edu*; mail address ETC Building Suite 300, 1450 Energy Park Drive, St. Paul, MN 55108-5227

- k. **SAMPLE CONTRACT (if DSBC project) NOT REQUIRED FOR THIS PROJECT**

The successful responder will be required to execute the State's Basic Services Agreement which contains the State's standard contract terms and conditions, include insurance requirements and compliance with Designer Procedures Manual, Design Guidelines and Computer Aided Drafting (CAD) Guidelines. A copy is available on Web Site <http://www.dsbc.admin.st.mn.us>.

NOTE TO RESPONDERS: Changes May Have Been Made in the Following as of 11 June 2002.

2. PROPOSAL REQUIREMENTS

- 12 copies
- 8-1/2 X 11, soft bound, portrait format
- Maximum 20 faces (excluding front and back covers, blank dividers, affidavit of non-collusion, and affirmative action data page)
- All pages numbered

State Contracts

3. PROPOSAL CONTENTS

a. COVER

- Project name and number
- Prime firm name, address, telephone number, fax number
- Contact person, telephone number, fax number, and email address

b. COVER LETTER

Single face letter with original signature (on at least one copy) of principal of prime firm, including:

- Brief overview of proposal
- Statement that proposal contents are accurate to the best knowledge of signatory

c. INFORMATION ON FIRM (S)

For prime firm and each consultant firm provide brief description including:

- Name and location
- Year established
- Legal status
- Ownership
- Staffing by discipline
- For firms with multiple offices briefly summarize for each office

d. PROJECT TEAM

- Brief statement of team's past or present working relationships

For each team member provide:

- Name and position in firm, include name of firm
- Home base (if in multi-office firm)
- Responsibility on this project
- Years of experience
- Relevant recent experience (if in another firm, so note)
- Registration (including specialty if engineer)

e. TEAM ORGANIZATION

If planning or design consultants are a part of the team explain how they will be utilized (e.g. major role during design, absent during construction, etc). Matrix or chart *may* be used.

f. PROJECT EXPERIENCE

For architectural, planning, and/or landscape architecture firms, provide examples of relevant projects recently completed or in progress including:

- Photographs, sketches and/or plans
- Name and location
- Brief description (e.g. size, cost, relevance)
- Firm of record
- Involvement of proposed project team members (*may* be separate matrix; if in another firm so note)
- Completion date or current status

For engineering or technical firms provide examples of relevant projects recently completed or in progress including the above except that photographs, sketches and/or plans are to be for only that portion of the work for which firm was responsible.

g. APPROACH/METHODOLOGY

Describe your understanding of the project, significant issues to be addressed and your *specific* approach to the planning, design and construction process for *this* project.

h. UNIQUE QUALIFICATIONS

Briefly summarize your team’s unique qualifications for this project.

i. OTHER REQUIREMENTS

- A statement of commitment to enter into the work promptly, if selected, by engaging the consultants and assigning the persons named in the proposal along with adequate staff to meet requirements of the work.
- A statement indicating that consultants listed have been contacted and have agreed to be a part of the team.
- A complete Affidavit of Non-collusion. (Not counted as part of the 20 faces)
- If appropriate, provide a list of all entities that create a conflict of interest (see 5.b.)
- A completed Affirmative Action Data Page regarding compliance with Minnesota Human Rights Requirements. A copy of the form is available on **website:** <http://www.dsb.admin.state.mn.us>, click on forms. (Not counted as part of the 20 faces)
- A list of all State and Minnesota State Colleges and Universities current and past projects and studies awarded to the prime firm(s) responding to this request for proposal during the four years immediately preceding the date of this request for proposal.

Projects and studies shall mean those projects and studies (1) funded by the state legislature, by state/user agencies or Minnesota State Colleges and Universities operating funds, or by funding raised from the private sector or individuals by state/user agencies or the Minnesota State Colleges and Universities; (2) awarded as a result of the State Designer Selection Board process or awarded directly by state/user agencies or the Minnesota State Colleges and Universities without employing the State Designer Selection Board process; or (3) related to design-bid-build or design/build project delivery systems.

The prime firm(s) shall list and total all gross fees associated with the above projects and studies, whether the fees have been received or are anticipated. In addition, the prime firm(s) shall indicate the amount of fees listed which were paid, or are anticipated to be paid, to engineering or other specialty consultants employed, or anticipated to be employed, on the projects and studies listed pursuant to the above. The prime firm(s) shall subtract consultant fees from gross fees to determine total net fees using the format below.

PROJECT	(A) GROSS FEES	(B) SUBDESIGNERS PORTION	(C) NET TOTAL PROJECT FEE
TOTAL			

(The total shown in column (A) shall equal the sum of those shown in columns (B) and (C).)

4. SELECTION CRITERIA

Criteria for selection shall be as stated in the project description. Technical and aesthetic experience and capabilities are paramount. In addition, the Board seeks equitable distribution of fees among qualified firms and gives consideration to geographical location of firms with respect to project site.

5. CONTRACT REQUIREMENTS

a. AFFIDAVIT OF NONCOLLUSION

Each responder must attach a completed Affidavit of Noncollusion. A copy of the form is available on **website:** <http://www.dsb.admin.state.mn.us>, click on forms.

b. CONFLICTS OF INTEREST

Responder must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this request for proposals. The list should indicate the name of the entity, the relationship, and a discussion of the conflict.

c. DISPOSITION OF RESPONSES

All materials submitted in response to this RFP will become property of the State and will become public record in accordance with *Minnesota Statutes* 13.591 after the evaluation process is completed. If the responder submits information in response to this RFP that it believes to be trade secret materials, as defined by the Minnesota Government Data Practices Act, *Minnesota Statutes* § 13.37, the responder must:

- clearly mark all trade secret materials in its response at the time the response is submitted,
- include a statement with its response justifying the trade secret designation for each item, and
- defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless the State, its agents and employees, from any judgments or damages awarded against the State in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the State's award of a contract. In submitting a response to this RFP, the responder agrees that this indemnification survives as long as the trade secret materials are in possession of the State.

The State will not consider the prices submitted by the responder to be proprietary or trade secret materials.

Responses to this RFP will not be open for public review until the State decides to pursue a contract and that contract is awarded.

d. CONTINGENCY FEES PROHIBITED

Pursuant to *Minnesota Statutes* Section 10A.06, no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action.

e. ORGANIZATIONAL CONFLICTS OF INTEREST

The responder warrants that, to the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances that could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons, the responder is unable or potentially unable to render impartial assistance or advice to the State, or the responder's objectivity in performing the contract work is or might be otherwise impaired, or the responder has an unfair competitive advantage. The responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing must be made to the Assistant Director of the Department of Administration's Materials Management Division, 112 Administration Building, 50 Sherburne Avenue, St. Paul, MN 55155, which must include a description of the action which the contractor has taken or proposes to take to avoid or mitigate such conflicts. If an organization conflict of interest is determined to exist, the State may, at its discretion, cancel the contract. In the event the responder was aware of an organizational conflict of interest prior to the award of the contract and did not disclose the conflict to the contracting officer, the State may terminate the contract for default. The provisions of this clause must be included in all subcontracts for work to be performed similar to the service provided by the prime contractor (consultant), and the terms "contract," "contractor (consultant)," and "contracting officer" modified appropriately to preserve the State's rights.

f. STATE EMPLOYEES

In compliance with *Minnesota Statutes* § 16C.07, the availability of this work is being offered to State employees. The State will evaluate the responses of any State employee, along with other responses to this Request for Proposals.

g. PREFERENCE TO TARGETED GROUP AND ECONOMICALLY DISADVANTAGED BUSINESS AND INDIVIDUALS

In accordance with *Minnesota Rules* 1230.1810, subpart B and *Minnesota Rules* 1230.1830, certified Targeted Group Businesses or individuals and certified Economically Disadvantaged Businesses or individuals submitting proposals as prime contractors (consultants) will receive up to six percent preference in the evaluation of their proposals. For information regarding certification, contact the Department of Administration, Materials Management Helpline at **phone:** (651) 296-2600, **TTY:** (651) 282-5799.

h. HUMAN RIGHTS REQUIREMENTS

For all contracts estimated to be in excess of \$100,000, responders are required to complete the attached Affirmative Action Data page and return it with the response. As required by *Minnesota Rules* 5000.3600, "It is hereby agreed between the parties that *Minnesota Statutes* § 363.073 and *Minnesota Rules* 5000.3400 - 5000.3600 are incorporated into any contract between these parties based upon this specification or any modification of it". A copy of *Minnesota Statutes* § 363.073 and *Minnesota Rules* 5000.3400 - 5000.3600 are available on **website:** <http://www.dsbcd.admin.state.mn.us>

- i. Any changes in team members for the project requires approval by the State.
- j. All costs incurred in responding to this RFP will be borne by the responder. This RFP does not obligate the State to award a contract or complete the project, and the State reserves the right to cancel the solicitation if it is considered to be in its best interest.

Colleges and Universities, Minnesota State (MnSCU)

Dakota County Technical College

Request for Proposals for Electrical Maintenance Services

NOTICE IS HEREBY GIVEN that Dakota County Technical College is seeking proposals for electrical maintenance services on our campus. Deadline for receipt of proposals is **2:00 p.m., on Monday, November 11, 2002. Late bids will not be considered.** Copies of the complete Request for Proposals are available from:

Paul Demuth
Dakota County Technical College
1300 145th St. East
Rosemount, MN 55068
Phone: (651) 423-8370
Fax: (651) 423-8781
Email: Paul.Demuth@dctc.mnscu.edu

This request for proposals does not obligate the State to complete the proposed contract, and the State reserves the right to cancel the solicitation if it is considered to be in its best interest.

Minnesota Historical Society

Request for Proposals for Professional Architectural and Engineering Services for Master Planning of Historic Fort Snelling Minneapolis, Minnesota, October 28, 2002

The Minnesota Historical Society seeks proposals to develop an architectural and engineering master plan for the 25-acre Historic Fort Snelling Historic Site located at the junction of the Mississippi and Minnesota Rivers. The plan will be used with an interpretive plan being developed by the Society to create an enhanced and expanded recreational destination for the Twin Cities. The master plan will include building and site assessment, evaluation of adaptive reuse alternatives, cost estimates, and transportation infrastructure analysis.

The original walled historic fort was built in 1820 to protect the interests of the American fur trade. By 1946, when the fort was decommissioned, most of the original buildings had been demolished or were in very poor condition. In 1960 the Historic Fort Snelling site was declared Minnesota's first National Historic Landmark. Over the next years the historic fort was reconstructed to its original 1820s appearance and opened to visitors in 1970.

A mandatory pre-proposal meeting will be held at 1:00 p.m., Friday, November 8, 2002 at Historic Fort Snelling in the History Center. The Request for Proposals is available by **phone:** (651) 297-7007, **email** Mary Green-Toussaint at: *mary.green-toussaint@mnhs.org* or writing:

Mary Green-Toussaint, Contracting and Procurement Assistant, Minnesota Historical Society, 345 Kellogg Boulevard West, Saint Paul, Minnesota 55102. The deadline for receipt of proposals is **Wednesday, November 27, 2002 at 2:00 p.m. Late proposals will not be accepted.**

Minnesota Housing Finance Agency

Request for Proposal for Financial Advisory Services

The Minnesota Housing Finance Agency (MHFA) has available a Request for Proposal (RFP) for Financial Advisory Services. The services to be provided by an independent financial advisory firm include, but are not limited to the following: assist MHFA staff in determining the most advantageous way to raise capital, assist MHFA staff in the development and analysis of proposed bond financing structures, advise the Agency's Board as to the reasonableness of the underwriter's bid, provide a written evaluation of the underwriting team's performance, assist in financial planning and prepare complicated cash flow projections as requested. Copies of the RFP can be obtained by contacting Patricia Hippe, Deputy Commissioner, at **phone:** (651) 297-3125.

Proposals are to be submitted to Minnesota Housing Finance Agency, Attention Patricia Hippe, Deputy Commissioner, 400 Sibley Street, Suite 300, St. Paul, Minnesota 55101-1998 no later than **12:00 noon, CST, Monday, November 18, 2002.**

Department of Human Services

Request for Proposals to Develop and Host Web-based Training on Minnesota Data Practices

Notice of Availability of Request for Proposal to develop and host web-based training on Minnesota Data Practices in light of Federal HIPAA (Health Insurance Portability and Accountability Act) regulations.

SCOPE OF PROJECT

The Department of Human Services (DHS) is seeking professional and technical services to develop and host a web-based training product on Minnesota Data Practices and HIPAA (Health Insurance Portability and Accountability Act). This course will be a customized short course through web-based media to keep state and county staff current on data privacy laws and regulations and to meet HIPAA training requirements. Such training would be available to all state human services workers (who handle individually identifiable health data), to any Minnesota county human service workers (who also work with this kind of protected data), and possibly to private sector providers (who are contracted partners in providing social services).

Respondents can provide proposals for course development or hosting solutions or both areas. However, respondents that collaborate to offer full solutions will be given preference.

A complete copy of the RFP may be obtained by contacting Maureen Fuller at the address or telephone below.

Maureen Fuller
Department of Human Services
444 Lafayette Road North
St. Paul, MN 55155-3847
Phone: (651) 296-1691
Email: *maureen.fuller@state.mn.us*

The preferred method of distribution for the RFP will be electronically through e-mail. Questions regarding this RFP must be sent in writing only to

David T. Anderson
Senior Project Manager
444 Lafayette Road North
St. Paul, MN 55155-3847
Email: *david.t.anderson@state.mn.us*
Fax: (651) 297-4698

All proposals must be received no later than **2:00 p.m., (Central StandardTime) on 19 November 2002** in the manner specified in the RFP document.

Office of the Revisor of Statutes

Notice of Request for Computer Development Services

Notice is hereby given that the Office of the Revisor of Statutes intends to enter into contracts for the development of an XML-based computer system. The new system will replace a custom text-editing system and will require development of an application that integrates a commercially available XML editor, relational database, and composition engine. The operating environment will include both Unix and Windows servers. The Revisor's Office is seeking technical consulting services for the development period of January 1, 2003 to June 30, 2005. Assistance is sought in the following four areas:

Database consultant

This consultant will assist in the design, management and development of an Oracle-based system to replace the current legislative bill status system. Minimum qualifications include:

- 5 years experience working with the Oracle products in a high availability environment
- 5 years experience in designing and building relational databases for production environments
- experience in designing and configuring an Oracle 9i Real Application Cluster environment
- experience leading a development team

Senior developer

This consultant will assist in the design, management and development of XML-and Java-based programming to replace the current legislative bill drafting system. Minimum qualifications include:

- experience leading a development team
- 8 years experience in system design of production systems
- 5 years experience in object-oriented software development for production systems
- 3 years experience developing in Java
- extensive experience designing and developing in a distributed computing environment
- experience in designing and developing with Web services
- experience using an integrated development environment (IDE)
- experience using a software revision control system
- experience configuring and using automated compilation and testing tools

Developer

This consultant will primarily perform XML-and Java-based programming to replace the current legislative bill drafting system, or develop an Oracle-based system to replace the current legislative bill status system. The consultant may also be required to perform various software system development tasks. Minimum qualifications include:

- 3 - 5 years in object-oriented software development of production systems
- 2 years experience developing in Java in one or more of the following:
 - Java programming of XML applications
 - Java programming using vendor independent RDBMS APIs
 - Java programming of applications that interface with Oracle databases
- experience developing applications for a distributed computing environment
- experience using an integrated development environment (IDE)
- experience using a software revision control system
- experience configuring and using automated compilation and testing tools

State Contracts

Windows server consultant

This consultant will assist in the configuration and installation of Windows server products as necessary to support XML-based systems. Minimum qualifications include:

- MCSE certification
- 3 years experience in systems design using Windows server products, including Windows 2000, Citrix MetaFrame Xpa (load balancing) and Active Directory in a thin client environment
- 5 years experience in installation and configuration of Windows server products, an understanding of application compatibility, successful benchmarking in testing applications and server performance
- experience with security and authentication in a multi-platform system

All responses must include a cover letter and resume, together with hourly rates and references. Please indicate which area(s) is of interest.

Responses must be received no later than **4:30 p.m. on Tuesday, November 12, 2002**. The Revisor's office reserves the right to award all, a part, or none of the above-described contracts. Inquiries and responses may be directed to:

Michele Timmons
Revisor of Statutes
Office of the Revisor of Statutes
700 State Office Building
100 Dr. Martin Luther King Blvd.
St. Paul, MN 55155-1297
Phone: (651) 296-2868
TTY: use State Relay Services 1-800-627-3529

Department of Transportation

Office of Research Services

Notice of Availability of a Contract to Develop and Conduct Research and Implementation Activities

The Department of Transportation (Mn/DOT) is requesting proposals to enter into a contract to obtain services for the purpose of developing and conducting research implementation activities that bring research findings and current technologies to local county and city governments in a way that facilitates application at the local level. The dissemination of this information will be accomplished using various communication media, including, but not limited to, Research Implementation Series (series of documents that provide a quick reference for a technique/methodology to manage a specific task), videos, interactive computer programs, seminars/workshops, and printed material (reports, field manuals, training guides). These activities assist local government managers and engineers in applying research findings to meet their needs.

Call or write for the full RFP which will be sent free of charge to interested vendors:

Clark Moe, Rm. 175
Office of Research Services
Department of Transportation
395 John Ireland Boulevard, MS 330
St. Paul, MN 55155
Phone: (651) 282-2473
Fax: (651) 297-2354

All proposals must be sent to and received by reception staff at the above address not later than **3:00 p.m., CST, November 22, 2002**.

This Request for Proposal does not obligate the State to complete the proposed project, and the State reserves the right to cancel the solicitation if it is considered to be in its best interest.

Department of Transportation Program Support Group

Notice Concerning Professional/Technical Contract Opportunities

NOTICE TO ALL: The Minnesota Department of Transportation (Mn/DOT) is now placing additional public notices for professional/technical contract opportunities on Mn/DOT's Consultant Services **website** at: www.dot.state.mn.us/consult

New public notices may be added to the website on a daily basis and be available for the time period as indicated within the public notice.

Non-State Contracts & Grants

The *State Register* also serves as a central marketplace for contracts let out on bid by the public sector. The *State Register* meets state and federal guidelines for statewide circulation of public notices. Any tax-supported institution or government jurisdiction may advertise contracts and requests for proposals from the private sector. It is recommended that contracts and RFPs include the following: 1) name of contact person; 2) institution name, address, and telephone number; 3) brief description of project and tasks; 4) cost estimate; and 5) final submission date of completed contract proposal. Allow at least three weeks from publication date (four weeks from date article is submitted for publication). Surveys show that subscribers are interested in hearing about contracts for estimates as low as \$1,000. Contact the editor for further details.

Elm Creek Watershed Management Commission

Request for Interest Proposals for Professional Services

Pursuant to *Minnesota Statutes Annotated* 103B.227, Subd. 5, the Elm Creek Watershed Management Commission hereby solicits LETTERS OF INTEREST for legal and administrative services for the fiscal years 2003-2004. The budget for these services for the organization for the year 2003 is \$67,000.

Letters should include a brief description of the company and the experience of the individual(s) proposing to perform services for the Commission. The Commission will review said letters and reserves to itself the right to take such action as it deems in its best interests. All Letters of Interest shall be submitted on or before **November 8, 2002**, to:

Jim Merickel, Chairman
Elm Creek Watershed Management Commission
3235 Fernbrook Lane
Plymouth, MN 55447
(NO CALLS)

Metropolitan Council

Notice of Request for Proposals (RFP) for Engineering Services Dayton-Champlin Interceptor and Elm Creek Interceptor Extensions (Corcoran, Dayton - Hassan)

Project Number 80100 – Metropolitan Council Contract Number 01P124

The Metropolitan Council is requesting engineering service proposals for the Dayton - Champlin Interceptor and Elm Creek Interceptor Extensions to Southeast Corcoran, and Southwest Dayton, Southeast Hassan, and Northeast Corcoran. The project includes potential routes located in the cities of Maple Grove, Corcoran, Champlin, Dayton, and Hassan. Only the Dayton –

Non-State Contracts & Grants

Champlin Interceptor will require preparation of a Facility Plan. All the projects will require services for draft Environmental Assessment Worksheets, aerial mapping, geotechnical investigations, plans, specifications, easement acquisition, and construction engineering. The preliminary project schedules are shown below:

Dayton/Champlin Interceptor

<i>Issue Requests for Proposals</i>	October 28, 2002
<i>Receive Proposals</i>	November 26, 2002
<i>Metropolitan Council Authorization</i>	December 18, 2002
<i>Notice to Proceed</i>	January 10, 2003
<i>Complete Facility Planning</i>	October 1, 2003
<i>Complete Design</i>	October 1, 2004
<i>Complete Construction</i>	July 1, 2006

Elm Creek Interceptor Extensions (So. Corcoran, SW Dayton/Hassan)

<i>Issue Request for Proposals</i>	October 28, 2002
<i>Receive Proposals</i>	November 26, 2002
<i>Metropolitan Council Authorization</i>	December 18, 2002
<i>Notice to Proceed</i>	January 10, 2003
<i>Complete Design</i>	November 1, 2003
<i>Complete Construction</i>	July 1, 2005

All firms interested in being considered for this project and desiring to receive a RFP package are invited to contact:

Amanda Houston, Administrative Assistant, Contracts and Procurement Unit
Metropolitan Council Environmental Services
Mears Park Centre, 230 East Fifth Street
St. Paul, MN 55101
Phone: (651) 602-1585
Fax: (651) 602-1138
Email: amanda.houston@metc.state.mn.us

Inquiries regarding technical aspects of the project should be directed to Wayne Rikala, P.E. at **phone:** (651) 602-1127.

Minnesota Statutes, Sections 473.144 and 363.073, and *Minnesota Rules*, Parts 5000.3400 to 5000.3600 will be incorporated into any contract based upon the Proposal or any modifications to it. If a contract for the project is awarded in excess of \$100,000, the requirements of *Minnesota Rules* 5000.3530 will be applicable.

Pioneer-Sarah Creek Watershed Management Commission

Request for Interest Proposals for Professional Services

Pursuant to *Minnesota Statutes Annotated* 103B.227, Subd. 5, the Pioneer-Sarah Creek Watershed Management Commission hereby solicits PROPOSALS for legal and technical consultant services for the fiscal years 2003-2004. The annual budget for these services for the organization for the year 2003 is \$32,000.

Letters should include a brief description of the company and the experience of the individual(s) proposing to perform services for the Commission. The Commission will review said letter and reserves to itself the right to take such action as it deems in its best interests. All Letters of Interest shall be submitted on or before November 8, 2002, to:

Lisa Whalen, Chair
Pioneer-Sarah Creek Watershed Management Commission
3235 Fernbrook Lane
Plymouth, MN 55447
(NO CALLS)

University of Minnesota

Notice of Bid Information Service (BIS) Available for All Potential Vendors

The University of Minnesota offers 24 hour/day, 7 day/week access to all Request for Bids/Proposals through its web based Bid Information Services (BIS). Subscriptions to BIS are \$75/year. Visit our web site at bidinfo.umn.edu or call the BIS Coordinator at (612) 625-5534.

Requests for Bids/Proposals are available to the public at no charge each business day from 8:00 a.m. to 4:30 p.m. in Purchasing Services lobby, Suite 560, 1300 S. 2nd Street, Mpls., MN 55454.

University of Minnesota

Request for Proposal for the Design of an Outpatient Imaging Center

I. NOTICE OF REQUEST FOR PROPOSAL

The University of Minnesota is interested in Architectural and Engineering Services proposals for the design of an outpatient imaging center to be located within the first floor of Phillips-Wangensteen Building, located at 515 Delaware St. S.E. Minneapolis MN. The intent of this Request for Proposal (RFP) is to receive, review, clarify, and evaluate the above referenced service proposals. Our final objective is to select a firm to do the design of this project.

Email or call your request for the full RFP, which will be sent free of charge to interested vendors.

II. CONTACT FOR RFP INQUIRIES:

Refer questions to:

PURCHASING SERVICES:

Chip Foster
Facilities Management
400 Donhowe Building
319 15th Ave. SE
Minneapolis, MN 55455-1082
Phone: (612) 626-8757
Email: fosterc@facm.umn.edu
Fax: (612) 624-5796

III. TENTATIVE SCHEDULE OF EVENTS

Be advised that these dates are subject to change, as University officials deem necessary.

<i>Ad for Request for Proposals</i>	October 28, 2002, Monday
<i>RFP Document Issued</i>	October 29, 2002, Tuesday
<i>Mandatory Pre-Proposal Meeting/site visit at 9:00 a.m. (Meet at room 2-365 in Phillips-Wangensteen Building)</i>	November 5, 2002, Tuesday
<i>All Questions/Inquiries deadline 12:00 p.m.</i>	November 8, 2002, Friday
<i>RFP Response Due at 2:00 p.m.</i>	November 18, 2002, Monday
<i>Evaluation of Responses</i>	November 18 - 22, 2002, Monday
<i>Design Services Award</i>	November 22, 2002, Friday
<i>Design Complete</i>	February 2003
<i>Substantial Completion of Construction</i>	July 2003

The University reserves the right, in its sole discretion, to reject any and all proposals, accept any proposal, waive informalities in proposals submitted, and waive minor discrepancies between a proposal and these proposal instructions, as it deems to be in its best interest. Any waiver of the University with respect to the requirements of these proposal instructions shall apply only to the particular instance for which it was made or given, and no such waiver shall constitute a permanent or future waiver of such requirements.

Non-State Contracts & Grants

West Mississippi Watershed Management Commission

Request for Interest Proposals – Professional Services

Pursuant to *Minnesota Statutes Annotated* 103B.227, Subd. 5, the West Mississippi Watershed Management Commission hereby solicits LETTERS OF INTEREST for legal, administrative, and engineering and technical consultant services for the fiscal years 2003-2004. The annual budget for these services for the organization for the year 2003 is \$85,500.

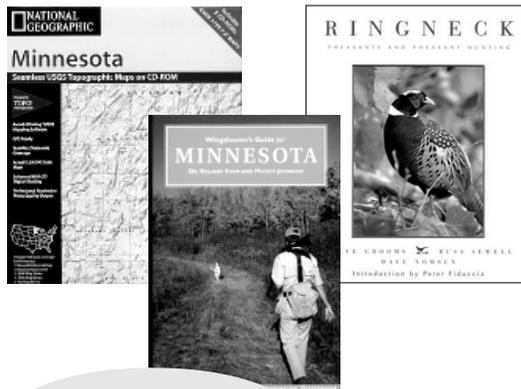
Letters should include a brief description of the company and the experience of the individual(s) proposing to perform services for the Commission. The Commission will review said letters and reserves to itself the right to take such action as it deems in its best interests. All Letters of Interest shall be submitted on or before November 8, 2002, to:

Gerald Butcher, Chairman
West Mississippi Watershed Management Commission
3235 Fernbrook Lane
Plymouth, MN 55447
(NO CALLS)

Available at Minnesota Bookstore

Order form on back page

...for the hunter



Prices shown do NOT include shipping or applicable sales tax.

Wingshooter's Guide to Minnesota

A great one-step guide for upland bird and waterfowl hunters. Packed with maps and charts, the book offers hunting tips, notes how to locate hunting areas statewide, provides species information, hunting tips and even includes lodging, restaurants, campgrounds, etc. near each hunting site. Includes hunting methods, gun, shot, and choke suggestions, habits & habitat of species, seasonal patterns, taxidermists, vets, and more. Softcover, 346pp.

Stock No. 9-84 \$26.95

Ringneck: *Pheasants and Pheasant Hunting*

A full-color tribute to the pheasant and its place in the sporting life of millions of upland bird hunters. Its stunning photographs, from many of the finest outdoor photographers in the country, are supported with quotations from eminent writers. A special essay by Steve Grooms takes a witty and eloquent look at the ringneck's supreme talent for outsmarting dog and hunter alike. Hardcover, 120pp.

Stock No. 9-7 \$40.00

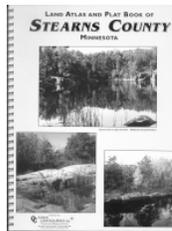
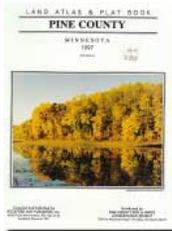
Minnesota USGS Topographical Maps—CD-ROM

An outdoor enthusiast's and hunter's dream! From National Geographic, this CD-ROM features the entire state. Powered by TOPO! mapping software, these color maps are GPS ready, enhanced with 3D digital shading and offer professional resolution photo quality output. You can draw a freehand route and TOPO! displays its distance, generates an elevation profile, and prepares it for uploading to a GPS. Includes downloadable free datasets and updates.

Stock No. 20-43 \$99.95

Available at Minnesota Bookstore
Order form on back page

PLAT Map Books



Minnesota's Bookstore offers the **most comprehensive selection of Minnesota plat map books currently available.**

From Rockford Publishing, Cloud Cartographics, and Farm/Home Publishers, these county plat map books are great for the hunter/adventurer or the prospective land owner seeking property sites. Features vary between publishers, but generally include: key county government offices, city maps and an index to owners directory.

Prices shown do NOT include shipping or applicable sales tax.

County	Stock No.	Price	County	Stock No.	Price
Aitkin (1999)	12-66	\$35.00	McLeod (2001)	12-64	\$28.00
Becker (2001)	12-79	\$30.00	Meeker (2001)	12-29	\$30.00
Beltrami (1997)	12-67	\$30.00	Mille Lacs (2001)	12-30	\$30.00
Benton (2002)	12-4	\$28.00	Morrison (1999)	12-31	\$30.00
Big Stone (2002)	12-5	\$28.00	Mower (2002)	12-65	\$28.00
Blue Earth (1996) *	12-20	\$25.00	Murray (2002)	12-69	\$28.00
Brown (2002)	12-6	\$28.00	Nicollet (2001)	12-95	\$28.00
Carlton (2001) *	12-8	\$40.00	Nobles (2002)	12-133	\$28.00
Carver (2001)	12-21	\$30.00	Norman (2001)	12-157	\$28.00
Cass (1999)	12-22	\$30.00	Olmsted (2001)	12-84	\$28.00
Chippewa (2002)	12-9	\$28.00	Otter Tail (2000)	12-33	\$30.00
Chisago (2002)	12-23	\$30.00	Pennington (2001)	12-87	\$28.00
Clay (2002)	12-15	\$28.00	Pine (2000)	12-73	\$40.00
Cook (1996)	12-24	\$25.00	Pipestone (2002)	12-88	\$28.00
Cottonwood (2002)	12-17	\$28.00	Polk (2001)	12-89	\$28.00
Crow Wing (2001)	12-70	\$40.00	Pope (2002)	12-90	\$28.00
Dakota (2000)	12-80	\$35.00	Red Lake (2001)	12-91	\$28.00
Dodge (2001)	12-18	\$28.00	Redwood (2002)	12-92	\$28.00
Douglas (2000)	12-81	\$30.00	Renville (2002)	12-93	\$28.00
Faribault (2002)	12-19	\$28.00	Rice (2002)	12-158	\$30.00
Fillmore (1998)	12-25	\$30.00	Rock (2002)	12-94	\$28.00
Freeborn (2001)	12-78	\$28.00	St. Louis, North (2002)	12-74	\$30.00
Goodhue (1999)	12-86	\$30.00	St. Louis, South (2002)	12-75	\$30.00
Grant (2002)	12-37	\$28.00	Scott (2002)	12-40	\$28.00
Houston (2002)	12-38	\$28.00	Sherburne (2000)	12-41	\$30.00
Hubbard (2001)	12-71	\$30.00	Sibley (2002)	12-96	\$28.00
Isanti (1999)	12-26	\$30.00	Stearns (2002)	12-42	\$28.00
Itasca (1998)	12-76	\$35.00	Steele (2002)	12-43	\$28.00
Jackson (2002)	12-39	\$28.00	Stevens (2002)	12-97	\$28.00
Kanabec (1999)	12-27	\$30.00	Swift (2002)	12-98	\$28.00
Kandiyohi (2002)	12-45	\$28.00	Todd (1999)	12-44	\$30.00
Koochiching (2000)	12-72	\$35.00	Traverse (2002)	12-99	\$28.00
Lac Qui Parle (2002)	12-49	\$28.00	Wabasha (1999)	12-82	\$40.00
Lake (2001)	12-28	\$30.00	Wadena (1999)	12-46	\$30.00
LeSeuer (2002)	12-52	\$28.00	Waseca (2002)	12-100	\$28.00
Lincoln (2002)	12-53	\$28.00	Washington (1997)	12-85	\$25.00
Lyon (2001)	12-58	\$28.00	Watsonwan (2002)	12-154	\$28.00
Mahnomen (2001)	12-59	\$28.00	Wilkin (2002)	12-155	\$28.00
Marshall (2001)	12-60	\$28.00	Winona (1996)	12-77	\$30.00
Martin (2002)	12-61	\$28.00	Wright (2001)	12-83	\$30.00
			Yellow Medicine (2002)	12-156	\$28.00

* Blue Earth 2002 map book due mid-Nov. * Carlton 2002 map book due mid-Dec.

