

Subd. 2. PUBLICATION. The city of Kenyon must publish in an official newspaper of general circulation in the city a notice of its revised final levy. The notice shall contain examples of the tax impact of the revised final levy on homestead, apartment, and commercial classes of property in the city. The Goodhue county auditor shall assist the city in preparing the examples for the publication.

**Sec. 2. EFFECTIVE DATE.**

Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), section 1 is effective without local approval the day following final enactment.

Presented to the governor March 10, 1997

Signed by the governor March 11, 1997, 10:25 a.m.

## CHAPTER 7—H.F.No. 35

*An act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1996, sections 3.873, subdivisions 5 and 7; 9.041, subdivision 2; 13.99, subdivision 38b; 14.62, subdivision 3; 15.0591, subdivision 2; 15.441, subdivision 1; 15.471, subdivision 1; 16A.276; 16A.672, subdivisions 2 and 5; 17.138, subdivision 2; 18.023, subdivision 3; 18B.33, subdivision 1; 18C.121, subdivision 1; 18C.575, subdivision 1; 18E.03, subdivision 4; 19.51, subdivision 1; 25.31; 25.32; 25.33; 25.34; 25.36; 25.37; 25.39; 25.40; 25.41; 25.42; 25.43; 25.47, subdivision 2; 27.13; 27.14; 27.19; 27.20; 31.874; 32.078; 32.481, subdivision 1; 32.532; 32.71, subdivision 1; 41.53, subdivision 2; 41A.09, subdivision 4; 45.027, subdivision 1; 60A.15; 62N.05, subdivision 1; 62N.24; 65A.16; 65A.17; 65A.18; 65A.19; 65A.22; 65A.23; 65A.24; 84.027, subdivision 13; 92.46, subdivision 1; 103I.341, subdivision 1; 103I.535, subdivision 9; 115A.10; 115A.11, subdivision 1b; 115A.12; 115A.9651, subdivision 1; 115B.20, subdivisions 1 and 2; 115B.39, subdivision 2; 115B.412, subdivision 5; 115B.42, subdivision 2; 116.07, subdivisions 4b and 10; 116C.91, subdivision 1; 116J.75, subdivision 1; 119A.04, subdivision 5; 119A.13, subdivisions 3 and 4; 119A.26, subdivision 2; 119B.17, subdivision 3; 120.062, subdivision 12; 120.075, subdivision 5; 120.0751, subdivision 6; 120.0752, subdivision 4; 121.15, subdivision 1; 121.1601, subdivision 3; 121.912, subdivision 1; 124.155, subdivision 2; 124.248, subdivision 3; 124.2725, subdivision 11; 124.3201, subdivisions 1 and 2b; 124.321, subdivisions 1 and 2; 124.322, subdivisions 1a and 5; 124.323, subdivision 1; 124.574, subdivision 7; 124.91, subdivision 1; 124.918, subdivision 8; 124A.036, subdivision 5; 124A.225, subdivision 2; 124A.26, subdivision 1; 124A.711, subdivision 2; 124C.60, subdivisions 1 and 3; 126.22, subdivision 7; 126.51, subdivision 1; 126.72, subdivision 2; 136A.172; 136A.173; 136A.174; 136A.175; 136A.176; 136A.177; 136A.178; 136D.94; 144.056; 144.062; 144.092; 144A.073, subdivision 3; 144A.33, subdivision 5; 144A.53, subdivision 1; 144A.54, subdivisions 1 and 2; 145.894; 147A.13, subdivision 1; 148.235, subdivision 4; 148B.23, subdivision 3; 148C.11, subdivision 3; 152.02, subdivision 13; 152.21, subdivision 3; 161.10; 161.1419, subdivision 7; 168.129, subdivision 1; 169.145; 176.081, subdivision 1; 176.108; 176.1351, subdivisions 5 and 6; 176.1812, subdivision 7; 176.83, subdivision 5; 179A.03, subdivisions 7 and 14; 179A.06, subdivision 2; 179A.09, subdivision 3; 181.14; 181.15; 181.16; 182.676; 183.57, subdivision 2; 192.551; 197.133; 197.447; 214.01, subdivision 2; 214.07, subdivision 1; 214.13, subdivision 5; 216C.35; 223.19; 237.70, subdivision 7; 237.711; 241.01, subdivision 3a; 242.56, subdivision 3; 244.09, subdivisions 7 and 13; 244.13, subdivision 3; 244.17, subdivision 2; 245.462, subdivision 16; 245.4881, subdivision 2; 245.4886, subdivision 2; 245.62, subdivisions 2 and 4; 245.69, subdivi-*

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vision 2; 245.697, subdivisions 2 and 3; 246.06; 246.64, subdivision 3; 252.035; 252.275, subdivision 6; 252.291, subdivisions 3 and 5; 252.40; 252.41, subdivision 1; 252.43; 252.46, subdivision 1; 252.50, subdivision 6; 254A.16, subdivision 2; 256.01, subdivision 2; 256.016; 256.736, subdivisions 3a and 7; 256.7365, subdivision 7; 256.82, subdivision 4; 256.9742, subdivision 1; 256B.04, subdivision 2; 256B.092, subdivision 6; 256B.49, subdivision 2; 256D.03, subdivision 7; 256D.04; 256E.04, subdivision 1; 256F.04, subdivision 3; 257.072, subdivision 5; 257.0755, subdivision 1; 257.0768, subdivision 1; 257.0769; 257.41; 259.71, subdivision 5; 260.152, subdivisions 2, 3, and 6; 260.161, subdivision 3; 260.181, subdivision 3a; 268.0122, subdivision 5; 268.0124; 268.03; 268.15, subdivision 3; 268.361, subdivision 1; 268.90, subdivision 3; 270A.09, subdivision 3; 272.12; 273.1398, subdivision 1; 279.01, subdivision 3; 280.05; 280.28, subdivision 2; 280.33; 280.35; 281.16; 281.32; 282.07; 284.04; 290.091, subdivision 6; 290.171; 297A.259; 299C.11; 299F.051, subdivision 3; 299F.46, subdivision 1; 299L.02, subdivision 1; 325F.84, subdivision 1; 326.2421, subdivision 2; 327A.08; 345.48, subdivision 1; 349.19, subdivision 2a; 353.64, subdivision 2; 353C.02; 354.66, subdivision 4; 360.013, subdivision 20; 360.015, subdivision 17; 363.05, subdivision 1; 383A.43, subdivision 6; 383B.78, subdivision 3; 383D.35; 390.35; 412.191, subdivision 1; 412.581; 412.631; 422A.01, subdivision 18; 427.02; 435.27; 458.40; 458A.08; 462A.03, subdivision 10; 462A.07, subdivision 7; 463.01; 465.15; 465.20; 466.03, subdivision 6d; 469.078, subdivision 1; 469.141, subdivision 3; 469.173, subdivision 7; 469.183, subdivision 4; 471.9981, subdivision 1; 473.1623, subdivisions 3, 4, and 5; 473.206; 473.208; 473.3994, subdivision 9; 473.598, subdivision 3; 473.638, subdivision 2; 473.859, subdivision 2; 475.51, subdivision 9; 475.53, subdivision 1; 475.57; 475.61, subdivision 2; 480.242, subdivision 2; 500.24, subdivision 3; 508A.01, subdivision 3; 524.2–402; 525.152, subdivisions 1, 2, and 3; 609.101, subdivision 4; 611.216, subdivision 3; 611.25, subdivision 3; 611A.56, subdivision 1; 626.843; 626.845; 626.846; 626.847; 626.851; and 626.88; Laws 1995 chapter 220, section 7, subdivision 3; and Laws 1996, chapter 310, section 1; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1996, sections 3.922, subdivision 9; 13.99, subdivisions 21d and 24a; 15.475; 16B.87, subdivision 4; 17.452, subdivision 3; 115A.03, subdivision 16; 116D.11, subdivision 4; 116J.975; 124.2442; 124.245; 124.3202; 126.78, subdivision 5; 144.95, subdivision 9; 145A.12, subdivision 6; 148.578; 174.23, subdivision 5; 196.22, subdivision 4; 216C.06, subdivisions 10 and 11; 246.57, subdivision 2; 254B.03, subdivision 8; 256B.04, subdivision 11; 256B.0629, subdivision 3; 256F.11, subdivision 3; 256F.12, subdivision 5; 260.152, subdivision 7; 325F.98; 388.24, subdivision 5; 466.01, subdivisions 4 and 5; 471A.02, subdivisions 2 and 15; 473.638, subdivision 1; 473.639; 494.05, subdivision 3; 611.27, subdivision 14; and 611A.75; Laws 1989, chapters 209, article 2, section 42; and 282, article 3, section 28; Laws 1991, chapter 292, article 2, section 2; Laws 1993, chapter 286, section 1; Laws 1994, chapters 411, section 4; and 416, article 1, sections 47, 51, and 56; Laws 1995, chapters 171, sections 54 and 56; and 186, section 26; Laws 1995, First Special Session chapter 3, article 13, section 2; and Laws 1996, chapters 414, article 1, section 30; and 471, article 11, section 1.

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

## ARTICLE 1

### GENERAL

#### Section 1. **REPEALER; SECTION 13.99, SUBDIVISION 21d.**

Minnesota Statutes 1996, section 13.99, subdivision 21d, is repealed.

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**Sec. 2. REPEALER; SECTION 13.99, SUBDIVISION 24a.**

Minnesota Statutes 1996, section 13.99, subdivision 24a, is repealed.

Sec. 3. Minnesota Statutes 1996, section 13.99, subdivision 38b, is amended to read:

Subd. 38b. **LEAD EXPOSURE DATA.** Data on individuals exposed to lead in their residences are classified under sections ~~144.874, subdivision 1,~~ 144.9502, subdivision 9, and 144.9504, subdivision 2.

**Sec. 4. REPEALER; SECTION 15.059 NOTE.**

Laws 1993, chapter 286, section 1, is repealed.

Sec. 5. Minnesota Statutes 1996, section 16A.672, subdivision 2, is amended to read:

Subd. 2. **APPLICATION OF COMMERCIAL CODE.** All bonds and certificates are securities under sections 336.8–101 to ~~336.8–408~~ 336.8–603. The commissioner may do for the state whatever may or must be done under those sections to comply with the orders authorizing them. The bonds or certificates may be issued:

- (1) in one or more denominations;
- (2) in bearer form, with interest coupons attached; and
- (3) with provision for registration as to principal only; or
- (4) in fully registered form; and
- (5) with provision for registration of conversion and exchange of forms and denominations, transfer of ownership, and replacement of lost or damaged bonds.

Sec. 6. Minnesota Statutes 1996, section 16A.672, subdivision 5, is amended to read:

Subd. 5. **REGISTRAR.** The commissioner, in order to issue any bonds or certificates, may name a registrar to act for the state under sections 336.8–101 to ~~336.8–408~~ 336.8–603, and to authenticate and deliver obligations upon initial issuance and registration of transfer, exchange, or conversion. The registrar must be an incorporated bank or trust company, in or out of the state, authorized by the laws of the United States or the state in which it is located to perform these duties.

Sec. 7. Minnesota Statutes 1996, section 18.023, subdivision 3, is amended to read:

Subd. 3. **RULES; APPLICABILITY TO MUNICIPALITIES.** The rules of the commissioner shall apply in a municipality unless the municipality adopts an ordinance which is determined by the commissioner to be more stringent than the rules of the commissioner. The rules of the commissioner or the more stringent ordinance of the municipality shall be in effect 60 days from March 31, 1974. The rules of the commissioner or the municipality shall apply to all state agencies, special purpose districts and metropolitan commissions as defined in section 473.121, subdivision 7 5a, which own or control land adjacent to or within a shade tree disease control area in Laws 1975, chapter 253.

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

Sec. 8. Minnesota Statutes 1996, section 18B.33, subdivision 1, is amended to read:

Subdivision 1. **REQUIREMENT.** (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories or a structural pest control license or aquatic pest control license.

(b) A person with a commercial applicator license may not apply pesticides on or into surface waters without an aquatic pest control license under section ~~48B.32~~ 18B.315, except an aquatic pest control license is not required for licensed commercial applicators applying pesticides for the purposes of:

- (1) pest control on cultivated wild rice;
- (2) mosquito and black fly control operations;
- (3) pest control on rights-of-way;
- (4) aerial pest control operations for emergent vegetation control;
- (5) aerial application of piscicides; and
- (6) pest control for silvicultural operations.

(c) A commercial applicator licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Sec. 9. Minnesota Statutes 1996, section 18E.03, subdivision 4, is amended to read:

Subd. 4. **FEE.** (a) The response and reimbursement fee consists of the surcharges and any adjustments made by the commissioner in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually by the commissioner as required to satisfy the requirements in subdivision 3. The commissioner shall adjust the amount of the surcharges imposed in proportion to the amount of the surcharges listed in this subdivision.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the registration application fee under section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state and sales of pesticides for use in the state during the previous calendar year, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner. No surcharge is required if the surcharge amount based on percent of annual gross sales is less than \$10. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under section 18B.26, subdivision 3, paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant properly documents the sale location and the distributors.

(c) The commissioner shall impose a ten cents per ton surcharge on the inspection fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant amendments.

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(d) The commissioner shall impose a surcharge on the license application of persons licensed under chapters 18B and 18C consisting of:

(1) a \$75 surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5;

(2) a \$75 surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a \$50 surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a \$20 surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7;

(5) a \$20 surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, political subdivision of the state, the federal government, or an agency of the federal government; and

(6) a \$20 surcharge to be imposed on aquatic pest control licenses under section 18B.315.

(e) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than \$2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

(f) Paragraphs (c) to (e) apply to sales, licenses issued, applications received for licenses, and inspection fees imposed on or after July 1, 1990.

#### **Sec. 10. REVISOR'S INSTRUCTION; SECTIONS 25.31 TO 25.43.**

The revisor shall change the citation from section 25.44 to section 25.43 in the following sections of Minnesota Statutes: 25.31; 25.32; 25.33; 25.34; 25.36; 25.37; 25.39; 25.40; 25.41; 25.42; and 25.43.

#### **Sec. 11. Minnesota Statutes 1996, section 25.47, subdivision 2, is amended to read:**

Subd. 2. The commissioner of agriculture shall, on or before June 15 of each year, establish the grades of hay and straw subject to state inspection which shall be known as the "Minnesota Grades" and hay and straw received at a public warehouse shall be graded accordingly. The grades shall not be changed before June 15 of the next succeeding year. The commissioner of agriculture shall also adopt rules in accordance with the administrative procedure act as it deems necessary to implement this section and section 25.46.

#### **Sec. 12. REVISOR'S INSTRUCTION; SECTIONS 27.13 TO 27.20.**

The revisor shall change the citation from section 27.15 to section 27.14 in the following sections of Minnesota Statutes: 27.13; 27.14; 27.19; and 27.20.

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Sec. 13. Minnesota Statutes 1996, section 32.078, is amended to read:

**32.078 SUSPENSION OR CANCELLATION.**

The commissioner is empowered to suspend or cancel any license issued pursuant to the provisions of sections 32.071 to ~~32.077~~ 32.076 after a hearing upon written notice containing the grounds therefor, which notice shall be served personally upon the licensee or the licensee's agent at least five days prior to such hearing.

Sec. 14. Minnesota Statutes 1996, section 32.481, subdivision 1, is amended to read:

Subdivision 1. **DEFINITION.** "Cheese" as used in sections 32.481 to ~~32.485~~ 32.484 includes all varieties of cheese, cheese spreads, cheese foods, cheese compounds, or processed cheese, made or manufactured in whole or in part from cow's, goat's, or sheep's milk.

**Sec. 15. REVIVAL OF STATUTES; SECTIONS 35.01 AND 35.73.**

Notwithstanding Minnesota Statutes, section 645.36, Minnesota Statutes 1994, sections 35.01, subdivisions 1, 2, and 3; and 35.73, subdivisions 1 and 4, are revived retroactive to August 1, 1996.

**Sec. 16. REPEALER; SECTIONS 50.21 AND 50.22 NOTE.**

Laws 1995, chapter 171, sections 54 and 56, are repealed.

**Sec. 17. REVISOR'S INSTRUCTION; SECTION 60A.15.**

The revisor shall insert the phrase "of revenue" after the word "commissioner" wherever the word "commissioner" appears without further designation in Minnesota Statutes, section 60A.15.

**Sec. 18. REPEALER; SECTION 62L.08 NOTE.**

Laws 1995, First Special Session chapter 3, article 13, section 2, is repealed.

**Sec. 19. REVISOR'S INSTRUCTION; SECTIONS 65A.16 TO 65A.24.**

The revisor shall change the citation from section 65A.25 to section 65A.24 in the following sections of Minnesota Statutes: 65A.16; 65A.17; 65A.18; 65A.19; 65A.22; 65A.23; and 65A.24.

Sec. 20. Minnesota Statutes 1996, section 84.027, subdivision 13, is amended to read:

Subd. 13. **GAME AND FISH RULES.** (a) The commissioner of natural resources may adopt rules under sections 97A.0451 to 97A.0459 and this subdivision that are authorized under:

(1) chapters 97A, 97B, and 97C to set open seasons and areas, to close seasons and areas, to select hunters for areas, to provide for tagging and registration of game, to prohibit or allow taking of wild animals to protect a species, and to prohibit or allow importation, transportation, or possession of a wild animal;

(2) sections 84.093, 84.14, 84.15, and 84.152 to set seasons for harvesting wild ginseng roots and wild rice and to restrict or prohibit harvesting in designated areas; and

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(3) section 84D.12 to designate prohibited exotic species, regulated exotic species, unregulated exotic species, limited infestations of Eurasian water milfoil, and infested waters.

Clause (2) does not limit or supersede the commissioner's authority to establish opening dates, days, and hours of the wild rice harvesting season under section 84.14, subdivision 3.

(b) If conditions exist that do not allow the commissioner to comply with sections 97A.0451 to 97A.0459, the commissioner may adopt a rule under this subdivision by submitting the rule to the attorney general for review under section 97A.0455, publishing a notice in the State Register and filing the rule with the secretary of state and the legislative commission to review administrative rules, and complying with section 97A.0459, and including a statement of the emergency conditions and a copy of the rule in the notice. The notice may be published after it is received from the attorney general or five business days after it is submitted to the attorney general, whichever is earlier.

(c) Rules adopted under paragraph (b) are effective upon publishing in the State Register and may be effective up to seven days before publishing and filing under paragraph (b), if:

- (1) the commissioner of natural resources determines that an emergency exists;
- (2) the attorney general approves the rule; and

(3) for a rule that affects more than three counties the commissioner publishes the rule once in a legal newspaper published in Minneapolis, St. Paul, and Duluth, or for a rule that affects three or fewer counties the commissioner publishes the rule once in a legal newspaper in each of the affected counties.

(d) Except as provided in paragraph (e), a rule published under paragraph (c), clause (3), may not be effective earlier than seven days after publication.

(e) A rule published under paragraph (c), clause (3), may be effective the day the rule is published if the commissioner gives notice and holds a public hearing on the rule within 15 days before publication.

(f) The commissioner shall attempt to notify persons or groups of persons affected by rules adopted under paragraphs (b) and (c) by public announcements, posting, and other appropriate means as determined by the commissioner.

(g) Notwithstanding section 97A.0458, a rule adopted under this subdivision is effective for the period stated in the notice but not longer than 18 months after the rule is adopted.

Sec. 21. Minnesota Statutes 1996, section 92.46, subdivision 1, is amended to read:

Subdivision 1. **PUBLIC CAMPGROUNDS.** (a) The director may designate suitable portions of the state lands withdrawn from sale and not reserved, as provided in section 92.45, as permanent state public campgrounds. The director may have the land surveyed and platted into lots of convenient size, and lease them for cottage and camp purposes under terms and conditions the director prescribes, subject to the provisions of this section.

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(b) A lease may not be for a term more than 20 years. The lease may allow renewal, from time to time, for additional terms of no longer than 20 years each. The lease may be canceled by the commissioner 90 days after giving the person leasing the land written notice of violation of lease conditions. The lease rate shall be based on the appraised value of leased land as determined by the commissioner of natural resources and shall be adjusted by the commissioner at the fifth, tenth, and 15th anniversary of the lease, if the appraised value has increased or decreased. For leases that are renewed in 1991 and following years, the lease rate shall be five percent of the appraised value of the leased land. The appraised value shall be the value of the leased land without any private improvements and must be comparable to similar land without any improvements within the same county. The minimum appraised value that the commissioner assigns to the leased land must be substantially equal to the county assessor's estimated market value of similar land adjusted by the assessment/sales ratio as determined by the department of revenue.

(c) By July 1, 1986, the commissioner of natural resources shall adopt rules under chapter 14 to establish procedures for leasing land under this section. The rules shall be subject to review and approval by the commissioners of revenue and administration prior to the initial publication pursuant to chapter 14 and prior to their final adoption. The rules must address at least the following:

- (1) method of appraising the property; and
- (2) an appeal procedure for both the appraised values and lease rates.

(d) All money received from these leases must be credited to the fund to which the proceeds of the land belong.

Notwithstanding section 16A.125 or any other law to the contrary, 50 percent of the money received from the lease of permanent school fund lands leased pursuant to this subdivision must be credited to the lakeshore leasing and sales account in the permanent school fund and is appropriated for use to survey, appraise, and pay associated selling and leasing costs of lots as required in this section and Minnesota Statutes 1992, section 92.67, subdivision 3. The money may not be used to pay the cost of surveying lots not scheduled for sale. Any money designated for deposit in the permanent school fund that is not needed to survey, appraise, and pay associated selling and leasing costs of lots, as required in this section and section 92.67, shall be deposited in the permanent school fund. The commissioner shall add to the appraised value of any lot offered for sale the costs of surveying, appraising, and selling the lot, and shall first deposit into the permanent school fund an amount equal to the costs of surveying, appraising, and selling any lot paid out of the permanent school fund. Any remaining money shall be deposited into any other contributing funds in proportion to the contribution from each fund. In no case may the commissioner add to the appraised value of any lot offered for sale an amount more than \$700 for the costs of surveying and appraising the lot.

**Sec. 22. REPEALER; SECTION 92.46, SUBDIVISION 1, NOTE.**

Laws 1995, chapter 186, section 26, is repealed.

**Sec. 23. REPEALER; SECTION 103L.235 NOTE.**

Laws 1991, chapter 292, article 2, section 2, is repealed.

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Sec. 24. Minnesota Statutes 1996, section 103I.341, subdivision 1, is amended to read:

Subdivision 1. **LIEN FOR SEALING COSTS.** The commissioner and the board of water and soil resources have a governmental services lien under section 514.67 for the costs of sealing a well or boring that the commissioner or board has contracted to be sealed under section 103I.315, subdivision 2; ~~103I.331~~; or 103I.335. The lien attaches to the real property where the well or boring is located. The lien is perfected by filing the lien with the county recorder or registrar of titles where the well or boring and the property are located and serving or mailing by return receipt a copy of the lien to the property owner.

Sec. 25. Minnesota Statutes 1996, section 103I.535, subdivision 9, is amended to read:

Subd. 9. **INCOMPLETE OR LATE RENEWAL.** If a licensee fails to submit all information required for renewal in subdivision 8 or submits the application and information after the required renewal date:

(1) the licensee must include an additional late fee set by the commissioner under section ~~16A.128~~ 16A.1285; and

(2) the licensee may not conduct activities authorized by the elevator shaft contractor's license until the renewal application, renewal application fee, and late fee, and all other information required in subdivision 8 are submitted.

**Sec. 26. REPEALER.**

Minnesota Statutes 1996, section 115A.03, subdivision 16, is repealed.

Sec. 27. Minnesota Statutes 1996, section 115A.10, is amended to read:

**115A.10 DUTIES OF THE OFFICE; HAZARDOUS WASTE FACILITIES; ENCOURAGEMENT OF PRIVATE ENTERPRISE.**

The office and the director on behalf of the office shall encourage the development and operation of hazardous waste facilities by private enterprise to the extent practicable and consistent with the purposes of sections 115A.01 to 115A.72 and the office's hazardous waste management plan adopted pursuant to section 115A.11. In preparing the reports under section ~~115A.08~~ and the inventory of processing facility sites under section ~~115A.09~~, In adopting the management plan, and in its actions and decisions under sections 115A.18 to 115A.30 and 115A.32 to 115A.39, the office and the director on behalf of the office shall solicit the active participation of private waste management firms and shall so conduct its activities as to encourage private permit applications for facilities needed in the state. The office shall promulgate rules for accepting and evaluating applications for permits for the construction and operation of facilities at sites preferred by the office pursuant to section ~~115A.09~~. The rules shall include standards and procedures for making determinations on the minimum qualifications, including technical competence and financial capability, of permit applicants.

Sec. 28. Minnesota Statutes 1996, section 115A.11, subdivision 1b, is amended to read:

Subd. 1b. **CONTENTS.** The plan must include at least the elements prescribed in this subdivision.

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(a) The plan must estimate the types and quantities of hazardous waste that will be generated in the state through the year 2000.

(b) The plan must set out specific and quantifiable objectives for reducing to the greatest feasible and prudent extent the need for and use of disposal facilities located within the state, through waste reduction, pretreatment, retrievable storage, processing, and resource recovery.

(c) The plan must estimate the minimum disposal capacity and capability required by generators in the state for use through the year 2000. The estimate must be based on the achievement of the objectives under paragraph (b).

(d) The plan must describe and recommend the implementation strategies required to assure availability of disposal capacity for the types and quantities of waste estimated under paragraph (c) and to achieve the objectives required by paragraph (b). The recommendations must address at least the following: the necessary private and government actions; the types of facilities and programs required; the availability and use of specific facilities outside of the state; development schedules for facilities, services, and rules that should be established in the state; revenue-raising and financing measures; levels of public and private effort and expenditure; legal and institutional changes; and other similar matters.

(e) The plan must provide for the orderly development of hazardous waste management sites and facilities to protect the health and safety of rural and urban communities. In preparing the plan the office shall consider its impact upon agriculture and natural resources.

(f) The plan must include methods and procedures that will encourage the establishment of programs, services, and facilities that the office recommends for development in the state for the recycling, reuse, recovery, conversion, treatment, destruction, transfer, storage, or disposal, including retrievable storage, of hazardous waste.

The plan must be consistent with the estimate of need and feasibility analysis prepared under section 115A.24, ~~the analysis provided in the phase I environmental impact statement determined to be adequate under section 115A.25, subdivision 1a, and the decisions made by the office under sections~~ section 115A.28 and 115A.291.

The office may make the implementation of elements of the plan contingent on actions of the legislature that have been recommended in the draft plan.

Sec. 29. Minnesota Statutes 1996, section 115A.12, is amended to read:

#### **115A.12 ADVISORY COUNCILS.**

(a) The director shall establish a solid waste management advisory council, a hazardous waste management planning council, and a market development coordinating council, that are broadly representative of the geographic areas and interests of the state.

(b) The solid waste council shall have not less than nine nor more than 21 members. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least three members experienced in the private recycling industry and at least one mem-

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ber experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery.

(c) The hazardous waste council shall have not less than nine nor more than 18 members. The membership of the hazardous waste advisory council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives of hazardous waste generators and private hazardous waste management firms.

(d) The market development coordinating council shall have not less than nine nor more than 18 members and shall consist of one representative from the department of trade and economic development, the department of administration, the pollution control agency, Minnesota Technology, Inc., and the legislative commission on waste management. The other members shall represent local government units, private recycling markets, and private recycling collectors. The market development coordinating council expires June 30, 1997.

(e) The chairs of the advisory councils shall be appointed by the director. The director shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the director. The solid waste advisory council shall make recommendations to the office on its solid waste management activities. The hazardous waste advisory council shall make recommendations to the office on its activities under sections 115A.08, 115A.09, 115A.10, 115A.11, 115A.20, 115A.21, and 115A.24. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the director. The solid waste management advisory council and the hazardous waste management planning council expire June 30, 1997.

Sec. 30. Minnesota Statutes 1996, section 115A.9651, subdivision 1, is amended to read:

Subdivision 1. **PROHIBITION.** (a) Except as provided in ~~paragraphs~~ paragraph (d) and (e), no person may distribute for sale or use in this state any ink, dye, pigment, paint, or fungicide manufactured after September 1, 1994, into which lead, cadmium, mercury, or hexavalent chromium has been intentionally introduced.

(b) For the purposes of this subdivision, "intentionally introduce" means to deliberately use a metal listed in paragraph (a) as an element during manufacture or distribution of an item listed in paragraph (a). Intentional introduction does not include the incidental presence of any of the prohibited elements.

(c) The concentration of a listed metal in an item listed in paragraph (a) may not exceed 100 parts per million.

(d) The prohibition on the use of lead in substances utilized in marking road, street, highway, and bridge pavements does not take effect until July 1, 1998.

(e) ~~The use of lead in substances utilized in marking road, street, highway, and bridge pavements is exempt from this subdivision until July 1, 1998.~~

Sec. 31. Minnesota Statutes 1996, section 115B.20, subdivision 1, is amended to read:

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Subdivision 1. **ESTABLISHMENT.** (a) The environmental response, compensation, and compliance account is in the environmental fund in the state treasury and may be spent only for the purposes provided in subdivision 2.

(b) The commissioner of finance shall administer a response account for the agency and the commissioner of agriculture to take removal, response, and other actions authorized under subdivision 2, clauses (1) to (4) and ~~(11) (10) to (13) (12)~~. The commissioner of finance shall transfer money from the response account to the agency and the commissioner of agriculture to take actions required under subdivision 2, clauses (1) to (4) and ~~(11) (10) to (13) (12)~~.

(c) The commissioner of finance shall administer the account in a manner that allows the commissioner of agriculture and the agency to utilize the money in the account to implement their removal and remedial action duties as effectively as possible.

(d) Amounts appropriated to the commissioner of finance under this subdivision shall not be included in the department of finance budget but shall be included in the pollution control agency and department of agriculture budgets.

(e) All money recovered by the state under section 115B.04 or any other law for injury to, destruction of, or loss of natural resources resulting from the release of a hazardous substance, or a pollutant or contaminant, must be credited to the environmental response, compensation, and compliance account in the environmental fund and is appropriated to the commissioner of natural resources for purposes of subdivision 2, clause (6), consistent with any applicable term of judgments, consent decrees, consent orders, or other administrative actions requiring payments to the state for such purposes. Before making an expenditure of money appropriated under this paragraph, the commissioner of natural resources shall provide written notice of the proposed expenditure to the chairs of the senate committee on finance, the house of representatives committee on ways and means, the finance division of the senate committee on environment and natural resources, and the house of representatives committee on environment and natural resources finance.

Sec. 32. Minnesota Statutes 1996, section 115B.20, subdivision 2, is amended to read:

Subd. 2. **PURPOSES FOR WHICH MONEY MAY BE SPENT.** Subject to appropriation by the legislature the money in the account may be spent for any of the following purposes:

(1) preparation by the agency and the commissioner of agriculture for taking removal or remedial action under section 115B.17, or under chapter 18D, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants under section 115B.17 or 115B.18, or chapter 18D;

(2) removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17, or taken or authorized by the commissioner of agriculture under chapter 18D including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 18D, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to facilities other than commercial hazardous waste facilities located under the siting authority of chapter 115A;

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(3) reimbursement to any private person for expenditures made before July 1, 1983, to provide alternative water supplies deemed necessary by the agency or the commissioner of agriculture and the department of health to protect the public health from contamination resulting from the release of a hazardous substance;

(4) removal and remedial actions taken or authorized by the agency or the commissioner of agriculture or the pollution control agency under section 115B.17, or chapter 18D, including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 18D, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;

(5) compensation as provided by law, after submission by the office of environmental assistance of the report required under section 115A.08, subdivision 5, to mitigate any adverse impact of the location of commercial hazardous waste processing or disposal facilities located pursuant to the siting authority of chapter 115A;

(6) planning and implementation by the commissioner of natural resources of the rehabilitation, restoration, or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance;

(7) (6) inspection, monitoring, and compliance efforts by the agency, or by political subdivisions with agency approval, of commercial hazardous waste facilities located under the siting authority of chapter 115A;

(8) (7) grants by the agency or the office of environmental assistance to demonstrate alternatives to land disposal of hazardous waste including reduction, separation, pretreatment, processing and resource recovery, for education of persons involved in regulating and handling hazardous waste;

(9) (8) intervention and environmental mediation by the legislative commission on waste management under chapter 115A; and

(10) (9) grants by the agency to study the extent of contamination and feasibility of cleanup of hazardous substances and pollutants or contaminants in major waterways of the state;

(11) (10) acquisition of a property interest under section 115B.17, subdivision 15;

(12) (11) reimbursement, in an amount to be determined by the agency in each case, to a political subdivision that is not a responsible person under section 115B.03, for reasonable and necessary expenditures resulting from an emergency caused by a release or threatened release of a hazardous substance, pollutant, or contaminant; and

(13) (12) reimbursement to a political subdivision for expenditures in excess of the liability limit under section 115B.04, subdivision 4.

Sec. 33. Minnesota Statutes 1996, section 115B.39, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** (a) In addition to the definitions in this subdivision, the definitions in sections 115A.03 and 115B.02 apply to sections 115B.39 to ~~115B.46~~ 115B.445, except as specifically modified in this subdivision.

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(b) "Cleanup order" means a consent order between responsible persons and the agency or an order issued by the United States Environmental Protection Agency under section 106 of the federal Superfund Act.

(c) "Closure" means actions to prevent or minimize the threat to public health and the environment posed by a mixed municipal solid waste disposal facility that has stopped accepting waste by controlling the sources of releases or threatened releases at the facility. "Closure" includes removing contaminated equipment and liners; applying final cover; grading and seeding final cover; installing wells, borings, and other monitoring devices; constructing groundwater and surface water diversion structures; and installing gas control systems and site security systems, as necessary. The commissioner may authorize use of final cover that includes processed materials that meet the requirements in Code of Federal Regulations, title 40, section 503.32, paragraph (a).

(d) "Contingency action" means organized, planned, or coordinated courses of action to be followed in case of fire, explosion, or release of solid waste, waste by-products, or leachate that could threaten human health or the environment.

(e) "Corrective action" means steps taken to repair facility structures including liners, monitoring wells, separation equipment, covers, and aeration devices and to bring the facility into compliance with design, construction, groundwater, surface water, and air emission standards.

(f) "Decomposition gases" means gases produced by chemical or microbial activity during the decomposition of solid waste.

(g) "Environmental response action" means response action at a qualified facility, including corrective action, closure, postclosure care; contingency action; environmental studies, including remedial investigations and feasibility studies; engineering, including remedial design; removal; remedial action; site construction; and other similar clean-up-related activities.

(h) "Environmental response costs" means:

(1) costs of environmental response action, not including legal or administrative expenses; and

(2) costs required to be paid to the federal government under section 107(a) of the federal Superfund Act, as amended.

(i) "Postclosure" or "postclosure care" means actions taken for the care, maintenance, and monitoring of closure actions at a mixed municipal solid waste disposal facility.

(j) "Qualified facility" means a mixed municipal solid waste disposal facility, including adjacent property used for solid waste disposal, that:

(1) is or was permitted by the agency;

(2) stopped accepting solid waste, except demolition debris, for disposal by April 9, 1994; and

(3) stopped accepting demolition debris for disposal by June 1, 1994, except that demolition debris may be accepted until May 1, 1995, at a permitted area where disposal

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of demolition debris is allowed, if the area where the demolition debris is deposited is at least 50 feet from the fill boundary of the area where mixed municipal solid waste was deposited.

Sec. 34. Minnesota Statutes 1996, section 115B.412, subdivision 5, is amended to read:

Subd. 5. **ENVIRONMENTAL LIEN.** An environmental lien for environmental response costs incurred, including reimbursements made under section 115B.43, by the commissioner under sections 115B.39 to ~~115B.46~~ 115B.445 attaches in the same manner as a lien under sections 514.671 to 514.676 to all the real property described in the original and any revised permits for a qualified facility and any adjacent property owned by the facility owner or operator from the date the first assessment, closure, postclosure care, or response activities related to the facility are undertaken by the commissioner. For the purposes of filing an environmental lien under this subdivision, the term "cleanup action" as used in sections 514.671 to 514.676 includes all of the costs incurred by the commissioner to assess, close, maintain, monitor, and respond to releases at qualified facilities under sections 115B.39 to ~~115B.46~~ 115B.445. Notwithstanding section 514.672, subdivision 4, a lien under this paragraph takes precedence over all other liens on the property regardless of when the other liens were or are perfected. For the purpose of this subdivision, "owner or operator" has the meaning given it in section 115B.41, subdivision 4.

Sec. 35. Minnesota Statutes 1996, section 115B.42, subdivision 2, is amended to read:

Subd. 2. **EXPENDITURES.** (a) Money in the fund may be spent by the commissioner to:

- (1) inspect permitted mixed municipal solid waste disposal facilities to:
  - (i) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;
  - (ii) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and
  - (iii) determine the boundaries of fill areas;
- (2) monitor and take, or reimburse others for, environmental response actions, including emergency response actions, at qualified facilities;
- (3) acquire and dispose of property under section 115B.412, subdivision 3;
- (4) recover costs under ~~sections~~ section 115B.39 and ~~115B.46~~;
- (5) administer, including providing staff and administrative support for, sections 115B.39 to ~~115B.46~~ 115B.445;
- (6) enforce sections 115B.39 to ~~115B.46~~ 115B.445;
- (7) subject to appropriation, administer the agency's groundwater and solid waste management programs;
- (8) reimburse persons under section 115B.43; and
- (9) reimburse mediation expenses up to a total of \$250,000 annually or defense costs up to a total of \$250,000 annually for third-party claims for response costs under state or federal law as provided in section 115B.414.

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Sec. 36. Minnesota Statutes 1996, section 116.07, subdivision 4b, is amended to read:

Subd. 4b. **PERMITS; HAZARDOUS WASTE FACILITIES.** (a) The agency shall provide to the office of environmental assistance established in section 115A.055, copies of each permit application for a hazardous waste facility immediately upon its submittal to the agency. The agency shall request recommendations on each permit application from the office and shall consult with the office on the agency's intended disposition of the recommendations. Except as otherwise provided in sections 115A.18 to 115A.30, the agency shall commence any environmental review required under chapter 116D within 120 days of its acceptance of a completed permit application. The agency shall respond to a permit application for a hazardous waste facility within 120 days following a decision not to prepare environmental documents or following the acceptance of a negative declaration notice or an environmental impact statement. Except as otherwise provided in sections 115A.18 to 115A.30, within 60 days following the submission of a final permit application for a hazardous waste facility, unless a time extension is agreed to by the applicant, the agency shall issue or deny all permits needed for the construction of the proposed facility.

(b) The agency shall promulgate rules pursuant to chapter 14 for all hazardous waste facilities. ~~After the report of the office of environmental assistance required by section 115A.08, subdivision 5a, has been submitted to the legislature, the agency shall review its rules for hazardous waste facilities and shall consider whether any of the rules should be modified or if new rules should be adopted based on the recommendations in the report.~~ The rules shall require:

(1) contingency plans for all hazardous waste facilities which provide for effective containment and control in any emergency condition;

(2) the establishment of a mechanism to assure that money to cover the costs of closure and postclosure monitoring and maintenance of hazardous waste facilities will be available;

(3) the maintenance of liability insurance by the owner or operator of hazardous waste facilities during the operating life of the facility.

Sec. 37. Minnesota Statutes 1996, section 116.07, subdivision 10, is amended to read:

Subd. 10. **SOLID WASTE GENERATOR ASSESSMENTS.** (a) For the purposes of this subdivision:

(1) "assessed waste" means mixed municipal solid waste as defined in section 115A.03, subdivision 21, infectious waste as defined in section 116.76, subdivision 12, pathological waste as defined in section 116.76, subdivision 14, industrial waste as defined in section 115A.03, subdivision 13a, and construction debris as defined in section 115A.03, subdivision 7; provided that all types of assessed waste listed in this clause do not include:

(i) materials that are separated for recycling by the generator and that are collected separately from other waste and delivered to a waste facility for the purpose of recycling and recycled;

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(ii) materials that are separated for recycling by the generator, collected and delivered to a waste facility that recycles at least 85 percent of its waste, and are collected with mixed municipal solid waste that is segregated in leakproof bags, provided that the mixed municipal solid waste does not exceed five percent of the total weight of the materials delivered to the facility and is ultimately delivered to a facility designated under sections 115A.80 to 115A.893; and

(iii) waste generated outside of Minnesota;

(2) "noncompacted cubic yard" means a loose cubic yard of assessed waste;

(3) "nonresidential customer" means:

(i) an owner or operator of a business, including a home operated business, industry, church, nursing home, nonprofit organization, school, or any other commercial or institutional enterprise;

(ii) an owner of a building or site containing multiple residences, including a townhome or manufactured home park, where no resident has separate trash pickup, and no resident is separately assessed for such service; and

(iii) any other generator of assessed waste that is not a residential customer as defined in clause (6);

(4) "periodic waste collection" means each time a waste container is emptied by the person that collects the assessed waste;

(5) "person that collects assessed waste" means each person that is required to pay sales tax on solid waste collection services under section 297A.45, or would pay sales tax under that section if the assessed waste was mixed municipal solid waste; and

(6) "residential customer" means:

(i) a detached single family residence that generates only household mixed municipal solid waste; and

(ii) a person residing in a building or at a site containing multiple residences, including a townhome or a manufactured home park, where each resident either (A) is separately assessed for waste collection or (B) has separate waste collection for each resident, even if the resident pays to the owner or an association a monthly maintenance fee which includes the expense of waste collection, and the owner or association pays the waste collector for waste collection in one lump sum.

(b) A person that collects assessed waste shall collect and remit to the commissioner of revenue a solid waste generator assessment from each of the person's customers as provided in paragraphs (c) and (d). A waste management facility that accepts assessed waste shall collect and remit to the commissioner of revenue the solid waste assessment as provided in paragraph (e).

(c) Except as provided in paragraph (f), the amount of the assessment for each residential customer is \$2 per year. Each person that collects assessed waste shall collect the assessment annually from each residential customer that is receiving mixed municipal solid waste collection service on July 1 of each year and shall remit the amount actually collected along with the person's first remittance of the sales tax on solid waste collection

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services, described in section 297A.45, made after October 1 of each year. For buildings or sites that contain multiple residences that are not separately billed for collection services, the person who collects assessed waste shall collect the assessment for all the residences from the person who is billed for the collection service. Any amount of the assessment that is received by the person that collects assessed waste after October 1 of each year must be remitted along with the person's next remittance of sales tax after receipt of the assessment.

(d)(1) Except as provided in clause (2), the amount of the assessment for each nonresidential customer is 60 cents per noncompacted cubic yard of periodic waste collection capacity purchased by the customer, based on the size of the container for the assessed waste. For a residential customer that generates assessed waste that is not mixed municipal solid waste, the amount of the assessment is 60 cents per noncompacted cubic yard of collection capacity purchased for the waste that is not mixed municipal solid waste, based on the size of the container for the waste. If the capacity purchased is for compacted cubic yards of mixed municipal solid waste, the noncompacted capacity purchased is based on the compaction ratio of 3:1. The commissioner of revenue, after consultation with the commissioner of the pollution control agency, shall determine, and may publish by notice, compaction rates for other types of waste where they exist and conversion schedules for waste that is managed by measurements other than cubic yards. Each person that collects assessed waste shall collect the assessment from each nonresidential customer as part of each statement for payment of waste collection charges and shall remit the amount actually collected along with the next remittance of sales tax after receipt of the assessment.

(2) The assessment for nonresidential customers for the mixed municipal solid waste that is collected with source-separated recyclable materials as described in paragraph (a), clause (1), item (ii), is three-tenths of a cent per gallon. The customer must pay by purchasing specific collection bags or stickers that include the cost of the collection service and assessment.

(e) A person who transports assessed waste generated by that person or by another person without compensation shall pay an assessment of 60 cents per noncompacted cubic yard or the equivalent to the operator of the waste management facility to which the waste is delivered. The operator shall remit the assessments actually collected under this paragraph to the commissioner of revenue. This subdivision does not apply to a person who transports industrial waste generated by that person to a facility owned and operated by that person.

(f) The amount of the assessment for each residential customer that is subject to a mixed municipal solid waste collection service for which the customer pays, based on the volume of waste collected, by purchasing specific collection bags or stickers from the waste collector, municipality, or other vendor is either:

(1) determined by a method developed by the waste collector or municipality and approved by the commissioner of revenue, which yields the equivalent of approximately a \$2 annual assessment per household; or

(2) three cents per each 35 gallon unit or less. If the per unit fee method under this clause is used, it is the responsibility of the waste collector or the municipality who is selling the bags or stickers to remit the amount of the assessment to the department of

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revenue, according to a payment schedule provided by the commissioner of revenue. The collection service and assessment under this clause shall be included in the price of the bag or sticker.

(g) The commissioner of revenue shall redesign sales tax forms for persons that collect assessed waste to accommodate payment of the assessment. The amounts remitted under this subdivision must be deposited in the state treasury and credited to the solid waste fund established in section 115B.42.

(h) For persons that collect assessed waste and operators of waste management facilities who are required to collect the solid waste generator assessments under this subdivision, and persons who are required to remit the assessment under paragraph (f), and who do not collect and remit the sales tax on solid waste collection services under section 297A.45, the commissioner of revenue shall determine when and in what manner the persons and operators must remit the assessment amounts actually collected.

(i) For the purposes of this subdivision, the requirement to "collect" the solid waste generator assessment under paragraph (b) means that the person to whom the requirement applies shall:

(i) include the amount of the assessment in the appropriate statement of charges for waste collection services and in any action to enforce payment on delinquent accounts;

(ii) accurately account for assessments received;

(iii) indicate to generators that payment of the assessment by the waste generator is required by law and inform generators, using information supplied by the commissioner of the agency, of the purposes for which revenue from the assessment will be spent; and

(iv) cooperate fully with the commissioner of revenue to identify generators of assessed waste who fail to remit payment of the assessment.

(j) The audit, penalty, enforcement, and administrative provisions applicable to taxes imposed under chapter 297A apply to the assessments imposed under this subdivision.

(k) If less than \$25,000,000 is projected to be available for new encumbrances in any fiscal year after fiscal year 1996 from all existing dedicated revenue sources for landfill cleanup and reimbursement costs under sections 115B.39 to ~~115B.46~~ 115B.445, by April 1 before the next fiscal year in which the shortfall is projected the commissioner of the agency shall certify to the commissioner of revenue the amount of the shortfall. To provide for the shortfall, the commissioner of revenue shall increase the assessment under paragraphs (d) and (e) by an amount sufficient to generate revenue equal to the amount of the shortfall effective the following July 1 and shall provide notice of the increased assessment by May 1 following certification to persons who are required to collect and remit the solid waste generator assessments under this subdivision.

Sec. 38. Minnesota Statutes 1996, section 116C.91, subdivision 1, is amended to read:

Subdivision 1. **SCOPE.** As used in sections 116C.91 to ~~116C.98~~ 116C.97, the terms defined in this section have the meanings given them.

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Sec. 39. Minnesota Statutes 1996, section 116J.75, subdivision 1, is amended to read:

Subdivision 1. **APPOINTMENT OF DIRECTOR.** The head of the bureau shall be the director of business licenses. The director shall be appointed by the commissioner in accordance with section ~~216C.23~~ 116J.01, and shall be in the classified service.

Sec. 40. **REPEALER; SECTION 116J.975.**

Minnesota Statutes 1996, section 116J.975, is repealed.

Sec. 41. **REPEALER; SECTION 118.01, SUBDIVISION 1, NOTE.**

Laws 1996, chapter 414, article 1, section 30, is repealed.

Sec. 42. Minnesota Statutes 1996, section 119A.04, subdivision 5, is amended to read:

Subd. 5. **DEPARTMENT OF PUBLIC SAFETY.** The powers and duties with respect to the following program is transferred to the department of children, families, and learning under section 15.039: drug policy and violence prevention and the community advisory violence prevention councils under sections 119A.25 to ~~119A.35~~ 119A.33 and ~~119A.36~~ 119A.34.

Sec. 43. Minnesota Statutes 1996, section 120.062, subdivision 12, is amended to read:

Subd. 12. **GENERAL EDUCATION AID.** Adjustments to general education aid, ~~capital expenditure facilities aid, and equipment aid~~ for the resident and nonresident districts shall be made according to sections section 124A.036, subdivision 5, and 124.245, ~~subdivision 6, respectively.~~

Sec. 44. Minnesota Statutes 1996, section 120.075, subdivision 5, is amended to read:

Subd. 5. General education aid, ~~capital expenditure facilities aid, capital expenditure equipment aid,~~ and transportation aid attributable to pupils covered by programs under this section must be paid according to sections 124A.036, subdivision 5, ~~124.245,~~ subdivision 6, and 124.225, subdivision 8l.

Sec. 45. Minnesota Statutes 1996, section 120.0751, subdivision 6, is amended to read:

Subd. 6. **AID.** General education aid, ~~capital expenditure facilities aid, capital expenditure equipment aid,~~ and transportation aid for pupils covered by programs under this section must be paid according to sections 124A.036, subdivision 5, ~~124.245,~~ subdivision 6, and 124.225, subdivision 8l.

Sec. 46. Minnesota Statutes 1996, section 120.0752, subdivision 4, is amended to read:

Subd. 4. General education aid, ~~capital expenditure facilities aid, capital expenditure equipment aid,~~ and transportation aid for pupils covered by programs under this section must be paid according to sections 124A.036, subdivision 5, ~~124.245,~~ subdivision 6, and 124.225, subdivision 8l.

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Sec. 47. Minnesota Statutes 1996, section 121.15, subdivision 1, is amended to read:

Subdivision 1. **CONSULTATION.** A school district shall consult with the commissioner of children, families, and learning before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility for which the estimated cost exceeds \$100,000. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital expenditure facilities revenue according to section ~~124.243~~ 124A.22, subdivision ~~6~~ 11, clause (2). The commissioner may require the district to participate in a management assistance plan before conducting a review and comment on the project.

Sec. 48. Minnesota Statutes 1996, section 121.912, subdivision 1, is amended to read:

Subdivision 1. **LIMITATIONS.** Except as provided in this subdivision, sections 121.9121, 123.36, ~~124.243~~, 475.61, and 475.65, a school district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to any other operating funds according to section 123.7045 or if the resources of the other fund are not adequate to finance approved expenditures from that other fund. Permanent transfers may also be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, the balance shall cancel to the district's general fund.

Sec. 49. Minnesota Statutes 1996, section 124.155, subdivision 2, is amended to read:

Subd. 2. **ADJUSTMENT TO AIDS.** (a) The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (1) general education aid authorized in sections section 124A.23 and ~~124B.20~~;
- (2) secondary vocational aid authorized in section 124.573;
- (3) special education aid authorized in sections 124.32, and 124.3201, and ~~124.3202~~;
- (4) secondary vocational aid for children with a disability authorized in section 124.574;
- (5) aid for pupils of limited English proficiency authorized in section 124.273;
- (6) transportation aid authorized in section 124.225;
- (7) community education programs aid authorized in section 124.2713;
- (8) adult education aid authorized in section 124.26;
- (9) early childhood family education aid authorized in section 124.2711;
- (10) capital expenditure aid authorized in sections ~~124.243~~, ~~124.244~~, and section 124.83;

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- (11) school district cooperation aid authorized in section 124.2727;
- (12) assurance of mastery aid according to section 124.311;
- (13) homestead and agricultural credit aid, disparity credit aid, and changes to credits for prior year adjustments according to section 273.1398, subdivisions 2, 3, 4, and 7;
- (14) attached machinery aid authorized in section 273.138, subdivision 3;
- (15) alternative delivery aid authorized in section 124.322;
- (16) special education equalization aid authorized in section 124.321;
- (17) special education excess cost aid authorized in section 124.323;
- (18) learning readiness aid authorized in section 124.2615; and
- (19) cooperation-combination aid authorized in section 124.2725.

(b) The commissioner of children, families, and learning shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

**Sec. 50. REPEALER; SECTION 124.2442.**

Minnesota Statutes 1996, section 124.2442, is repealed.

**Sec. 51. REPEALER; SECTION 124.245.**

Minnesota Statutes 1996, section 124.245, is repealed.

Sec. 52. Minnesota Statutes 1996, section 124.248, subdivision 3, is amended to read:

Subd. 3. **SPECIAL EDUCATION AND LIMITED ENGLISH PROFICIENCY AID.** Special education aid shall be paid to a charter school according to ~~sections~~ section 124.3201 and 124.3202, as though it were a school district. The charter school may charge tuition to the district of residence as provided in section 120.17, subdivision 4. Limited English proficiency programs aid shall be paid to a charter school according to section 124.273 as though it were a school district. The charter school shall allocate its special education levy equalization revenue to the resident districts of the pupils attending the charter school. The districts of residence shall levy as though they were participating in a cooperative, as provided in section 124.321, subdivision 3.

Sec. 53. Minnesota Statutes 1996, section 124.2725, subdivision 11, is amended to read:

Subd. 11. **USE OF REVENUE.** Revenue under this section shall be used for expenses of cooperating and combining school districts, including, but not limited to:

- (1) secondary course offerings in communications, mathematics, science, social studies, foreign languages, physical education, health, and career education if the courses have specific learner outcomes;
- (2) participation by teachers in determining the learner outcomes;

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(3) staff in-service related to cooperation and combination;

(4) any of the purposes set forth in ~~sections 124.243~~ section 124A.22, subdivision 6 11, clauses (3), (4), and (15), and ~~124.244, subdivision 4, clauses (2), (3), (4), (5), and (6) (18), (19), (20), (21), and (22)~~, if the purposes are related to courses offered cooperatively; and

(5) incentives for superintendents, principals, teachers, and other licensed and non-licensed employees, such as early retirement, severance pay, and health insurance benefits.

Sec. 54. Minnesota Statutes 1996, section 124.3201, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** For the purposes of this section and ~~sections 124.3202 and~~ section 124.321, the definitions in this subdivision apply.

(a) "Base year" for fiscal year 1996 and fiscal year 1997 means the 1994 summer program and the 1994-1995 school year. Base year for later fiscal years means the second fiscal year preceding the fiscal year for which aid will be paid.

(b) "Basic revenue" has the meaning given it in section 124A.22, subdivision 2. For the purposes of computing basic revenue pursuant to this section, each child with a disability shall be counted as prescribed in section 124.17, subdivision 1.

(c) "Essential personnel" means teachers, related services, and support services staff providing direct services to students.

(d) "Average daily membership" has the meaning given it in section 124.17.

(e) "Program growth factor" means 1.00 for fiscal year 1998 and later.

(f) "Aid percentage factor" means 60 percent for fiscal year 1996, 70 percent for fiscal year 1997, 80 percent for fiscal year 1998, 90 percent for fiscal year 1999, and 100 percent for fiscal years 2000 and later.

(g) "Levy percentage factor" means 100 minus the aid percentage factor for that year.

Sec. 55. Minnesota Statutes 1996, section 124.3201, subdivision 2b, is amended to read:

Subd. 2b. **SPECIAL EDUCATION COURT PLACEMENT REVENUE.** For fiscal year 1996 and later, a district's special education court placement revenue is equal to 50 percent of the difference between expenditures for teachers' salaries, contracted services, supplies, and equipment eligible for revenues under ~~sections~~ section 124.3201 and 124.3202, in the base year and actual expenditures for pupils with disabilities who receive services pursuant to a court order.

Sec. 56. **REPEALER; SECTION 124.3202.**

Minnesota Statutes 1996, section 124.3202, is repealed.

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Sec. 57. Minnesota Statutes 1996, section 124.321, subdivision 1, is amended to read:

Subdivision 1. **LEVY EQUALIZATION REVENUE.** (a) For fiscal years 1996 and later, special education levy equalization revenue for a school district, excluding an intermediate school district, equals the sum of the following amounts:

(1) the levy percentage factor for that year times the district's special education revenue under section 124.3201; plus

(2) ~~the levy percentage factor for that year times the district's special education summer program revenue under section 124.3202; plus~~

(3) the levy percentage factor for that year times the district's special education excess cost revenue under section 124.323; plus

(4) (3) the levy percentage factor for that year times the district's secondary vocational education for children with a disability revenue under section 124.574; plus

(5) (4) the levy percentage factor for that year times the district's limited English proficiency programs revenue under section 124.273.

Sec. 58. Minnesota Statutes 1996, section 124.321, subdivision 2, is amended to read:

Subd. 2. **REVENUE ALLOCATION FROM STATE ACADEMIES.** (a) For purposes of this section, the Minnesota state academy for the deaf or the Minnesota state academy for the blind each year shall allocate an amount equal to the levy percentage factor for that year times their special education revenue under section 124.3201 ~~and their special education summer program revenue under section 124.3202~~ for the year to each school district that assigns a child with an individual education plan requiring an instructional aide to attend either academy. The school districts that assign a child who requires an instructional aide may make a levy in the amount of the costs allocated to them by either academy.

(b) When the Minnesota state academy for the deaf or the Minnesota state academy for the blind allocates revenue among school districts that assign a child who requires an instructional aide, for purposes of the districts making a levy under this subdivision, the academy shall provide information to the department of children, families, and learning on the amount of revenue it allocated to the school districts that assign a child who requires an instructional aide.

Sec. 59. Minnesota Statutes 1996, section 124.322, subdivision 1a, is amended to read:

Subd. 1a. **BASE REVENUE ADJUSTMENT.** For the third fiscal year after approval of a district's application, and thereafter, the special education base revenue under section 124.3201, subdivision 1, ~~and the summer program base revenue under section 124.3202, subdivision 1,~~ shall be computed based on activities defined as reimbursable under state board rules for special education and nonspecial education students, and additional activities as detailed and approved by the commissioner of children, families, and learning.

Sec. 60. Minnesota Statutes 1996, section 124.322, subdivision 5, is amended to read:

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Subd. 5. **USE OF REVENUE.** Revenue under ~~sections~~ section 124.3201 and ~~124.3202~~ shall be used to implement the approved program.

Sec. 61. Minnesota Statutes 1996, section 124.323, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** In this section, the definitions in this subdivision apply.

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, and equipment eligible for revenue under ~~sections~~ section 124.3201 and ~~124.3202~~; plus

(2) expenditures for tuition bills received under section 120.17 for services eligible for revenue under sections 124.3201, subdivision 2, and 124.3202, subdivision 1; minus

(3) revenue for teachers' salaries, contracted services, supplies, and equipment under sections 124.3201 and 124.3202; minus

(4) tuition receipts under section 120.17 for services eligible for revenue under sections 124.3201, subdivision 2, and 124.3202, subdivision 1.

(b) "General revenue," for fiscal year 1996, means the sum of the general education revenue according to section 124A.22, subdivision 1, as adjusted according to section 124A.036, subdivision 5, plus the total referendum revenue according to section 124A.03, subdivision 1e. For fiscal years 1997 and later, "general revenue" means the sum of the general education revenue according to section 124A.22, subdivision 1, as adjusted according to section 124A.036, subdivision 5, plus the total referendum revenue minus transportation sparsity revenue minus total operating capital revenue.

Sec. 62. Minnesota Statutes 1996, section 124.574, subdivision 7, is amended to read:

Subd. 7. A district shall not receive aid pursuant to section 124.3201, ~~124.3202~~, 124.321, or 124.573 for salaries, supplies, travel or equipment for which the district receives aid pursuant to this section.

Sec. 63. Minnesota Statutes 1996, section 124.91, subdivision 1, is amended to read:

Subdivision 1. **TO LEASE BUILDING OR LAND.** When a district finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the capital expenditure facilities revenues authorized under ~~sections 124.243 and~~ section 124A.22, subdivision 10, are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the

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cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building to itself.

Sec. 64. Minnesota Statutes 1996, section 124.918, subdivision 8, is amended to read:

Subd. 8. **TACONITE PAYMENT AND OTHER REDUCTIONS.** (1) Reductions in levies pursuant to section 124.918, subdivision 1, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 298.018; 298.23 to 298.28, except an amount distributed under section 298.28, subdivision 4, paragraph (c), clause (ii); 298.34 to 298.39; 298.391 to 298.396; 298.405; and any law imposing a tax upon severed mineral values, or recognized revenue pursuant to section 477A.15; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this chapter and chapter 124A by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue times the ratio of the maximum levy allowed the district under Minnesota Statutes 1986, sections 124A.03, subdivision 2, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, and 124A.14, subdivision 5a, to the total levy allowed the district under this section and Minnesota Statutes 1986, sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 124A.20, subdivision 2, for levies certified in 1986.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to section 124A.23, to an amount less than the amount raised by a levy of a net tax rate of 6.82 percent times the adjusted net tax capacity for taxes payable in 1990 and thereafter of that district for the preceding year as determined by the commissioner. The amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2, shall not be reduced pursuant to this subdivision. The amount of any levy authorized by section 124.912, subdivision 1, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of ~~the capital expenditure facilities levy authorized by section 124.243, the capital expenditure equipment levy authorized by section 124.244, the health and safety levy authorized by sections 124.83 and 124.91, subdivision 6, the commissioner shall ascertain from each affected school district the amount it proposes to levy under each section or subdivision. The reduction shall be computed on the basis of the amount so ascertained.~~

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year pursuant to sections 298.018; 298.23 to 298.28; 298.34 to 298.39;

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298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values; and not deducted from general education aid pursuant to section 124A.035, subdivision 5, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the St. Louis county auditor in the following amount by March 15 of each year, the amount required to be subtracted from the previous fiscal year's general education aid pursuant to section 124A.035, subdivision 5, which is in excess of the general education aid earned for that fiscal year. The county auditor shall deposit any amounts received pursuant to this clause in the St. Louis county treasury for purposes of paying the taconite homestead credit as provided in section 273.135.

Sec. 65. Minnesota Statutes 1996, section 124A.036, subdivision 5, is amended to read:

Subd. 5. **ALTERNATIVE ATTENDANCE PROGRAMS.** The general education aid for districts must be adjusted for each pupil attending a nonresident district under sections 120.062, 120.075, 120.0751, 120.0752, 124C.45 to 124C.48, and 126.22. The adjustments must be made according to this subdivision.

(a) General education aid paid to a resident district must be reduced by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision shall be increased by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the nonresident district.

(c) If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

(d) The district of residence shall pay tuition to a district or an area learning center, operated according to paragraph (e), providing special instruction and services to a pupil with a disability, as defined in section 120.03, or a pupil, as defined in section 120.181, who is enrolled in a program listed in this subdivision. The tuition shall be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for debt service and for capital expenditure facilities and equipment, and debt service but not including any amount for transportation, minus (2) the amount of general education aid, the amount of capital expenditure facilities aid and capital expenditure equipment aid received under section 124.245, subdivision 6, and special education aid, attributable to that pupil, that is received by the district providing special instruction and services.

(e) An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge tuition for pupils rather than to calculate general education aid adjustments under paragraph (a), (b), or (c). The tuition must be equal to the greater of the average general education revenue per pupil unit attributable to the pupil, or the actual cost of providing the instruction, excluding transportation costs, if the pupil meets the requirements of section 120.03 or 120.181.

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Sec. 66. Minnesota Statutes 1996, section 124A.225, subdivision 2, is amended to read:

Subd. 2. **INSTRUCTOR DEFINED.** Primary instructor means a public employee licensed by the board of teaching whose duties are full-time instruction, excluding a teacher for whom categorical aids are received pursuant to sections 124.3201, 124.3202, and 124.321. Except as provided in section 125.230, subdivision 6, instructor does not include supervisory and support personnel, except school social workers as defined in section 125.03. An instructor whose duties are less than full-time instruction must be included as an equivalent only for the number of hours of instruction in grades kindergarten through 6.

Sec. 67. Minnesota Statutes 1996, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. **REVENUE REDUCTION.** A district's general education revenue for a school year shall be reduced if the estimated net unappropriated operating fund balance as of June 30 in the prior school year exceeds 25 percent of the formula allowance for the current fiscal year times the fund balance pupil units in the prior year. For purposes of this subdivision and section 124.243, subdivision 2, fund balance pupil units means the number of resident pupil units in average daily membership, including shared time pupils, according to section 124A.02, subdivision 20, plus

(1) pupils attending the district for which general education aid adjustments are made according to section 124A.036, subdivision 5; minus

(2) the sum of the resident pupils attending other districts for which general education aid adjustments are made according to section 124A.036, subdivision 5, plus pupils for whom payment is made according to section 126.22, subdivision 8, or 126.23. The amount of the reduction shall equal the lesser of:

(1) the amount of the excess, or

(2) \$250 times the actual pupil units for the school year.

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

Sec. 68. Minnesota Statutes 1996, section 124C.60, subdivision 1, is amended to read:

Subdivision 1. **ELIGIBILITY.** Two or more districts that have consolidated under section 122.23 or combined under sections 122.241 to 122.248, are eligible for a capital facilities grant of up to \$200,000 for fiscal year 1995 and \$100,000 thereafter under this section. To qualify the following criteria must be met:

(1) the proposed facility changes are part of the plan according to section 122.242, subdivision 10, or the plan adopted by the reorganized district according to section 124.243, subdivision 1;

(2) the changes proposed to a facility must be needed to accommodate changes in the educational program due to the reorganization;

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(3) the utilization of the facility for educational programs is at least 85 percent of capacity; and

(4) the grant will be used only to remodel or improve existing facilities.

Sec. 69. Minnesota Statutes 1996, section 124C.60, subdivision 3, is amended to read:

Subd. 3. **USE OF GRANT MONEY.** The grant money may be used for any capital expenditures specified in section ~~124.243~~ 124A.22, subdivision ~~6~~ 11, clauses (4), (6), (7), (8), (9), and (10).

Sec. 70. Minnesota Statutes 1996, section 126.22, subdivision 7, is amended to read:

Subd. 7. **AID ADJUSTMENTS.** General education aid, ~~capital expenditure aid,~~ and transportation aid attributable to a pupil covered by programs under this section must be paid according to sections 124A.036, subdivision 5, ~~124.245~~, subdivision 6, and 124.225, subdivision 8l, respectively.

Sec. 71. Minnesota Statutes 1996, section 126.51, subdivision 1, is amended to read:

Subdivision 1. **PARENT COMMITTEE.** School boards and American Indian schools shall provide for the maximum involvement of parents of children enrolled in education programs, including language and culture education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, the school board of a school district in which there are ten or more American Indian children enrolled and each American Indian school shall establish a parent committee. If a committee whose membership consists of a majority of parents of American Indian children has been or is established according to federal, tribal, or other state law, that committee may serve as the committee required by this section and shall be subject to, at least, the requirements of this subdivision and subdivision 1a.

The parent committee shall develop its recommendations in consultation with the curriculum advisory committee required by section ~~126.666~~ 123.972, subdivision ~~2~~ 3. This committee shall afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of American Indian education and the educational needs of the American Indian children enrolled in the school or program. The committee shall also address the need for adult education programs for American Indian people in the community. The school board or American Indian school shall ensure that programs are planned, operated, and evaluated with the involvement of and in consultation with parents of children served by the programs.

Sec. 72. Minnesota Statutes 1996, section 126.72, subdivision 2, is amended to read:

Subd. 2. **PURPOSE.** The school board shall determine the needs of its classroom teachers and the need for changes in its curriculum. In determining these needs, the school board shall obtain recommendations from classroom teachers, staff responsible for curriculum, and the curriculum advisory committee. It shall consider assessment results, other test results, the need for mentor teachers, and the district improvement plan portion of the report adopted according to section ~~126.666~~ 123.972, subdivision ~~4~~ 5. Contracts executed under this section shall relate directly to the identified needs.

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**Sec. 73. REVISOR'S INSTRUCTION; SECTIONS 136A.172 to 136A.178.**

The revisor shall change the citation from section 136A.179 to section 136A.178 in the following sections of Minnesota Statutes: 136A.172; 136A.173; 136A.174; 136A.175; 136A.176; 136A.177; and 136A.178.

Sec. 74. Minnesota Statutes 1996, section 136D.94, is amended to read:

**136D.94 REFUNDING BONDS.**

Sections 136D.281, subdivision 8, 136D.741, subdivision 8, and ~~136D.87~~ 136D.88, subdivision 8, do not apply to bonds issued solely for refunding purposes.

**Sec. 75. REPEALER; SECTION 144A.61, SUBDIVISION 6 NOTE.**

Laws 1989, chapter 282, article 3, section 28, is repealed.

Sec. 76. Minnesota Statutes 1996, section 147A.13, subdivision 1, is amended to read:

Subdivision 1. **GROUND'S LISTED.** The board may refuse to grant registration or may impose disciplinary action as described in this subdivision against any physician assistant. The following conduct is prohibited and is grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements for registration contained in this chapter or rules of the board. The burden of proof shall be upon the applicant to demonstrate such qualifications or satisfaction of such requirements;

(2) obtaining registration by fraud or cheating, or attempting to subvert the examination process. Conduct which subverts or attempts to subvert the examination process includes, but is not limited to:

(i) conduct which violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination;

(ii) conduct which violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; and

(iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf;

(3) conviction, during the previous five years, of a felony reasonably related to the practice of physician assistant. Conviction as used in this subdivision includes a conviction of an offense which if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered;

(4) revocation, suspension, restriction, limitation, or other disciplinary action against the person's physician assistant credentials in another state or jurisdiction, failure to report to the board that charges regarding the person's credentials have been brought in another state or jurisdiction, or having been refused registration by any other state or jurisdiction;

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(5) advertising which is false or misleading, violates any rule of the board, or claims without substantiation the positive cure of any disease or professional superiority to or greater skill than that possessed by another physician assistant;

(6) violating a rule adopted by the board or an order of the board, a state, or federal law which relates to the practice of a physician assistant, or in part regulates the practice of a physician assistant, including without limitation sections 148A.02, 609.344, and 609.345, or a state or federal narcotics or controlled substance law;

(7) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient; or practice which is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established;

(8) failure to adhere to the provisions of the physician-physician assistant agreement;

(9) engaging in the practice of medicine beyond that allowed by the physician-physician assistant agreement, including the delegation form or the addendum to the delegation form, or aiding or abetting an unlicensed person in the practice of medicine;

(10) adjudication as mentally incompetent, mentally ill or mentally retarded, or as a chemically dependent person, a person dangerous to the public, a sexually dangerous person, or a person who has a sexual psychopathic personality by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a registration for its duration unless the board orders otherwise;

(11) engaging in unprofessional conduct. Unprofessional conduct includes any departure from or the failure to conform to the minimal standards of acceptable and prevailing practice in which proceeding actual injury to a patient need not be established;

(12) inability to practice with reasonable skill and safety to patients by reason of illness, drunkenness, use of drugs, narcotics, chemicals, or any other type of material, or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills;

(13) revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(14) any use of the title "Physician," "Doctor," or "Dr.";

(15) improper management of medical records, including failure to maintain adequate medical records, to comply with a patient's request made pursuant to section 144.335, or to furnish a medical record or report required by law;

(16) engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws;

(17) becoming addicted or habituated to a drug or intoxicant;

(18) prescribing a drug or device for other than medically accepted therapeutic, experimental, or investigative purposes authorized by a state or federal agency or referring a patient to any health care provider as defined in section 144.335 for services or tests not medically indicated at the time of referral;

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(19) engaging in conduct with a patient which is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior which is seductive or sexually demeaning to a patient;

(20) failure to make reports as required by section ~~609.215~~ 147A.14 or to cooperate with an investigation of the board as required by section ~~609.215~~ 147A.15, subdivision 3;

(21) knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo;

(22) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2; or

(23) failure to maintain annually reviewed and updated physician-physician assistant agreements, internal protocols, or prescribing delegation forms for each physician-physician assistant practice relationship, or failure to provide copies of such documents upon request by the board.

Sec. 77. Minnesota Statutes 1996, section 148.235, subdivision 4, is amended to read:

Subd. 4. **CLINICAL NURSE SPECIALISTS IN PSYCHIATRIC AND MENTAL HEALTH NURSING.** A registered nurse who (1) has a masters degree, (2) is certified through a national professional nursing organization which certifies clinical specialists in psychiatric and mental health nursing and is included in the list of professional nursing organizations adopted by the board under section 62A.15, subdivision 3a, (3) has successfully completed no less than 30 hours of formal study in the prescribing of psychotropic medications and medications to treat their side effects which included instruction in health assessment, psychotropic classifications, psychopharmacology, indications, dosages, contraindications, side effects, and evidence of application, and (4) has a ~~verbal agreement or~~ a written agreement with a psychiatrist based on standards established by the Minnesota Nurses Association and the Minnesota Psychiatric Association that specifies and defines the delegated responsibilities related to the prescription of drugs in relationship to the diagnosis, may prescribe and administer drugs used to treat psychiatric and behavioral disorders and the side effects of those drugs within the scope of the written agreement and within practice as a clinical specialist in psychiatric and mental health nursing. The written agreement required under this subdivision shall be based on standards established by the Minnesota Nurses Association and the Minnesota ~~medical~~ Psychiatric Association as of January 1, 1996, unless both associations agree to

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revisions. The written agreement shall be maintained at the certified clinical nurse specialist's place of employment and does not need to be filed with the board of nursing.

Nothing in this subdivision removes or limits the legal professional liability of the treating psychiatrist, clinical nurse specialist, mental health clinic or hospital for the prescription and administration of drugs by a clinical specialist in accordance with this subdivision.

Sec. 78. Minnesota Statutes 1996, section 168.129, subdivision 1, is amended to read:

Subdivision 1. **GENERAL REQUIREMENTS AND PROCEDURES.** The commissioner of public safety shall issue special collegiate license plates to an applicant who:

- (1) is an owner or joint owner of a passenger automobile, pickup truck, or van;
- (2) pays a fee determined by the commissioner to cover the costs of handling and manufacturing the plates;
- (3) pays the registration tax required under section ~~168.12~~ 168.013;
- (4) pays the fees required under this chapter;
- (5) contributes at least \$25 annually to the scholarship account established in subdivision 6; and
- (6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Sec. 79. Minnesota Statutes 1996, section 169.145, is amended to read:

**169.145 IMPLEMENTS OF HUSBANDRY; SPEED; BRAKES.**

No person may:

- (1) drive or tow an implement of husbandry that exceeds 6,000 pounds registered gross weight or gross vehicle weight and is not equipped with brakes; or
- (2) tow a vehicle registered as a farm trailer that exceeds 6,000 pounds registered gross weight or gross vehicle weight and is not equipped with brakes and ~~exceeding 6,000 pounds~~, at a speed in excess of 25 miles per hour.

Sec. 80. Minnesota Statutes 1996, section 176.081, subdivision 1, is amended to read:

Subdivision 1. **LIMITATION OF FEES.** (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent of the next \$60,000 of compensation awarded to the employee is the maximum permissible fee and does not require approval by the commissioner, compensation judge, or any other party. All fees, including fees for obtaining medical or rehabilitation benefits, must be calculated according to the formula under this subdivision, except as otherwise provided in clause (1) or (2).

- (1) The contingent attorney fee for recovery of monetary benefits according to the formula in this section is presumed to be adequate to cover recovery of medical and rehabilitation benefit or services concurrently in dispute. Attorney fees for recovery of medi-

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cal or rehabilitation benefits or services shall be assessed against the employer or insurer only if the attorney establishes that the contingent fee is inadequate to reasonably compensate the attorney for representing the employee in the medical or rehabilitation dispute. In cases where the contingent fee is inadequate the employer or insurer is liable for attorney fees based on the formula in this subdivision or in clause (2).

For the purposes of applying the formula where the employer or insurer is liable for attorney fees, the amount of compensation awarded for obtaining disputed medical and rehabilitation benefits under sections 176.102, 176.135, and 176.136 shall be the dollar value of the medical or rehabilitation benefit awarded, where ascertainable.

(2) The maximum attorney fee for obtaining a change of doctor or qualified rehabilitation consultant, or any other disputed medical or rehabilitation benefit for which a dollar value is not reasonably ascertainable, is the amount charged in hourly fees for the representation or \$500, whichever is less, to be paid by the employer or insurer.

(3) The fees for obtaining disputed medical or rehabilitation benefits are included in the \$13,000 limit in paragraph (b). An attorney must concurrently file all outstanding disputed issues. An attorney is not entitled to attorney fees for representation in any issue which could reasonably have been addressed during the pendency of other issues for the same injury.

(b) All fees for legal services related to the same injury are cumulative and may not exceed \$13,000. If multiple injuries are the subject of a dispute, the commissioner, compensation judge, or court of appeals shall specify the attorney fee attributable to each injury.

(c) If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. Subject to the foregoing maximum amount for attorney fees, up to 25 percent of the first \$4,000 of periodic compensation awarded to the employee and 20 percent of the next \$60,000 of periodic compensation awarded to the employee may be withheld from the periodic payments for attorney fees or disbursements if the payor of the funds clearly indicates on the check or draft issued to the employee for payment the purpose of the withholding, the name of the attorney, the amount withheld, and the gross amount of the compensation payment before withholding. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed claims or portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. The existence of a dispute is dependent upon a disagreement after the employer or insurer has had adequate time and information to take a position on liability. Neither the holding of a hearing nor the filing of an application for a hearing alone may determine the existence of a dispute. Except where the employee is represented by an attorney in other litigation pending at the department or at the office of administrative hearings, a fee may not be charged after June 1, 1996, for services with respect to a medical or rehabilitation issue arising under section 176.102, 176.135, or 176.136 performed before the employee has consulted with the department and the department certifies that there is a dispute and that it has tried to resolve the dispute.

(d) An attorney who is claiming legal fees for representing an employee in a workers' compensation matter shall file a statement of attorney fees with the commissioner,

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compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner and shall report the number of hours spent on the case.

(e) Employers and insurers may not pay attorney fees or wages for legal services of more than \$13,000 per case ~~unless the additional fees or wages are approved under subdivision 2.~~

(f) Each insurer and self-insured employer shall file annual statements with the commissioner detailing the total amount of legal fees and other legal costs incurred by the insurer or employer during the year. The statement shall include the amount paid for outside and in-house counsel, deposition and other witness fees, and all other costs relating to litigation.

Sec. 81. Minnesota Statutes 1996, section 179A.03, subdivision 7, is amended to read:

Subd. 7. **ESSENTIAL EMPLOYEE.** "Essential employee" means firefighters, peace officers subject to licensure under sections 626.84 to ~~626.855~~ 626.863, guards at correctional facilities, confidential employees, supervisory employees, assistant county attorneys, principals, and assistant principals. However, for state employees, "essential employee" means all employees in law enforcement, health care professionals, correctional guards, professional engineering, and supervisory collective bargaining units, irrespective of severance, and no other employees. For University of Minnesota employees, "essential employee" means all employees in law enforcement, nursing professional and supervisory units, irrespective of severance, and no other employees. "Firefighters" means salaried employees of a fire department whose duties include, directly or indirectly, controlling, extinguishing, preventing, detecting, or investigating fires.

Sec. 82. Minnesota Statutes 1996, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **PUBLIC EMPLOYEE.** "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (a) elected public officials;
- (b) election officers;
- (c) commissioned or enlisted personnel of the Minnesota national guard;
- (d) emergency employees who are employed for emergency work caused by natural disaster;
- (e) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;
- (f) employees whose positions are basically temporary or seasonal in character and:
  - (1) are not for more than 67 working days in any calendar year; or
  - (2) are not for more than 100 working days in any calendar year and the employees are under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by

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being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;

(g) employees providing services for not more than two consecutive quarters to the state university board or the community college board under the terms of a professional or technical services contract as defined in section 16B.17, subdivision 1;

(h) employees of charitable hospitals as defined by section 179.35, subdivision 3;

(i) full-time undergraduate students employed by the school which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;

(j) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;

(k) an individual hired by a school district, the community college board, or the state university board, to teach one course for up to four credits for one quarter in a year.

The following individuals are public employees regardless of the exclusions of clauses (e) and (f):

(1) An employee hired by a school district, the community college board, or the state university board, except at the university established in section 136F.017 136F.13 or for community services or community education instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons; and

(2) An employee hired for a position under clause (f)(1) if that same position has already been filled under clause (f)(1) in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position.

Sec. 83. Minnesota Statutes 1996, section 179A.06, subdivision 2, is amended to read:

Subd. 2. **RIGHT TO ORGANIZE.** Public employees have the right to form and join labor or employee organizations, and have the right not to form and join such organizations. Public employees in an appropriate unit have the right by secret ballot to designate an exclusive representative to negotiate grievance procedures and the terms and conditions of employment with their employer. Confidential employees of the state and the University of Minnesota are excluded from bargaining. Other confidential employees, supervisory employees, principals, and assistant principals may form their own organizations. An employer shall extend exclusive recognition to a representative of or an organization of supervisory or confidential employees, or principals and assistant principals, for the purpose of negotiating terms or conditions of employment, in accordance with sections 179A.01 to 179A.25, applicable to essential employees.

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Supervisory or confidential employee organizations shall not participate in any capacity in any negotiations which involve units of employees other than supervisory or confidential employees. Except for organizations which represent supervisors who are: (1) firefighters, peace officers subject to licensure under sections 626.84 to ~~626.855~~ 626.863, guards at correctional facilities, or employees at hospitals other than state hospitals; and (2) not state or University of Minnesota employees, a supervisory or confidential employee organization which is affiliated with another employee organization which is the exclusive representative of nonsupervisory or nonconfidential employees of the same public employer shall not be certified, or act as, an exclusive representative for the supervisory or confidential employees. For the purpose of this subdivision, affiliation means either direct or indirect and includes affiliation through a federation or joint body of employee organizations.

Sec. 84. Minnesota Statutes 1996, section 179A.09, subdivision 3, is amended to read:

Subd. 3. **DIVISION OF UNITS.** If a designated appropriate unit contains both peace officers subject to licensure under sections 626.84 to ~~626.855~~ 626.863 and essential employees who are not peace officers, the commissioner, at the request of a majority of either the peace officers or the other essential employees within the unit, shall divide the unit into two separate appropriate units, one for the peace officers and one for the other essential employees.

Sec. 85. Minnesota Statutes 1996, section 181.14, is amended to read:

**181.14 NOTICE TO BE GIVEN; SETTLEMENT OF DISPUTES.**

When any such employee, not having a contract for a definite period of service, quits or resigns employment, the wages or commissions earned and unpaid at the time the employee quits or resigns shall become due and payable within five days thereafter. Any employer failing or refusing to pay such wages or commissions, after they become due, upon the demand of the employee, shall be liable to the employee from the date of the demand for an additional sum equal to the amount of the employee's average daily earnings provided in the contract of employment, for every day, not exceeding 15 days in all, until such payment or other settlement satisfactory to the employee is made. If any employee having such a contract gives not less than five days' written notice to the employer of intention to quit, the wages or commissions of the employee giving notice may be demanded and shall become due 24 hours after the employee quits or resigns, and the penalty herein provided shall apply from the date of demand. If the employer disputes the amount of wages or commissions claimed by the employee under the provisions of this section or section 181.13, and the employer makes a legal tender of the amount which the employer in good faith claims to be due, the employer shall not be liable for any sum greater than the amount so tendered and interest thereon at the legal rate, unless, in an action brought in a court having jurisdiction, the employee recovers a greater sum than the amount so tendered with interest thereon; and if, in the suit, the employee fails to recover a greater sum than that so tendered, with interest, the employee shall pay the cost of the suit, otherwise the cost shall be paid by the employer. In cases where the discharged or quitting employee was, during employment, entrusted with the collection, disbursement, or handling of money or property, the employer shall have ten secular days after the termination of the employment to audit and adjust the accounts of the employee before the employee's wages or commissions shall become due and payable, and the penalty herein

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provided shall apply in such case only from the date of demand made after the expiration of the period allowed for audit and adjustment. If, upon such audit and adjustment of the accounts of the employee, it is found that any money or property entrusted to the employee by the employer has not been properly accounted for or paid over to the employer, as provided by the terms of the contract of employment, the employee shall not be entitled to the benefit of sections 181.13 to ~~181.17~~ 181.171, but the claim for unpaid wages or commissions of such employee, if any, shall be disposed of as provided by existing law. Wages and commissions paid under this section shall be paid at the usual place of payment unless the employee requests that the wages and commissions be sent to the employee through the mails. If, in accordance with a request by the employee, the employee's wages and commissions are sent to the employee through the mail, the wages and commissions shall be deemed to have been paid as of the date of their postmark for the purposes of this section.

Sec. 86. Minnesota Statutes 1996, section 181.15, is amended to read:

**181.15 WHEN EMPLOYEE NOT ENTITLED TO BENEFITS.**

No such servant or employee who hides or stays away to avoid receiving payment, or refuses to receive the same when fully tendered, shall be entitled to any benefit under sections 181.13 to ~~181.17~~ 181.171 for such time as so avoiding payment; provided, when any number of employees enter upon a strike the wages due such striking employees at the time of entering upon such strike shall not become due until the next regular pay day after the commencement of such strike.

Sec. 87. Minnesota Statutes 1996, section 181.16, is amended to read:

**181.16 CONSTRUCTION OF SECTIONS 181.13 TO ~~181.17~~ 181.171.**

Sections 181.13 to ~~181.17~~ 181.171 shall not be construed to apply to any employer or an individual, copartnership, or corporation that is bankrupt, or where a receiver or trustee is acting under the direction of the court. Payment or tender by check drawn on a bank situated in the county where a laborer is employed shall be a sufficient payment or tender to comply with the provisions of sections 181.13 to ~~181.17~~ 181.171.

Sec. 88. Minnesota Statutes 1996, section 183.57, subdivision 2, is amended to read:

Subd. 2. Every boiler or pressure vessel as to which any insurance company authorized to do business in this state has issued a policy of insurance, after the inspection thereof, is exempt from inspection made under sections 183.375 to 183.62, while the same continues to be insured and the person, firm, or corporation owning or operating the same has an unexpired certificate of exemption from inspection, issued by the chief boiler inspector. The fee set by the commissioner pursuant to section ~~16A.128~~ 16A.1285, on the first object inspected and on each object thereafter shall apply to each exempt object. A certificate of exemption expires one year from date of issue. The certificate of exemption shall be posted in a conspicuous place near the boiler or pressure vessel or in the plant office or boiler room described therein and to which it relates. Every insurance company shall give written notice to the chief boiler inspector of the cancellation or expiration of every policy of insurance issued by it with reference to policies in this state, and the cause or reason for the cancellation or expiration. These notices of cancellation or expiration shall show the date of the policy and the date when the cancellation has or will become effective.

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Sec. 89. Minnesota Statutes 1996, section 197.447, is amended to read:

**197.447 VETERAN, DEFINED.**

The word "veteran" as used in Minnesota Statutes, except in sections 136F.28, 196.21, 197.971, and 243.251, means a citizen of the United States or a resident alien who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, or who has met the minimum active duty requirement as defined by Code of Federal Regulations, title 38, section 3.12a, or who has active military service certified under section 401, Public Law Number 95-202. The active military service must be certified by the United States Secretary of Defense as active military service and a discharge under honorable conditions must be issued by the Secretary.

Sec. 90. Minnesota Statutes 1996, section 214.01, subdivision 2, is amended to read:

Subd. 2. **HEALTH-RELATED LICENSING BOARD.** "Health-related licensing board" means the board of examiners of nursing home administrators established pursuant to section 144A.19, the board of medical practice created pursuant to section 147.01, the board of nursing created pursuant to section 148.181, the board of chiropractic examiners established pursuant to section 148.02, the board of optometry established pursuant to section 148.52, the board of psychology established pursuant to section 148.90, the board of social work licensing board pursuant to section 148B.19, the board of marriage and family therapy pursuant to section 148B.30, the office of mental health practice established pursuant to section 148B.61, the chemical dependency counseling alcohol and drug counselors licensing advisory council established pursuant to section 148C.02, the board of dietetics and nutrition practice established under section 148.622, the board of dentistry established pursuant to section 150A.02, the board of pharmacy established pursuant to section 151.02, the board of podiatric medicine established pursuant to section 153.02, and the board of veterinary medicine, established pursuant to section 156.01.

Sec. 91. **REPEALER; SECTION 216C.06, SUBDIVISIONS 10 AND 11.**

Minnesota Statutes 1996, section 216C.06, subdivisions 10 and 11, are repealed.

Sec. 92. Minnesota Statutes 1996, section 216C.35, is amended to read:

**216C.35 PRIORITIES FOR FUNDING.**

All applications for funding shall be made to the commissioner. Applications shall be accompanied by a report on the energy using characteristics of the building and any other information the commissioner may reasonably require. ~~A school or local government may apply to the commissioner to receive reimbursement for up to the reasonable costs of mini-audits or maxi-audits performed pursuant to section 216C.23 or 216C.24. In the event that the applicant receives federal money pursuant to the National Energy Conservation Policy Act, Public Law Number 95-619 that is intended to be used to pay part or all of the costs of a mini-audit or maxi-audit, the applicant shall receive state money, which, when combined with federal money received, equals the reasonable costs of the mini-audit or maxi-audit.~~

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Sec. 93. Minnesota Statutes 1996, section 244.17, subdivision 2, is amended to read:

Subd. 2. **ELIGIBILITY.** The commissioner must limit the challenge incarceration program to the following persons:

(1) offenders who are committed to the commissioner's custody following revocation of a stayed sentence; and

(2) offenders who are committed to the commissioner's custody, who have 36 months or less in or remaining in their term of imprisonment, and who did not receive a dispositional departure under the sentencing guidelines.

~~An eligible inmate is not entitled to participate in the program.~~

Sec. 94. Minnesota Statutes 1996, section 245.462, subdivision 16, is amended to read:

Subd. 16. **MENTAL HEALTH FUNDS.** "Mental health funds" are funds expended under sections 245.73 and 256E.12, federal mental health block grant funds, and funds expended under sections section 256D.06 and ~~256D.37~~ to facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690.

Sec. 95. Minnesota Statutes 1996, section 245.4881, subdivision 2, is amended to read:

Subd. 2. **NOTIFICATION AND DETERMINATION OF CASE MANAGEMENT ELIGIBILITY.** (a) The county board shall notify, as appropriate, the child, child's parent, or child's legal representative of the child's potential eligibility for case management services within five working days after receiving a request from an individual or a referral from a provider under section 245.4876, subdivision 4.

(b) The county board shall send a notification written in plain language of potential eligibility for case management and family community support services. The notification shall identify the designated case management providers and shall contain:

- (1) a brief description of case management and family community support services;
- (2) the potential benefits of these services;
- (3) the identity and current phone number of the county employee designated to coordinate case management activities;
- (4) an explanation of how to obtain county assistance in obtaining a diagnostic assessment, if needed; and
- (5) an explanation of the appeal process.

The county board shall send the notice, as appropriate, to the child, the child's parent, or the child's legal representative, if any.

(c) The county board must promptly determine whether a child who requests or is referred for case management services meets the criteria of section ~~245.471~~ or 245.4871, subdivision 6. If a diagnostic assessment is needed to make the determination, the county board must offer to assist the child and the child's family in obtaining one. The county board shall notify, in writing, the child and the child's representative, if any, of the eligi-

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bility determination. If the child is determined to be eligible for case management services, and if the child and the child's family consent to the services, the county board shall refer the child to the case management provider for case management services. If the child is determined not to be eligible or refuses case management services, the county board shall notify the child of the appeal process and shall offer to refer the child to a mental health provider or other appropriate service provider and to assist the child in making an appointment with the provider of the child's choice.

Sec. 96. Minnesota Statutes 1996, section 252.40, is amended to read:

**252.40 SERVICE PRINCIPLES AND RATE-SETTING PROCEDURES FOR DAY TRAINING AND HABILITATION SERVICES FOR ADULTS WITH MENTAL RETARDATION AND RELATED CONDITIONS.**

Sections 252.40 to ~~252.47~~ 252.46 apply to day training and habilitation services for adults with mental retardation and related conditions when the services are authorized to be funded by a county and provided under a contract between a county board and a vendor as defined in section 252.41. Nothing in sections 252.40 to ~~252.47~~ 252.46 absolves intermediate care facilities for persons with mental retardation or related conditions of the responsibility for providing active treatment and habilitation under federal regulations with which those facilities must comply to be certified by the Minnesota department of health.

Sec. 97. Minnesota Statutes 1996, section 252.41, subdivision 1, is amended to read:

Subdivision 1. **SCOPE.** The definitions in this section apply to sections 252.40 to ~~252.47~~ 252.46.

Sec. 98. Minnesota Statutes 1996, section 252.43, is amended to read:

**252.43 COMMISSIONER'S DUTIES.**

The commissioner shall supervise county boards' provision of day training and habilitation services to adults with mental retardation and related conditions. The commissioner shall:

(1) determine the need for day training and habilitation services under section 252.28;

(2) approve payment rates established by a county under section 252.46, subdivision 1;

(3) adopt rules for the administration and provision of day training and habilitation services under sections 252.40 to ~~252.47~~ 252.46 and sections 245A.01 to 245A.16 and 252.28, subdivision 2;

(4) enter into interagency agreements necessary to ensure effective coordination and provision of day training and habilitation services;

(5) monitor and evaluate the costs and effectiveness of day training and habilitation services; and

(6) provide information and technical help to county boards and vendors in their administration and provision of day training and habilitation services.

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Sec. 99. Minnesota Statutes 1996, section 252.46, subdivision 1, is amended to read:

Subdivision 1. **RATES.** (a) Payment rates to vendors, except regional centers, for county-funded day training and habilitation services and transportation provided to persons receiving day training and habilitation services established by a county board are governed by subdivisions 2 to 19. The commissioner shall approve the following three payment rates for services provided by a vendor:

(1) a full-day service rate for persons who receive at least six service hours a day, including the time it takes to transport the person to and from the service site;

(2) a partial-day service rate that must not exceed 75 percent of the full-day service rate for persons who receive less than a full day of service; and

(3) a transportation rate for providing, or arranging and paying for, transportation of a person to and from the person's residence to the service site.

(b) The commissioner may also approve an hourly job-coach, follow-along rate for services provided by one employee at or en route to or from community locations to supervise, support, and assist one person receiving the vendor's services to learn job-related skills necessary to obtain or retain employment when and where no other persons receiving services are present and when all the following criteria are met:

(1) the vendor requests and the county recommends the optional rate;

(2) the service is prior authorized by the county on the Medicaid Management Information System for no more than 414 hours in a 12-month period and the daily per person charge to medical assistance does not exceed the vendor's approved full day plus transportation rates;

(3) separate full day, partial day, and transportation rates are not billed for the same person on the same day;

(4) the approved hourly rate does not exceed the sum of the vendor's current average hourly direct service wage, including fringe benefits and taxes, plus a component equal to the vendor's average hourly nondirect service wage expenses; and

(5) the actual revenue received for provision of hourly job-coach, follow-along services is subtracted from the vendor's total expenses for the same time period and those adjusted expenses are used for determining recommended full day and transportation payment rates under subdivision 5 in accordance with the limitations in subdivision 3.

(c) Medical assistance rates for home and community-based service provided under section 256B.501, subdivision 4, by licensed vendors of day training and habilitation services must not be greater than the rates for the same services established by counties under sections 252.40 to ~~252.47~~ 252.46. For very dependent persons with special needs the commissioner may approve an exception to the approved payment rate under section 256B.501, subdivision 4 or 8.

Sec. 100. Minnesota Statutes 1996, section 252.50, subdivision 6, is amended to read:

Subd. 6. **RATES FOR STATE-OPERATED, COMMUNITY-BASED PROGRAMS FOR PERSONS WITH MENTAL RETARDATION.** State-operated, com-

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munity-based programs that meet the definition of a facility in Minnesota Rules, part 9553.0020, subpart 19, must be reimbursed consistent with Minnesota Rules, parts 9553.0010 to 9553.0080. State-operated, community-based programs that meet the definition of vendor in section 252.41, subdivision 9, must be reimbursed consistent with the rate setting procedures in sections ~~252.41 to 252.47~~ 252.46 and Minnesota Rules, parts 9525.1200 to 9525.1330. This subdivision does not operate to abridge the statutorily created pension rights of state employees or collective bargaining agreements reached pursuant to chapter 179A.

Sec. 101. Minnesota Statutes 1996, section 256B.04, subdivision 2, is amended to read:

Subd. 2. Make uniform rules, not inconsistent with law, for carrying out and enforcing the provisions hereof in an efficient, economical, and impartial manner, and to the end that the medical assistance system may be administered uniformly throughout the state, having regard for varying costs of medical care in different parts of the state and the conditions in each case, and in all things to carry out the spirit and purpose of this program, which rules shall be made with the approval of the attorney general on form and legality, shall be furnished immediately to all county agencies, and shall be binding on such county agencies.

Sec. 102. Minnesota Statutes 1996, section 257.41, is amended to read:

#### **257.41 FINANCIAL RESPONSIBILITY.**

Financial responsibility for any child placed pursuant to the provisions of the interstate compact on the placement of children shall be determined in accordance with the provisions of article 5 thereof in the first instance. However, in the event of partial or complete default of performance thereunder, the provisions of sections ~~518C.01 to 518C.36~~ 518C.101 to 518C.902 also may be invoked.

Sec. 103. Minnesota Statutes 1996, section 260.161, subdivision 3, is amended to read:

Subd. 3. **PEACE OFFICER RECORDS OF CHILDREN.** (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children who are or may be delinquent or who may be engaged in criminal acts shall be kept separate from records of persons 18 years of age or older and are private data but shall be disseminated: (1) by order of the juvenile court, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as otherwise provided in this subdivision. Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 4, and 10. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records

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concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes, case supervision by parole agents, and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, and accident reports required under section 169.09 may be released under section 169.09, subdivision 13, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a ~~minor~~ an adult court traffic offense under section 260.193.

(e) A law enforcement agency shall notify the principal or chief administrative officer of a juvenile's school of an incident occurring within the agency's jurisdiction if:

(1) the agency has probable cause to believe that the juvenile has committed an offense that would be a crime if committed as an adult, that the victim of the offense is a student or staff member of the school, and that notice to the school is reasonably necessary for the protection of the victim; or

(2) the agency has probable cause to believe that the juvenile has committed an offense described in subdivision 1b, paragraph (a), clauses (1) to (3), that would be a crime if committed by an adult, regardless of whether the victim is a student or staff member of the school.

A law enforcement agency is not required to notify the school under this paragraph if the agency determines that notice would jeopardize an ongoing investigation. Notwithstanding section 138.17, data from a notice received from a law enforcement agency under this paragraph must be destroyed when the juvenile graduates from the school or at the end of the academic year when the juvenile reaches age 23, whichever date is earlier. For purposes of this paragraph, "school" means a public or private elementary, middle, or secondary school.

(f) In any county in which the county attorney operates or authorizes the operation of a juvenile prepetition or pretrial diversion program, a law enforcement agency or county

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attorney's office may provide the juvenile diversion program with data concerning a juvenile who is a participant in or is being considered for participation in the program.

(g) Upon request of a local social service agency, peace officer records of children who are or may be delinquent or who may be engaged in criminal acts may be disseminated to the agency to promote the best interests of the subject of the data.

Sec. 104. Minnesota Statutes 1996, section 268.0124, is amended to read:

**268.0124 PLAIN LANGUAGE IN WRITTEN MATERIALS.**

(a) To the extent reasonable and consistent with the goals of providing easily understandable and readable materials and complying with federal and state laws governing the programs, all written materials relating to services and determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of economic security must be understandable to a person of average intelligence and education.

(b) All written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of economic security must be developed to satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 8.31 and 325G.33 to 325G.36 do not apply to these materials. Failure to comply with this section does not provide a basis for suspending the implementation or operation of other laws governing programs administered by the commissioner.

(c) The requirements of this section apply to all materials modified or developed by the commissioner on or after July 1, 1988. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

(d) Nothing in this section may be construed to prohibit a lawsuit brought to require the commissioner to comply with this section ~~or to affect individual appeal rights granted pursuant to section 268.10.~~

Sec. 105. Minnesota Statutes 1996, section 268.03, is amended to read:

**268.03 DECLARATION OF PUBLIC POLICY.**

As a guide to the interpretation and application of sections 268.03 to ~~268.31~~ 268.30, the public policy of this state is declared to be as follows: Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of this state. Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the legislature to prevent its spread and to lighten its burdens. This can be provided by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The legislature, therefore, declares that in its considered judgment the public good and the general welfare of the

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citizens of this state will be promoted by providing, under the police powers of the state for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own. In recognition of its focus on returning the worker to gainful employment, this program will be known in Minnesota as "re-employment insurance."

Sec. 106. Minnesota Statutes 1996, section 268.15, subdivision 3, is amended to read:

Subd. 3. **CONTINGENT ACCOUNT.** There is hereby created in the state treasury a special account, to be known as the economic security contingent account, which shall not lapse nor revert to any other fund. Such account shall consist of all money appropriated therefor by the legislature, all money in the form of interest and penalties collected pursuant to sections 268.16 and 268.18, and all money received in the form of voluntary contributions to this account and interest thereon. All money in such account shall be supplemental to all federal money that would be available to the commissioner but for the existence of this account. Moneys in this account are hereby appropriated to the commissioner and shall be available to the commissioner for such expenditures as the commissioner may deem necessary in connection with the administration of sections 268.04 to 268.231 268.23. Whenever the commissioner expends money from said contingent account for the proper and efficient administration of the Minnesota economic security law for which funds have not yet been made available by the federal government, such money so withdrawn from the contingent account shall be replaced as hereinafter provided. Upon the deposit in the economic security administration fund of moneys which are received in reimbursement of payments made as above provided for said contingent account, the commissioner shall certify to the state treasurer the amount of such reimbursement and thereupon the state treasurer shall transfer such amount from the economic security administration fund to said contingent account. All money in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state treasury. The state treasurer shall be liable on the treasurer's official bond for the faithful performance of duties in connection with the economic security contingent account provided for herein. Notwithstanding anything to the contrary contained herein, on June 30 of each year, except 1982, all amounts in excess of \$300,000 in this account shall be paid over to the reemployment insurance fund established under section 268.05 and administered in accordance with the provisions set forth therein.

Sec. 107. Minnesota Statutes 1996, section 268.361, subdivision 1, is amended to read:

Subdivision 1. **TERMS.** For the purposes of sections 268.361 to 268.367 268.366, the following terms have the meanings given them.

Sec. 108. Minnesota Statutes 1996, section 272.12, is amended to read:

**272.12 CONVEYANCES, TAXES PAID BEFORE RECORDING.**

When:

- (a) a deed or other instrument conveying land,
- (b) a plat of any town site or addition thereto,

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(c) a survey required pursuant to section 508.47,

(d) a condominium plat subject to chapter 515 or 515A or a declaration that contains such a plat, or

(e) a common interest community plat subject to chapter 515B or a declaration that contains such a plat,

is presented to the county auditor for transfer, the auditor shall ascertain from the records if there be taxes delinquent upon the land described therein, or if it has been sold for taxes. An assignment of a sheriff's or referee's certificate of sale, when the certificate of sale describes real estate, and certificates of redemption from mortgage or lien foreclosure sales, when the certificate of redemption encompasses real estate and is issued to a junior creditor, are considered instruments conveying land for the purposes of this section and section 272.121. If there are taxes delinquent, the auditor shall certify to the same; and upon payment of such taxes, or in case no taxes are delinquent, shall transfer the land upon the books of the auditor's office, and note upon the instrument, over official signature, the words, "no delinquent taxes and transfer entered," or, if the land described has been sold or assigned to an actual purchaser for taxes, the words "paid by sale of land described within;" and, unless such statement is made upon such instrument, the county recorder or the registrar of titles shall refuse to receive or record the same; provided, that sheriff's or referees' certificates of sale on execution or foreclosure of a lien or mortgage, certificates of redemption from mortgage or lien foreclosure sales issued to the redeeming mortgagor or lienee, deeds of distribution made by a personal representative in probate proceedings, decrees and judgments, receivers receipts, patents, and copies of town or statutory city plats, in case the original plat filed in the office of the county recorder has been lost or destroyed, and the instruments releasing, removing and discharging reversionary and forfeiture provisions affecting title to land and instruments releasing, removing or discharging easement rights in land or building or other restrictions, may be recorded without such certificate; and, provided that instruments conveying land and, as appurtenant thereto an easement over adjacent tract or tracts of land, may be recorded without such certificate as to the land covered by such easement; and provided further, that any instrument granting an easement made in favor of any public utility or pipe line for conveying gas, liquids or solids in suspension, in the nature of a right of way over, along, across or under a tract of land may be recorded without such certificate as to the land covered by such easement. Any instrument amending or restating the declarations, bylaws, plats, or other enabling documents governing homeowners associations of condominiums, townhouses, common interest ownership communities, and other planned unit developments may be recorded without the auditor's certificate.

A deed of distribution made by a personal representative in a probate proceeding, a decree, or a judgment that conveys land shall be presented to the county auditor, who shall transfer the land upon the books of the auditor's office and note upon the instrument, over official signature, the words, "transfer entered", and the instrument may then be recorded. A decree or judgment that affects title to land but does not convey land may be recorded without presentation to the auditor.

A violation of this section by the county recorder or the registrar of titles shall be a gross misdemeanor, and, in addition to the punishment therefor, the recorder or registrar shall be liable to the grantee of any instrument so recorded for the amount of any damages sustained.

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When, as a condition to permitting the recording of deed or other instrument affecting the title to real estate previously forfeited to the state under the provisions of sections 281.16 to ~~281.27~~ 281.25, county officials, after such real estate has been purchased or repurchased, have required the payment of taxes erroneously assumed to have accrued against such real estate after forfeiture and before the date of purchase or repurchase, the sum required to be so paid shall be refunded to the persons entitled thereto out of moneys in the funds in which the sum so paid was placed. Delinquent taxes are those taxes deemed delinquent under section 279.02.

Sec. 109. Minnesota Statutes 1996, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, or ~~276A.02~~ 276A.01, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, or 276A.06, subdivision 7, for the municipality, as defined in section 473F.02, subdivision 8, or ~~276A.06, subdivision 7~~ 276A.01, subdivision 8, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(d) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(e) "Equalized school levies" means the amounts levied for:

- (1) general education under section 124A.23, subdivision 2;
- (2) supplemental revenue under section 124A.22, subdivision 8a;
- (3) transition revenue under section 124A.22, subdivision 13c;
- (4) basic transportation under section 124.226, subdivision 1; and
- (5) referendum revenue under section 124A.03.

(f) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the total previous net tax capacity of the unique taxing jurisdiction.

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(g) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total net tax capacity based taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

"Taxes levied" excludes equalized school levies.

(h) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(i) "Growth adjustment factor" means the household adjustment factor in the case of counties. In the case of cities, towns, school districts, and special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(j) "Homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 less any permanent aid reduction in the previous year to homestead and agricultural credit aid.

(k) "Net tax capacity adjustment" means (1) the tax base differential defined in subdivision 1a, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(l) "Fiscal disparity adjustment" means a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), or 276A.06, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, multiplied by the ratio of the tax base differential percent referenced in subdivision 1a for the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies.

#### Sec. 110. REPEALER; SECTION 273.1398 NOTE.

The amendment to section 273.1398, subdivision 1, paragraph (c), by Laws 1996, chapter 471, article 11, section 1, is repealed.

Sec. 111. Minnesota Statutes 1996, section 279.01, subdivision 3, is amended to read:

Subd. 3. In the case of class 1b agricultural homestead, class 2a agricultural homestead property, and class 2b(2) 2b(3) agricultural nonhomestead property, no penalties shall attach to the second one-half property tax payment as provided in this section if paid by November 15. Thereafter for class 1b agricultural homestead and class 2a homestead

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property, on November 16 following, a penalty of six percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class 2b(2) 2b(3) agricultural nonhomestead property, on November 16 following, a penalty of eight percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional four percent shall be charged on all such unpaid taxes.

If the owner of class 1b agricultural homestead, class 2a, or class 2b(2) 2b(3) agricultural property receives a consolidated property tax statement that shows only an aggregate of the taxes and special assessments due on that property and on other property not classified as class 1b agricultural homestead, class 2a, or class 2b(2) 2b(3) agricultural property, the aggregate tax and special assessments shown due on the property by the consolidated statement will be due on November 15 provided that at least 50 percent of the property's market value is classified class 1b agricultural, class 2a, or class 2b(2) 2b(3) agricultural.

Sec. 112. Minnesota Statutes 1996, section 280.05, is amended to read:

#### 280.05 PROHIBITED PURCHASERS.

A county auditor, county treasurer, court administrator of the district court, or county assessor, or deputy or clerk or employee of such officer, and a commissioner for tax forfeited lands or assistant to such commissioner, may not purchase at such sale, or procure an assignment of the right acquired by the state in lands bid in for it at such sale, as in this chapter provided in sections 280.06 to ~~280.12~~ 280.11, either personally, or as agent or attorney for any other person, except that such officer, deputy, court administrator, employee or commissioner for tax forfeited lands or assistant to such commissioner, if an owner or lienholder of the lands, may purchase the lands, or procure such assignment of the state's right in such lands.

Sec. 113. Minnesota Statutes 1996, section 280.28, subdivision 2, is amended to read:

Subd. 2. There shall be paid at the time of delivery by the person to whom delivered for each certificate issued to an actual purchaser under ~~sections~~ section 280.03 and ~~280.13~~ a fee of \$1 and for each notice of expiration of redemption ~~prepared by the auditor~~ for the holder of a certificate a fee of \$2. These fees shall be paid to the county treasurer upon the auditor's statement of the amount due. The amount of such fees shall be added to the amount payable under section 281.02 upon redemption.

Sec. 114. Minnesota Statutes 1996, section 280.33, is amended to read:

#### 280.33 CERTIFICATES AND DEEDS AS EVIDENCE; GROUNDS FOR SETTING ASIDE.

The certificates and deeds issued pursuant to sections 280.03, and 280.11, ~~280.13, and 280.25~~, or the record thereof, shall be prima facie evidence that the parcel described therein was subject to taxation for the year or years therein stated; that such parcel was listed and assessed at the time and in the manner required by law; that the taxes were levied according to law; that the judgment pursuant to which the sale was made was duly entered, and that the court had jurisdiction to enter the same; that all requirements of law with respect to the sale had been complied with; that such parcel had not been redeemed from the sale; and of title in the grantee therein after the time for redemption has expired;

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provided, that when any such certificate or deed embraces university, school, or other state lands, the title whereof is in the state, no other or greater interest shall be held to be thereby conveyed than that acquired under the certificate of the commissioner of finance. No sale shall be set aside or held invalid by reason of any misrecitals in such certificate or deed; nor unless the party objecting to the same prove either that the taxes were paid before the judgment was rendered, or that such parcel was exempt from taxation, or that the court rendering the judgment pursuant to which the sale was made had not jurisdiction to render the same, or that after the judgment and before the sale such judgment had been satisfied, or that notice of sale as required by this chapter was not given, or that such parcel was not offered at such sale to the bidder who would pay the amount for which the parcel was to be sold at the lowest rate of interest, as provided in this chapter; provided, that every judgment rendered against any parcel for a tax which was paid before the entry thereof, or when the land was exempt from taxation, shall be void, and all sales made under any such judgment or under a judgment which has been paid shall be void, and no title or interest in any parcel sold under such judgment shall pass or be conveyed to any purchaser at such sale. In any action brought to set aside or to cancel such sale, or in which the validity of such sale may arise, the tax receipt, or the treasurer's duplicate thereof, or other record of the payment of such tax in the office of the county auditor or the county treasurer, shall be prima facie evidence of such payment; but such payment shall not be established by parol testimony only. In such action, the county in which the land is situated, or the state, if either claim any interest in the land sold under such judgment, may be made a party defendant, in which case the county attorney shall appear in behalf of such county or state, or both.

Sec. 115. Minnesota Statutes 1996, section 280.35, is amended to read:

#### **280.35 INVALID CERTIFICATE.**

If any certificate issued pursuant to sections 280.03, and 280.11, and 280.13 to an actual purchaser prove to be invalid for any other cause than that the land described therein was not subject to taxation, or that the taxes had been paid prior to the sale, or that the assessment or levy was void, the lien of the state on the parcel of land sold, as provided in section 272.31 shall be transferred, without any act whatever, to, and vested in, the holder of such certificate, or the holder's personal representatives, heirs, or assigns. Such holder, or the personal representatives, heirs, or assigns of the holder, may collect out of the property covered by such lien, by sale thereof by foreclosure, or other proper action or proceeding, the amount of taxes, penalties, and interest due thereon at the time of such sale, with interest thereon at the rate of 12 percent per annum, together with the amount of all subsequent taxes paid, with interest thereon at said rate, and the costs and expenses of such action.

Sec. 116. Minnesota Statutes 1996, section 281.16, is amended to read:

#### **281.16 STATED PERIOD OF REDEMPTION.**

The term "stated period of redemption," as used in sections 281.16 to 281.27 281.25, means the period of time specified in those sections or in any other law for redemption of lands from any tax judgment sale, including any extension of the period originally prescribed, but not including any further time allowed for redemption on account of requirements for giving notice of expiration.

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Sec. 117. Minnesota Statutes 1996, section 281.32, is amended to read:

**281.32 LIMITATION OF TIME FOR FILING CERTIFICATE; 1925 AND PRIOR YEARS.**

No notice of the expiration of the time of redemption upon any certificate of tax judgment sale issued to an actual purchaser shall be issued or served after the expiration of six years from the date of the tax judgment sale described by any such certificate, nor shall any such certificate be recorded in the office of the county recorder or filed in the office of the registrar of titles of the proper county after the expiration of seven years from the date of such sale.

No notice of the expiration of the time of redemption upon any state assignment certificate issued under the provisions of section 280.11, ~~or upon any certificate issued to an actual purchaser at any forfeited tax sale held under the provisions of sections 280.12, 280.13, and 280.25,~~ shall be issued or served after the expiration of six years from the date of such certificate, nor shall any such certificate or deed issued pursuant thereto be recorded in the office of the county recorder after the expiration of seven years from the date of such certificate.

All such certificates upon which such notice of expiration of redemption shall not be issued and served and such certificates recorded or filed in the office of the proper county recorder or registrar of titles within the time limited by this section shall be void and of no force and effect for any purpose, and failure to serve such notice or record or file such certificate within the time herein prescribed shall operate to extinguish the lien of the purchaser for the taxes for the year or years in such certificate described and appearing and the lien of all subsequent taxes paid under such certificate.

Sec. 118. Minnesota Statutes 1996, section 282.07, is amended to read:

**282.07 AUDITOR TO CANCEL TAXES.**

Immediately after forfeiture to the state of any parcel of land, as provided by sections 281.16 to ~~281.27~~ 281.25, the county auditor shall cancel all taxes and tax liens appearing upon the records, both delinquent and current, and all special assessments, delinquent or otherwise. When the interest of a purchaser of state trust fund land sold under certificate of sale, or of the purchaser's heirs or assigns or successors in interest, shall by reason of tax delinquency be transferred to the state as provided by law, such interest shall pass to the state free from any trust obligation to any taxing district and free from all special assessments and such land shall become unsold trust fund land.

Sec. 119. Minnesota Statutes 1996, section 284.04, is amended to read:

**284.04 ACTION TO QUIET TITLE.**

Any person holding a tax certificate issued under section 280.03, ~~or 280.11, or 280.13~~ at any time after the expiration of the period of redemption from the tax sale on which such certificate was issued may commence an action in the district court of the county where the land embraced in such certificate lies, to quiet title thereto, without taking possession of such land; and any person who claims or appears of record to have any interest in or lien upon the same, or any part thereof, may be made defendant. At the time of the commencement of such action the plaintiff shall file a notice of the pendency of the action with the county recorder, as provided by law. If it shall appear that the plaintiff's

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title is invalid for any cause other than one which renders the taxes embraced in such certificate void, the court shall not dismiss such action, but ascertain the amount due the plaintiff for all taxes, interest, penalties, and costs embraced in such certificate, and of all subsequent taxes, penalties, interests, and costs paid by the plaintiff or the plaintiff's assignors, with interest thereon at the rate of 12 percent per annum from the date of such certificate or payment, and adjudge the same to be a lien against such land in favor of such holder, and direct a sale thereof to satisfy such judgment and costs of sale. All the provisions of sections 284.01 to 284.03, relating to the sales therein provided for and to redemptions therefrom, shall be applicable to sales authorized by this section.

Sec. 120. Minnesota Statutes 1996, section 290.091, subdivision 6, is amended to read:

Subd. 6. **CREDIT FOR PRIOR YEARS' LIABILITY.** (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of

(1) the tentative minimum tax, over

(2) seven percent of the sum of

(i) adjusted gross income as defined in section 62 of the Internal Revenue Code,

(ii) interest income as defined in section 290.01, subdivision 19a, clause (1),

(iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),

(iv) depletion as defined in section 57(a)(1), determined without regard to the last sentence of paragraph (1), of the Internal Revenue Code, less

(v) the deductions provided in subdivision 2, paragraph (a), clauses ~~(5)~~, items ~~(i)~~, ~~(ii)~~, and ~~(iii)~~ (1), (2), and (3) of the second series of clauses, and

(vi) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 121. Minnesota Statutes 1996, section 297A.259, is amended to read:

**297A.259 LOTTERY TICKETS; IN LIEU TAX.**

Sales of state lottery tickets are exempt from the tax imposed under section 297A.02. The state lottery must on or before the 20th day of each month transmit to the

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commissioner of revenue an amount equal to the gross receipts from the sale of lottery tickets for the previous month multiplied by the combined tax rate under ~~sections~~ section 297A.02, subdivision 1, and 297A.021, subdivision 1. The resulting payment is in lieu of the sales tax that otherwise would be imposed by this chapter. The commissioner shall deposit the money transmitted as provided by section 297A.44 and the money must be treated as other proceeds of the sales tax. Gross receipts for purposes of this section mean the proceeds of the sale of tickets before deduction of a commission or other compensation paid to the vendor or retailer for selling tickets.

Sec. 122. Minnesota Statutes 1996, section 299C.11, is amended to read:

**299C.11 IDENTIFICATION DATA FURNISHED TO BUREAU.**

(a) The sheriff of each county and the chief of police of each city of the first, second, and third classes shall furnish the bureau, upon such form as the superintendent shall prescribe, with such finger and thumb prints, photographs, distinctive physical mark identification data, and other identification data as may be requested or required by the superintendent of the bureau, which may be taken under the provisions of section 299C.10, of persons who shall be convicted of a felony, gross misdemeanor, or who shall be found to have been convicted of a felony or gross misdemeanor, within ten years next preceding their arrest.

(b) No petition under chapter 609A is required if the person has not been convicted of any felony or gross misdemeanor, either within or without the state, within the period of ten years immediately preceding the determination of all pending criminal actions or proceedings in favor of the arrested person, and either of the following occurred:

- (1) all charges were dismissed prior to a determination of probable cause; or
- (2) the prosecuting authority declined to file any charges and a grand jury did not return an indictment.

Where these conditions are met, the bureau or agency shall, upon demand, return to the arrested person finger and thumb prints, photographs, distinctive physical mark identification data, and other identification data, and all copies and duplicates of them.

(c) Except as otherwise provided in paragraph (b), upon the determination of all pending criminal actions or proceedings in favor of the arrested person, and the granting of the petition of the arrested person under chapter 609A, the bureau shall seal finger and thumb prints, photographs, distinctive physical mark identification data, and other identification data, and all copies and duplicates of them if the arrested person has not been convicted of any felony or gross misdemeanor, either within or without the state, within the period of ten years immediately preceding such determination.

(d) DNA samples and DNA records of the arrested person shall not be returned, sealed, or destroyed as to a charge supported by probable cause.

(e) For purposes of this section, "determination of all pending criminal actions or proceedings in favor of the arrested person" does not include:

- (1) the sealing of a criminal record pursuant to section 152.18, subdivision 1, 242.31, ~~609.168~~, or chapter 609A;
- (2) the arrested person's successful completion of a diversion program;

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(3) an order of discharge under section 609.165; or

(4) a pardon granted under section 638.02.

Sec. 123. Minnesota Statutes 1996, section 299F.46, subdivision 1, is amended to read:

Subdivision 1. **HOTEL INSPECTION.** (a) It shall be the duty of the commissioner of public safety to inspect, or cause to be inspected, at least once every three years, every hotel in this state; and, for that purpose, the commissioner, or the commissioner's deputies, or designated alternates or agents shall have the right to enter or have access thereto at any reasonable hour; and, when, upon such inspection, it shall be found that the hotel so inspected does not conform to or is not being operated in accordance with the provisions of sections 157.011 and 157.15 to 157.22, in so far as the same relate to fire prevention or fire protection of hotels, or the rules promulgated thereunder, or is being maintained or operated in such manner as to violate the uniform fire code promulgated pursuant to section 299F.011 or any other law of this state relating to fire prevention and fire protection of hotels, the commissioner and the deputies or designated alternates or agents shall report such a situation to the hotel inspector who shall proceed as provided for in sections ~~157.01 to 157.14~~ chapter 157.

(b) The word "hotel", as used in this subdivision, has the meaning given in section 299F.391.

Sec. 124. Minnesota Statutes 1996, section 299L.02, subdivision 1, is amended to read:

Subdivision 1. **LOTTERY.** (a) The director shall when required under chapter 349A or when requested by the director of the lottery conduct background checks on employees of the state lottery, lottery retailers, and bidders of lottery procurement contracts.

(b) The director shall, when so requested by the director of the state lottery or when the director believes it to be reasonable and necessary, conduct investigations of lottery retailers, applicants for lottery retailer contracts, suppliers of goods or services to the state lottery, and persons bidding on contracts for goods or services with the state lottery.

(c) The director shall conduct an annual security audit of the state lottery, or arrange for such an audit by an outside agency or person, firm, or corporation. The director shall report to the state lottery board and the director of the lottery on the results of the audit.

Sec. 125. Minnesota Statutes 1996, section 326.2421, subdivision 2, is amended to read:

Subd. 2. **EXEMPTION.** Except as provided in subdivision 3, no person ~~exempt under subdivision 1 or licensed pursuant to subdivision 3~~ may be required to obtain any authorization, permit, franchise, or license from, or pay any fee, franchise tax, or other assessment to, any agency, department, board, or political subdivision of the state as a condition for performing any work described herein. The requirements of this section shall not apply to telephone companies as defined under section 237.01 nor to their employees, that are only engaged in the laying out, installation, and repair of telephone systems.

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Sec. 126. Minnesota Statutes 1996, section 327A.08, is amended to read:

**327A.08 LIMITATIONS.**

Notwithstanding any other provision of ~~Laws 1981, chapter 119, sections 1 to 10~~ 327A.01 to 327A.07:

(a) The terms of the home improvement warranties required by ~~Laws 1981, chapter 119, sections 1 to 10~~ 327A.01 to 327A.07, commence upon completion of the home improvement and the term shall not be required to be renewed or extended if the home improvement contractor performs additional improvements required by warranty;

(b) The home improvement warranties required by ~~Laws 1981, chapter 119, sections 1 to 10~~ 327A.01 to 327A.07, shall not include products or materials installed that are already covered by implied or written warranty; and

(c) The home improvement warranties required by ~~Laws 1981, chapter 119, sections 1 to 10~~ 327A.01 to 327A.07, are intended to be implied warranties imposing an affirmative obligation upon home improvement contractors, and ~~Laws 1981, chapter 119, sections 1 to 10~~ 327A.01 to 327A.07, do not require that written warranty instruments be created and conveyed to the owner.

Sec. 127. Minnesota Statutes 1996, section 345.48, subdivision 1, is amended to read:

Subdivision 1. All funds received under sections 345.31 to 345.60, including the proceeds from the sale of abandoned property pursuant to section 345.47, shall forthwith be deposited by the commissioner in the general fund of the state after deduction of the fees and expenses provided for in section 345.485; except that unclaimed restitution payments held by a court under section 345.38 shall be deposited in the crime victim and witness account created in section ~~609.101, subdivision 1~~ 611A.612. Before making the deposit the commissioner shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and of the name and last known address of each policyholder, insured person, or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, the name of the corporation, and the amount due. The record shall be available for public inspection at all reasonable business hours.

Sec. 128. Minnesota Statutes 1996, section 349.19, subdivision 2a, is amended to read:

Subd. 2a. **TAX REFUND AND CREDIT ACCOUNT.** (a) Each organization that receives a refund or credit under section 297E.02, subdivision 4, paragraph (d), must establish a separate account designated as the tax and credit refund account. The organization must (1) within four business days of receiving a refund under that paragraph deposit the refund in the account, and (2) within four business days of filing a tax return that claims a credit under that paragraph, transfer from the separate account established under subdivision 2 to the tax refund and credit account an amount equal to the tax credit.

(b) The name and address of the bank, the account number for the tax refund and credit account, and the names of organization members authorized as signatories on the account must be provided to the board within 30 days of the date when the organization establishes the account. Changes in the information must be submitted to the board at least ten days before the change is made.

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(c) The organization may expend money in the account only for lawful purposes, other than lawful purposes described in section 349.012 349.12, subdivision 25, paragraph (a), clauses (8), (9), and (12). Amounts in the account must be spent for qualifying lawful purposes no later than one year after the refund is deposited.

Sec. 129. Minnesota Statutes 1996, section 353.64, subdivision 2, is amended to read:

Subd. 2. Before a governing body may declare a position to be that of a police officer, the duties of the person so employed must, as a minimum, include employment as an officer of a designated police department or sheriff's office or person in charge of a designated police department or sheriff's office whose primary job it is to enforce the law, who is licensed by the Minnesota board of peace officer standards and training under sections 626.84 to 626.855 626.863, who is engaged in the hazards of protecting the safety and property of others, and who has the power to arrest by warrant. A police officer who is periodically assigned to employment duties not within the scope of this subdivision may contribute to the public employees police and fire fund for all service, if a resolution declaring that the primary position held by the person is that of a police officer, is adopted by the governing body of the department, and is promptly submitted to the executive director.

Sec. 130. Minnesota Statutes 1996, section 353C.02, is amended to read:

**353C.02 CORRECTIONAL SERVICE EMPLOYEES.**

A local government correctional service employee is a person who:

(1) meets the definition of "essential employee" in section 179A.03, subdivision 7, excluding state employees, University of Minnesota employees, firefighters, peace officers subject to licensure under sections 626.84 to 626.855 626.863, employees of hospitals other than state hospitals, confidential employees, supervisory employees other than employees who supervise correctional officers and who are stationed at correctional facilities or city or county jails, principals, and assistant principals;

(2) is employed by Dakota county, Hennepin county, Ramsey county, or Washington county, if the county elects to participate under section 353C.04 or by a joint-powers correctional agency in which St. Louis county or its municipalities participate, if the governing body of the agency elects to participate under section 353C.04;

(3) is a public employee within the meaning of section 353.01, subdivisions 2 and 2a; and

(4) is not at the time of the exercise of the participation option under section 353C.04 a member of the basic program of the public employees retirement association or a member of the public employees police and fire fund.

Sec. 131. Minnesota Statutes 1996, section 354.66, subdivision 4, is amended to read:

Subd. 4. **RETIREMENT CONTRIBUTIONS.** Notwithstanding any provision to the contrary in this chapter relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part-time position under this section shall continue to make employee contributions to and to accrue allow-

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able service credit in the retirement fund during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, prior to June 30 each year, or within 30 days after notification by the association of the amount due, whichever is later, the member and the employing board make that portion of the required employer contribution to the retirement fund, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for the services rendered in the part-time assignment. The employing unit shall make that portion of the required employer contributions to the retirement fund on behalf of the teacher that is based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment in the manner described in section 354.43, ~~subdivision 3~~. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part-time teaching service pursuant to this section and section 354A.094 shall not continue for a period longer than ten years.

Sec. 132. Minnesota Statutes 1996, section 383B.78, subdivision 3, is amended to read:

Subd. 3. **REGULATORY ORDINANCES.** (a) The governing bodies of counties having a population of more than 450,000, and all cities and towns located in the counties may, by ordinance, resolution, or bylaw, regulate the use of public bathing beaches and public waters where a public bathing beach immediately borders for the purpose of bathing, swimming, or congregating with others, within their respective territorial limits, in a manner that is not inconsistent with this section.

(b) If a governing body determines that the safety, health, morals, or general welfare of the public require, the governing body may, by ordinance, resolution, or bylaw, provide that a public bathing beach is closed to bathing, swimming, and congregating after 9:00 ~~a.m.~~ p.m.

Sec. 133. Minnesota Statutes 1996, section 383D.35, is amended to read:

**383D.35 PROTECTION OF RIGHTS UNDER STATE AND FEDERAL LAWS.**

Subdivision 1. Nothing in sections 383D.21 to ~~383D.34~~ 383D.33 shall be construed to permit or encourage any action or conduct prohibited by the Minnesota human rights act or prohibit recourse to any remedies provided in the Minnesota human rights act or any other state or federal law relating to equal employment opportunities. The provisions of those laws shall continue to apply to county employment generally, including positions excluded from the jurisdiction of the county personnel administration system.

Subd. 2. Nothing in sections 383D.21 to ~~383D.34~~ 383D.33 shall be construed to affect the rights and obligations of an employee or employer under sections 179A.01 to 179A.25, or the provisions of a contract or agreement executed pursuant to them.

Subd. 3. Any employee in the unclassified service may be demoted or removed from the employee's position in the unclassified service without cause and at the discretion and pleasure of the appointing authority, but, unless otherwise provided by law, no permanent

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county employee, who has successfully completed the employee's probationary period of employment with the county, shall be dismissed from employment with the county without the establishment of just cause. For purposes of this subdivision, just cause includes, but is not limited to, failure to perform assigned duties, substandard performance, misconduct, insubordination, and violation of written policies and procedures.

Sec. 134. Minnesota Statutes 1996, section 390.35, is amended to read:

**390.35 ELECTION TO FOLLOW SIMPLIFIED INVESTIGATION.**

Sections 390.31 to 390.35 apply only to counties in which the county board elects to be bound by them in lieu of other law relating to coroners. In a county in which sections 390.31 to 390.35 apply, the county board may by resolution resume death investigations under sections 390.005 to 390.26 390.25. The board shall then fill the office of coroner as provided by section 390.005.

Sec. 135. Minnesota Statutes 1996, section 412.191, subdivision 1, is amended to read:

Subdivision 1. **COMPOSITION.** The city council in a standard plan city shall consist of the mayor, the clerk, and the three or five council members. In optional plan cities, except those cities having a larger council under ~~repealed~~ section 412.023, subdivision 4, the council shall consist of the mayor and the four council members. A majority of all the members shall constitute a quorum although a smaller number may adjourn from time to time.

Sec. 136. Minnesota Statutes 1996, section 412.581, is amended to read:

**412.581 OFFICERS.**

In any city operating under Optional Plan A except a city having a larger council under ~~repealed~~ section 412.023, subdivision 4, the council shall be composed of five or seven members consisting, except during the initial period of its operation as provided in section 412.571, of the mayor and four or six council members and, except as provided in that section, the clerk and treasurer or clerk-treasurer shall be appointed by the council for indefinite terms.

Sec. 137. Minnesota Statutes 1996, section 412.631, is amended to read:

**412.631 COMPOSITION OF COUNCIL.**

In any city operating under Optional Plan B, the council shall, except as provided in ~~sections repealed~~ section 412.023, subdivision 4, and section 412.571, be composed of a mayor and four or six council members.

Sec. 138. Minnesota Statutes 1996, section 422A.01, subdivision 18, is amended to read:

Subd. 18. **LICENSED PEACE OFFICER.** "Licensed peace officer," for purposes of section 422A.151, means an employee of the metropolitan airports commission who was employed by the commission before June 30, 1978, and whose employment duties include, at a minimum, full-time service as an officer whose primary job it is to enforce the law, who is licensed by the Minnesota board of peace officer standards and training under sections 626.84 to 626.855 ~~626.863~~, who is engaged in the hazards of protecting the safety and property of others, and who has the power to arrest by warrant.

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Sec. 139. Minnesota Statutes 1996, section 427.02, is amended to read:

**427.02 DEPOSITORIES.**

The council of any city in this state, but not including cities when governed under a charter adopted under and pursuant to the Constitution of the state of Minnesota, article IV, section 36, and sections 410.03 to 410.24, and ~~441.01 to 441.09~~, and all acts supplemental thereto, in which charter the matter of designating depositories for city funds and the protection thereof is provided for, or in which charter it shall hereafter be provided for, shall have the power and authority to designate or redesignate at the beginning of each calendar year, or from time to time, the banks or other legal depositories of any city in which the treasurer of the city shall deposit and keep the moneys of the city, designating in each instance the maximum amount which may at any time be kept in any one of these depositories, which maximum amount shall in no case exceed 25 percent of the paid-up capital and surplus of the depository, unless the depository shall deposit with the treasurer of the city United States government bonds to secure the deposit of the funds of the city; and, in that event, the amount so deposited shall not exceed the amount of the United States government bonds so deposited. No depository shall deposit United States government bonds which mature within one year from the date such bonds were first considered as a part of the bank's reserve and which reserves are required by section 48.221. The council of each city shall, at all times, designate depositories in the city, or elsewhere in the United States, sufficient for the depository of all funds which are likely to be in the hands of the treasurer of the city at any one time and shall, so far as consistent with the best interest of the city, designate these depositories in the city and require from these depositories good and sufficient bonds payable to the city in a penal sum not to exceed the amount designated as the limit of deposit therein, and conditioned for the safekeeping and payment of funds so deposited, or, in lieu thereof, good and sufficient collateral as provided for by section 118A.03.

**Sec. 140. REPEALER; SECTIONS 466.01, SUBDIVISIONS 4 AND 5.**

Minnesota Statutes 1996, section 466.01, subdivisions 4 and 5, are repealed.

Sec. 141. Minnesota Statutes 1996, section 466.03, subdivision 6d, is amended to read:

Subd. 6d. **LICENSING OF PROVIDERS.** A claim against a municipality based on the failure of a provider to meet the standards needed for a license to operate a day care facility, as defined in ~~section 245.782, subdivision 5, under chapter 245A~~ for children, unless the municipality had actual knowledge of a failure to meet licensing standards that resulted in a dangerous condition that foreseeably threatened the plaintiff.

**Sec. 142. REPEALER; SECTION 469.033 NOTE.**

Laws 1994, chapter 416, article 1, section 47, is repealed.

Sec. 143. Minnesota Statutes 1996, section 469.078, subdivision 1, is amended to read:

Subdivision 1. **MAY USE CHAPTER 458 POWERS GRANTED BY 1980 LAW.** The city of Minneapolis may exercise those powers of a governmental agency or subdivision in sections 469.048 to 469.068 granted to it by Laws 1980, chapter 595.

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**Sec. 144. REPEALER; SECTION 469.121 NOTE.**

Laws 1989, chapter 209, article 2, section 42, is repealed.

Sec. 145. Minnesota Statutes 1996, section 469.141, subdivision 3, is amended to read:

Subd. 3. **WATER WELL REGULATION.** Cities may prohibit, restrict, control, and require permits for drilling of water wells as defined in section ~~156A.02~~ 103I.005, but the construction and abandonment of water wells is governed by ~~sections 156A.01 to 156A.10~~ chapter 103I.

Sec. 146. Minnesota Statutes 1996, section 469.173, subdivision 7, is amended to read:

Subd. 7. **REPEALER APPLICATION.** Sections 469.169, 469.171, 469.172, and this section are ~~effective~~ remain in effect only for border city enterprise zones and only until the enterprise zone is terminated by resolution adopted by the city in which the border city enterprise zone is located. For all other enterprise zones, sections 469.169, 469.171, 469.172, and this section are ~~repealed effective~~ no longer in effect after December 31, 1996.

Sec. 147. Minnesota Statutes 1996, section 471.9981, subdivision 1, is amended to read:

Subdivision 1. **1988 REPORT.** A home rule charter or statutory city or county, referred to in this section as a "governmental subdivision," that employs ten or more people and that did not submit a report according to ~~repealed~~ section 471.998, shall submit the report by October 1, 1988, to the commissioner of employee relations.

The plan for implementing equitable compensation for the employees must provide for complete implementation not later than December 31, 1991, unless a later date has been approved by the commissioner. If a report was filed before October 1, 1987, and had an implementation date after December 31, 1991, the date in the report shall be approved by the commissioner. The plan need not contain a market study.

**Sec. 148. REPEALER; SECTION 471A.02, SUBDIVISIONS 2 AND 15.**

Minnesota Statutes 1996, section 471A.02, subdivisions 2 and 15, are repealed.

**Sec. 149. REPEALER; SECTION 473.13 NOTE.**

Laws 1994, chapter 416, article 1, section 51, is repealed.

Sec. 150. Minnesota Statutes 1996, section 473.206, is amended to read:

**473.206 LOCAL ORDINANCES.**

Each county, city or town in the metropolitan area shall be provided with standards, criteria and suggested model ordinances and may, after review and comment by the metropolitan council, adopt ordinances which provide for the protection of the resources described in section 473.204 that are the subject of the standards, criteria, and model ordinances.

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Sec. 151. Minnesota Statutes 1996, section 473.208, is amended to read:

**473.208 COOPERATION.**

In adopting and enforcing the ordinances for which standards and criteria are provided by sections 473.204 to 473.208 section 473.206, counties, cities and towns shall consult and cooperate with affected soil and water conservation districts, watershed districts, and lake conservation districts on matters of common concern.

Sec. 152. **REPEALER; SECTION 473.445 NOTE.**

Laws 1994, chapter 411, section 4, is repealed.

Sec. 153. **REPEALER; SECTION 473.638, SUBDIVISION 1.**

Minnesota Statutes 1996, section 473.638, subdivision 1, is repealed.

Sec. 154. Minnesota Statutes 1996, section 473.638, subdivision 2, is amended to read:

Subd. 2. **RETENTION OR SALE OF PROPERTY.** The commission may retain any property now owned by it or acquired under subdivision 1 and use it for a lawful purpose, or it may provide for the sale or other disposition of the property in accordance with a redevelopment plan in the same manner and upon the same terms as the housing and redevelopment authority and governing body of a municipality under the provisions of section 469.029, all subject to the provisions of section 473.636, subdivision 2, or to existing land use and development control measures approved by the council.

Sec. 155. **REPEALER; SECTION 473.639.**

Minnesota Statutes 1996, section 473.639, is repealed.

Sec. 156. **REPEALER; SECTION 473.711 NOTE.**

Laws 1994, chapter 416, article 1, section 56, is repealed.

Sec. 157. Minnesota Statutes 1996, section 473.859, subdivision 2, is amended to read:

Subd. 2. **LAND USE PLAN.** A land use plan shall include the water management plan required by section 103B.235, and shall designate the existing and proposed location, intensity and extent of use of land and water, including lakes, wetlands, rivers, streams, natural drainage courses, and adjoining land areas that affect water natural resources, for agricultural, residential, commercial, industrial and other public and private purposes, or any combination of such purposes. A land use plan shall contain a protection element, as appropriate, for historic sites, the matters listed in the water management plan required by section 103B.235, and the matters listed in section 473.204, and an element for protection and development of access to direct sunlight for solar energy systems. A land use plan shall also include a housing element containing standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low and moderate income housing.

Sec. 158. Minnesota Statutes 1996, section 475.51, subdivision 9, is amended to read:

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Subd. 9. **GOVERNING BODY.** "Governing body" means the board, council, commission, or other body of the municipality charged with the general control of its financial affairs; provided, that where any charter or law confers bond issuing power on a particular board or body of a municipality, such board or body is the governing body under the provisions of sections 475.51 to 475.75 475.74.

Sec. 159. Minnesota Statutes 1996, section 475.53, subdivision 1, is amended to read:

Subdivision 1. **GENERALLY.** Except as otherwise provided in sections 475.51 to ~~475.75~~ 475.74, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of two percent of the market value of taxable property in the municipality.

Sec. 160. Minnesota Statutes 1996, section 475.57, is amended to read:

**475.57 INITIATION OF PROCEEDINGS; RESOLUTION.**

Proceedings for issuing bonds under sections 475.51 to ~~475.75~~ 475.74 shall be initiated by a resolution of the governing body of the municipality stating the amount proposed to be borrowed and the purpose for which the debt is to be incurred. Such resolution may provide for the submission of the question to vote of the electors. A town board may adopt such resolution without a statement for special town meeting being filed with the clerk.

Sec. 161. Minnesota Statutes 1996, section 475.61, subdivision 2, is amended to read:

Subd. 2. **FILING; CERTIFICATION; ASSESSMENT; EXTENSION.** The recording officer of the municipality shall file in the office of the county auditor of each county in which any part of the municipality is located a certified copy of the resolution, together with full information regarding the obligations for which the tax is levied. No further action by the municipality is required to authorize the extension, assessment and collection of the tax, but the municipality's liability on the obligations is not limited thereto and its governing body shall levy and cause to be extended, assessed and collected any additional taxes found necessary for full payment of the principal and interest. The county auditor shall forthwith certify to the municipality that the obligations have been entered in the register required by sections 475.51 to ~~475.75~~ 475.74 and that the tax levy required by sections 475.51 to ~~475.75~~ 475.74 has been made. The auditor shall annually assess and extend upon the tax rolls the amount specified for such year in the resolution, unless the amount has been reduced as authorized below or, if the municipality is located in more than one county, the portion thereof which bears the same ratio to the whole amount as the net tax capacity of taxable property in that part of the municipality located in the auditor's county bears to the net tax capacity of all taxable property in the municipality.

Sec. 162. Minnesota Statutes 1996, section 480.242, subdivision 2, is amended to read:

Subd. 2. **REVIEW OF APPLICATIONS; SELECTION OF RECIPIENTS.** At times and in accordance with any procedures as the supreme court adopts in the form of court rules, applications for the expenditure of civil legal services funds shall be accepted from qualified legal services programs or from local government agencies and nonprofit

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organizations seeking to establish qualified alternative dispute resolution programs. The applications shall be reviewed by the advisory committee, and the advisory committee, subject to review by the supreme court, shall distribute the funds received pursuant to section 480.241, subdivision 2, available for this expenditure to qualified legal services programs or to qualified alternative dispute resolution programs submitting applications. The funds shall be distributed in accordance with the following formula:

(a) Eighty-five percent of the funds distributed shall be distributed to qualified legal services programs that have demonstrated an ability as of July 1, 1982, to provide legal services to persons unable to afford private counsel with funds provided by the federal Legal Services Corporation. The allocation of funds among the programs selected shall be based upon the number of persons with incomes below the poverty level established by the United States Census Bureau who reside in the geographical area served by each program, as determined by the supreme court on the basis of the most recent national census. All funds distributed pursuant to this clause shall be used for the provision of legal services in civil and farm legal assistance matters as prioritized by program boards of directors to eligible clients.

(b) Fifteen percent of the funds distributed may be distributed (1) to other qualified legal services programs for the provision of legal services in civil matters to eligible clients, including programs which organize members of the private bar to perform services and programs for qualified alternative dispute resolution, (2) to programs for training mediators operated by nonprofit alternative dispute resolution corporations, or (3) to qualified legal services programs to provide family farm legal assistance for financially distressed state farmers. The family farm legal assistance must be directed at farm financial problems including, but not limited to, liquidation of farm property including bankruptcy, farm foreclosure, repossession of farm assets, restructuring or discharge of farm debt, farm credit and general debtor-creditor relations, and tax considerations. If all the funds to be distributed pursuant to this clause cannot be distributed because of insufficient acceptable applications, the remaining funds shall be distributed pursuant to clause (a).

A person is eligible for legal assistance under this section if the person is an eligible client as defined in section 480.24, subdivision 2, or:

- (1) is a state resident;
- (2) is or has been a farmer or a family shareholder of a family farm corporation within the preceding 24 months;
- (3) has a debt-to-asset ratio greater than 50 percent;
- (4) has a reportable federal adjusted gross income of \$15,000 or less in the previous year; and
- (5) is financially unable to retain legal representation.

Qualifying farmers and small business operators whose bank loans are held by the Federal Deposit Insurance Corporation are eligible for legal assistance under this section.

Sec. 163. Minnesota Statutes 1996, section 500.24, subdivision 3, is amended to read:

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Subd. 3. **CORPORATE FARMING, AG LAND OWNERSHIP RESTRICTED.** No corporation, limited liability company, pension or investment fund, or limited partnership shall engage in farming; nor shall any corporation, limited liability company, pension or investment fund, or limited partnership, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Livestock that are delivered for slaughter or processing may be fed and cared for by a corporation up to 20 days prior to slaughter or processing. Provided, however, that the restrictions in this subdivision do not apply to corporations or partnerships in clause (b) and do not apply to corporations, limited partnerships, and pension or investment funds that record its name and the particular exception under clauses (a) to ~~(s)~~ (r) under which the agricultural land is owned or farmed, have a conservation plan prepared for the agricultural land, report as required under subdivision 4, and satisfy one of the following conditions under clauses (a) to ~~(s)~~ (r):

- (a) a bona fide encumbrance taken for purposes of security;
- (b) a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership as defined in subdivision 2 or a general partnership;
- (c) agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973, or a pension or investment fund as of May 12, 1981, including the normal expansion of such ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, or, in the case of a pension or investment fund, as of May 12, 1981, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;
- (d) agricultural land operated for research or experimental purposes with the approval of the commissioner of agriculture, provided that any commercial sales from the operation must be incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, or pension or investment fund seeking to operate agricultural land for research or experimental purposes must submit to the commissioner a prospectus or proposal of the intended method of operation, containing information required by the commissioner including a copy of any operational contract with individual participants, prior to initial approval of an operation. A corporation, limited partnership, or pension or investment fund operating agricultural land for research or experimental purposes prior to May 1, 1988, must comply with all requirements of this clause except the requirement for initial approval of the project;
- (e) agricultural land operated by a corporation or limited partnership for the purpose of raising breeding stock, including embryos, for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod. An entity that is organized to raise livestock other than dairy cattle under this clause that does not meet the definition requirement for an authorized farm corporation must:
  - (1) sell all castrated animals to be fed out or finished to farming operations that are neither directly nor indirectly owned by the business entity operating the breeding stock operation; and
  - (2) report its total production and sales annually to the commissioner of agriculture;

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(f) agricultural land and land capable of being used for farming leased by a corporation or limited partnership in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of May 20, 1973, or to the limited partnership as of May 1, 1988, and the additional acreage required for normal expansion at a rate not to exceed 20 percent of the amount of land leased as of May 20, 1973, for a corporation or May 1, 1988, for a limited partnership in any five-year period, and the additional acreage reasonably necessary to meet the requirements of pollution control rules;

(g) agricultural land when acquired as a gift (either by grant or a devise) by an educational, religious, or charitable nonprofit corporation or by a pension or investment fund or limited partnership; provided that all lands so acquired by a pension or investment fund, and all lands so acquired by a corporation or limited partnership which are not operated for research or experimental purposes, or are not operated for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod must be disposed of within ten years after acquiring title thereto;

(h) agricultural land acquired by a pension or investment fund or a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 2, or a limited partnership other than a family farm partnership or authorized farm partnership as defined in subdivision 2, for which the corporation or limited partnership has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A pension or investment fund or a corporation or limited partnership may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation;

(i) agricultural lands acquired by a pension or investment fund or a corporation or limited partnership by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten years after acquiring the title if acquired before May 1, 1988, and five years after acquiring the title if acquired on or after May 1, 1988, acquiring the title thereto, and further provided that the land so acquired shall not be used for farming during the ten-year or five-year period except under a lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership. The aforementioned ten-year or five-year limitation period shall be deemed a covenant running with the title to the land against any grantee, assignee, or successor of the pension or investment fund, corporation, or limited partnership. Notwithstanding the five-year divestiture requirement under this clause, a financial institution may continue to own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must divest of the agricultural land within the ten-year period. Livestock acquired by a

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pension or investment fund, corporation, or limited partnership in the collection of debts, or by a procedure for the enforcement of lien or claim on the livestock whether created by security agreement or otherwise after August 1, 1994, must be sold or disposed of within one full production cycle for the type of livestock acquired or 18 months after the livestock is acquired, whichever is later;

(j) agricultural land acquired by a corporation regulated under the provisions of Minnesota Statutes 1974, chapter 216B, for purposes described in that chapter or by an electric generation or transmission cooperative for use in its business, provided, however, that such land may not be used for farming except under lease to a family farm unit, a family farm corporation, or a family farm partnership;

(k) agricultural land, either leased or owned, totaling no more than 2,700 acres, acquired after May 20, 1973, for the purpose of replacing or expanding asparagus growing operations, provided that such corporation had established 2,000 acres of asparagus production;

(l) all agricultural land or land capable of being used for farming which was owned or leased by an authorized farm corporation as defined in Minnesota Statutes 1974, section 500.24, subdivision 1, clause (d), but which does not qualify as an authorized farm corporation as defined in subdivision 2, clause (d);

(m) a corporation formed primarily for religious purposes whose sole income is derived from agriculture;

(n) agricultural land owned or leased by a corporation prior to August 1, 1975, which was exempted from the restriction of this subdivision under the provisions of Laws 1973, chapter 427, including normal expansion of such ownership or leasehold interest to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1975, in any five-year period and the additional ownership reasonably necessary to meet requirements of pollution control rules;

(o) agricultural land owned or leased by a corporation prior to August 1, 1978, including normal expansion of such ownership or leasehold interest, to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1978, and the additional ownership reasonably necessary to meet requirements of pollution control rules, provided that nothing herein shall reduce any exemption contained under the provisions of Laws 1975, chapter 324, section 1, subdivision 2;

(p) an interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d);

(q) agricultural land owned by a nursing home located in a city with a population, according to the state demographer's 1985 estimate, between 900 and 1,000, in a county with a population, according to the state demographer's 1985 estimate, between 18,000 and 19,000, if the land was given to the nursing home as a gift with the expectation that it would not be sold during the donor's lifetime. This exemption is available until July 1, 1995;

(r) the acreage of agricultural land and land capable of being used for farming owned and recorded by an authorized farm corporation as defined in Minnesota Statutes 1986,

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section 500.24, subdivision 2, paragraph (d), or a limited partnership as of May 1, 1988, including the normal expansion of the ownership at a rate not to exceed 20 percent of the land owned and recorded as of May 1, 1988, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules; or

(s) (r) agricultural land owned or leased as a necessary part of an aquatic farm as defined in section 17.47, subdivision 3.

Sec. 164. Minnesota Statutes 1996, section 508A.01, subdivision 3, is amended to read:

Subd. 3. **DEFINITION.** For the purposes of sections 508A.01 to 508A.85, the term "possessory estate in land" means a fee simple estate held by an owner who (1) has been found on examination by the examiner of titles pursuant to section 508A.13 to be the record owner of the land described; and (2) has satisfied the examiner of titles that the owner is in actual or constructive possession of the land described.

Sec. 165. Minnesota Statutes 1996, section 524.2-402, is amended to read:

**524.2-402 DESCENT OF HOMESTEAD.**

(a) If there is a surviving spouse, the homestead, including a manufactured home which is the family residence, descends free from any testamentary or other disposition of it to which the spouse has not consented in writing or as provided by law, as follows:

(1) if there is no surviving descendant of decedent, to the spouse; or

(2) if there are surviving descendants of decedent, then to the spouse for the term of the spouse's natural life and the remainder in equal shares to the decedent's descendants by representation.

(b) If there is no surviving spouse and the homestead has not been disposed of by will it descends as other real estate.

(c) If the homestead passes by descent or will to the spouse or decedent's descendants, it is exempt from all debts which were not valid charges on it at the time of decedent's death except that the homestead is subject to a claim filed pursuant to section 246.53 for state hospital care or 256B.15 for medical assistance benefits. If the homestead passes to a person other than a spouse or decedent's descendants, it is subject to the payment of the ~~items mentioned in section 524.2-101~~ expenses of administration, funeral expenses, expenses of last illness, taxes, and debts. No lien or other charge against a homestead so exempted is enforceable in the probate court, but the claimant may enforce the lien or charge by an appropriate action in the district court.

(d) For purposes of this section, except as provided in section 524.2-301, the surviving spouse is deemed to consent to any testamentary or other disposition of the homestead to which the spouse has not previously consented in writing unless the spouse files in the manner provided in section 524.2-211, paragraph (f), a petition that asserts the homestead rights provided to the spouse by this section.

Sec. 166. Minnesota Statutes 1996, section 525.152, subdivision 1, is amended to read:

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



Subdivision 1. **DEFINITIONS.** (a) "Eligible child" means a child of the decedent who:

- (1) is not the child of the surviving spouse, if any;
- (2) if there is no surviving spouse, is not a minor, and has a different parent than minor children of the decedent ~~who are entitled to an allowance selection under section 525.15, clause (3); and~~
- (3) if the decedent dies testate, is a devisee under the decedent's will.

(b) "Sentimental value" means significant emotional or nostalgic value arising out of the relationship of an individual with the decedent or arising out of the relationship of the eligible child with the individual who is the nondecedent parent of the eligible child.

Sec. 167. Minnesota Statutes 1996, section 525.152, subdivision 2, is amended to read:

Subd. 2. **INELIGIBLE PROPERTY.** The following property is not eligible for an award under this section:

- (1) real property;
- (2) personal property that is the subject of a specific devise under the decedent's will where the will was executed before August 1, 1989, and where the devise specifically identifies the particular item of property, unless the property is selected under section ~~525.151~~ 524.2-403;
- (3) personal property that is the subject of a specific devise under a separate writing under section 524.2-513, unless the property is selected under section ~~525.151~~ 524.2-403; and
- (4) personal property disposed of by a premarital agreement.

Sec. 168. Minnesota Statutes 1996, section 525.152, subdivision 3, is amended to read:

Subd. 3. **NOTICE TO ELIGIBLE CHILDREN; PETITION.** At the time of an allowance selection under section ~~525.151~~ 524.2-403, the person making the selection shall serve personally or by mail a written itemized notice of the property selected to every eligible child of the decedent. This requirement does not apply if an award of property with sentimental value already has been made under this section. Within 30 days of receipt of the notice of selection, an eligible child may petition the court to award property with sentimental value contained in the notice, or other property with sentimental value that belonged to the decedent, to the eligible child.

Sec. 169. **REVISOR'S INSTRUCTION; SECTIONS 626.843 TO 626.88.**

The revisor shall change the citation from section 626.855 to section 626.863 in the following sections of Minnesota Statutes: 626.843; 626.845; 626.846; 626.847; 626.851; and 626.88.

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Sec. 170. Laws 1995, chapter 220, section 7, subdivision 3, is amended to read:

Subd. 3. Promotion and Marketing

1,146,000	1,146,000	
Summary by Fund		
General	954,000	954,000
Special Revenue	192,000	192,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3 3a, the total payments from the ethanol development account to all producers may not exceed \$25,000,000 for the biennium ending June 30, 1997. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis.

\$100,000 the first year and \$100,000 the second year are for ethanol promotion and public education.

\$100,000 the first year and \$100,000 the second year must be spent for the WIC coupon program.

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

\$192,000 the first year and \$192,000 the second year are from the commodities research and promotion account in the special revenue fund.

Sec. 171. Laws 1996, chapter 310, section 1, is amended to read:

Section 1. **REPEALER.**

Minnesota Statutes 1994, sections 1.17; 1.25; 1.331; 3.85, subdivision 7; 4.02; 4.45; 6.26; 10.05; 10.38; 15.07; 15.09; 15.14; 15.15; 15.793; 15A.083, subdivisions 2 and 3; 15A.15; 17.14, subdivision 2; 17.351, subdivision 2; 17.47, subdivision 5; 17.53, subdivisions 4 and 11; 17.693, subdivisions 3 and 7; 17.81, subdivision 6; 17.981; 17A.03, subdivision 4; 18.46, subdivision 14; 18.58; 18.77, subdivision 2; 18B.01, subdivision 16; 18B.065, subdivision 6; 18B.08, subdivision 5; 18C.105; 18C.531, subdivisions 6, 11, 19, 20, and 27; 19.50, subdivision 16; 19.64, subdivision 5; 21.72, subdivision 2; 21.81, subdivision 18; 24.135, subdivisions 6 and 7; 24.165; 25.33, subdivision 2; 25.44; 25.46; 27.01, subdivisions 1, 3, 6, and 9; 27.137, subdivisions 2, 3, 4, 6, and 8; 27.15; 29.21, subdivision 2; 30.01, subdivision 2; 31.51, subdivisions 10 and 12; 31.782, subdi-

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vision 2; 31.92, subdivision 1a; 31A.02, subdivision 3; 31A.30; 32.01, subdivisions 3 and 4; 32.077; 32.101; 32.201; 32.205; 32.207; 32.398, subdivision 2; 32.401, subdivision 4; 32.411, subdivision 6; 32.471, subdivision 2; 32.485; 32.531, subdivisions 2, 3, and 4; 35.01, subdivision 4; 35.73, subdivision 3; 42.02, subdivision 2; 42.06, subdivision 4; 42.09, subdivision 3; 43A.082; 43A.27, subdivision 6; 43A.317, subdivision 11; 43A.47; 47.202; 62D.12, subdivision 12; 84.024; 84.083, subdivision 2; 87.01; 89.013; 89.014; 90.005, subdivisions 1, 4, and 5; 115A.06, subdivision 4; 115A.08; 115A.09; 115A.14, subdivisions 1, 2, and 3; 115A.201; 115A.21; 115A.22; 115A.241; 115A.25; 115A.26; 115A.27; 115A.28, subdivision 1; 115A.29; 115A.291; 115A.97, subdivision 4; 116J.974; 116J.981; 116J.986; 118.02; 118.08; 119.04, subdivision 4; 124B.02; 124B.10; 124B.20, subdivisions 2 and 3; 136A.179; 137.03; 137.05; 137.06; 137.07; 137.08; 137.11; 137.14; 137.15; 137.33; 137.34, subdivision 2; 141.33; 141.34; 148B.34; 152.151; 161.041; 161.086; 166.01; 166.02; 166.03; 166.05; 166.06; 166.07; 166.08; 166.09; 166.10; 169.72, subdivision 3; 175.001, subdivision 5; 175.002; 175.003; 175.004; 175.005; 175.006, subdivision 4; 175.34; 176.1011; 177.34; 186.01; 186.02; 186.03; 186.04; 186.05; 186.06; 186.07; 186.08; 190.10; 191.09; 193.145, subdivision 1; 196.06, subdivision 2; 196.10; 196.11; 196.14; 196.15; 197.971; 197.972; 197.973; 197.974; 197.975; 197.976; 197.977; 197.978; 197.979; 197.98; 197.981; 197.982; 197.983; 197.984; 197.985; 197.986; 198.002, subdivision 4; 202A.17; 216C.19, subdivisions 10, 11, and 12; 216C.21; 216C.22; 216C.23; 216C.24; 246.44; 246.45; 246.46; 251.011, subdivisions 1, 4, 4a, 7, and 8; 254.02; 256B.56; 256B.57; 256B.58; 256B.59; 256B.60; 256B.61; 256B.62; 256B.63; 256E.07, subdivision 1a; 256E.08, subdivision 9; 261.251; 275.064; 280.12; 280.13; 280.25; 280.26; 281.15; 281.26; 281.27; 295.01; 298.226; 298.244; 299D.01, subdivision 5; 299F.01, subdivision 3; 345.20, subdivision 6; 352B.265; 353.011; 367.411; 367.43; 373.013; 373.045; 374.03; 374.04; 374.06; 374.07; 374.22; 374.23; 375.24; 375.383; 375.435; 377.01; 377.03; 377.05; 383A.07, subdivisions 11, 21, 22, and 25; 383A.09; 383A.10; 383A.15; 383A.34; 383A.44; 383B.227; 383B.233; 383B.69; 383C.054; 383C.057; 383C.058; 383D.15; 383D.34; 383D.67; 386.375, subdivision 6; 388.19, subdivision 2; 390.26; 397.05; 397.06; 397.07; 397.08; 397.09; 397.10; 397.101; 397.102; 412.015, subdivision 1; 412.018, subdivision 2; 412.023, subdivision 4; 412.092; 441.01; 441.02; 441.03; 441.04; 441.05; 441.06; 441.07; 441.08; 441.09; 446A.10; 457.13; 458.1931; 458D.13; 465.681; 466.10; 466.12, subdivision 4; 471.74, subdivisions 1 and 3; 471.9975; 471.998; 471A.07; 473.204; 473.418; 473.608, subdivision 20; 473.855; 474.22; 475.75; 477A.011, subdivision 2; 477A.012, subdivisions 1, 3, 4, 7, and 8; 477A.013, subdivision 6; 477A.014, subdivision 1a; 487.12; 515B.1-110; 515B.1-111; 557.022; 611A.07, subdivision 2; 611A.23; 611A.42; 611A.44; 626.559, subdivision 4; 626.563, as amended by Laws 1995, chapter 259, article 3, section 22; 626.855; and 641.111; Minnesota Statutes 1995 Supplement, sections 17A.091, subdivision 2; 115A.14, subdivision 4; 124B.01; 124B.03; 124B.20, subdivision 1; 135A.10, subdivision 1; 136A.043; 471.74, subdivision 2; 474.191; 477A.012, subdivision 2, are repealed.

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## ARTICLE 2

## ABOLISHED REPORTS

## PART A

Section 1. **IMPLEMENTING LAWS 1995, CHAPTER 248, ARTICLE 1.**

Subdivision 1. INTENT. This article implements Laws 1995, chapter 248, article 1, by

(1) conforming Minnesota Statutes, beginning in section 2, to reflect the abolition of certain reporting requirements;

(2) listing, in subdivision 2, statutory citations to reporting requirements retained by notification to the revisor from committee chairs;

(3) listing, in subdivision 3, statutory citations to reporting requirements which were, in 1995 or 1996, repealed, stricken, or amended in a way suggesting continuation;

(4) listing, in subdivision 4, the status of all sections in the original report not otherwise accounted for; and

(5) drafting conforming amendments in part B to account for repeals listed in section 67.

**Subd. 2. REPORTS RETAINED BY COMMITTEE CHAIRS.** The reporting requirements in these statutes were retained by notification to the revisor from committee chairs: 3.30, subdivision 2; 3.885, subdivision 5; 10.48; 69.051, subdivision 4; 84.154, subdivisions 4 and 5; 84B.11, subdivision 2; 115A.38, subdivision 3; 116P.05, subdivision 2; 116P.06, subdivision 2; 121.81; 134.22; 135A.20; 240.18, subdivision 2; 270.74; 462A.207, subdivision 8; 473.123, subdivision 3; and 473.303.

**Subd. 3. REPORTS REPEALED, STRICKEN, OR RETAINED BY AMENDMENT.** (a) Reporting requirements in these statutes requiring periodic reports were repealed or stricken by amendment in 1995 or 1996: 3.846; 3.861; 3.863; 3.885, subdivision 1a; 3.9227; 14.115; 14.12; 14.32; 62N.34; 85.019; 103B.255, subdivision 9; 115A.165; 115A.551, subdivision 4 (report from metropolitan council); 116C.69, subdivision 3; 121.703, subdivision 3; 121.710, subdivision 2; 121.931, subdivisions 3 and 4; 125.05, subdivision 7; 126.019, subdivision 2; 126B.02; 135A.09; 136.142; 136.41; 136.507; 136A.02, subdivision 6; 136A.04, subdivision 1; 136A.041; 136A.42; 136A.86, subdivision 2; 136E.04, subdivision 3; 137.38, subdivision 5; 144.874; 144.878; 144A.31, subdivision 5; 148C.035, subdivision 2; 168.33, subdivision 5; 245.494, subdivision 2; 245.98, subdivision 3; 256.734, subdivision 3; 256B.0925, subdivision 3; and 393.07, subdivision 10 (note).

(b) Reporting requirements in these statutes were amended in 1995 or 1996 in a way that did not indicate a clear intent to abolish the reporting requirement: 13.06, subdivision 7; 14.08; 16B.75 (the report in article IX was mistakenly indicated as being in article IV in the initial report); 144.05; 256C.28, subdivisions 3, now 3a; and 6; and 299C.065, subdivisions 3 and 3a.

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Subd. 4. **OTHER.** (a) The reporting requirement in section 115A.9157 is not imposed on a state agency and was mistakenly included in "Required Periodic Reports to the Legislature."

(b) There are no explicit words requiring a report to the legislature in sections 241.45, subdivision 2, and 360.015, subdivision 8.

(c) Laws 1995, chapter 248, article 1, mistakenly refers to section 17.114, subdivision 15, which should be section 17.117, subdivision 15; section 469.055, subdivision 1, which should be subdivision 2; and section 462A.207, subdivision 6, which should be subdivision 8.

(d) No separate report is required by section 214.07, subdivision 1a.

(e) A report required by section 10A.035, was required to be saved by Laws 1995, chapter 248, article 1. There is no section 10A.035. It is assumed that section 10A.335 was the intended reference so the report in section 10A.335 is not abolished.

(f) The following sections containing abolished reporting requirements were re-numbered: (1) 256H.195 to 119B.17, (2) 257.803 to 119A.13, and (3) 299A.30 to 119A.26.

Sec. 2. Minnesota Statutes 1996, section 3.873, subdivision 5, is amended to read:

Subd. 5. **INFORMATION COLLECTION; INTERGOVERNMENTAL COORDINATION.** (a) The commission may conduct public hearings and otherwise collect data and information necessary to its purposes.

(b) The commission may request information or assistance from any state agency or officer to assist the commission in performing its duties. The agency or officer shall promptly furnish any information or assistance requested.

(c) The secretary of the senate and the chief clerk of the house shall provide the commission with a copy of each bill introduced in the legislature concerning children, youth, and their families.

(d) Before implementing new or substantially revised programs relating to the subjects being studied by the commission under subdivision 7, the commissioner responsible for the program shall prepare an implementation plan for the program and shall submit the plan to the commission for review and comment. The commission may advise and make recommendations to the commissioner on the implementation of the program and may request the changes or additions in the plan it deems appropriate.

(e) By July 1, 1991, the responsible state agency commissioners, including the commissioners of education, health, human services, economic security, and corrections, shall prepare data for presentation to the commission on the state programs to be examined by the commission under subdivision 7, paragraph (a).

(f) To facilitate coordination between executive and legislative authorities, the commission shall meet with the children's cabinet.

Sec. 3. Minnesota Statutes 1996, section 3.873, subdivision 7, is amended to read:

Subd. 7. **PRIORITIES.** The commission shall give priority to studying and reporting to the legislature on the matters described in this subdivision. To the extent possible,

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the commission shall consult with knowledgeable individuals in communities throughout the state when developing recommendations ~~or preparing reports~~ on these matters.

(a) The commission must study ~~and report on~~ methods of improving legislative consideration of children and family issues and coordinating state agency programs relating to children and families, including the desirability, feasibility, and effects of creating a new state department of children's services, or children and family services, in which would be consolidated the responsibility for administering state programs relating to children and families.

(b) The commission must study ~~and report on~~ methods of consolidating or coordinating local health, correctional, educational, job, and human services, to improve the efficiency and effectiveness of services to children and families and to eliminate duplication and overlapping services. The commission shall evaluate and make recommendations on programs and projects in this and other states that encourage or require local jurisdictions to consolidate the delivery of services in schools or other community centers to reduce the cost and improve the coverage and accessibility of services. The commission must study and recommend specific effectiveness measures to accurately determine the efficacy of programs and services provided to children and their families. The commission must consider and recommend how to transform fragmented, crisis-oriented delivery systems focused on remediation services into flexible, comprehensive, well-coordinated, and family-oriented delivery systems focused on prevention services. The commission must review and evaluate what impact the classification of data has on service providers' ability to anticipate and meet the full range of families' needs. ~~The commission must report on any laws, rules, or procedures that interfere with the effective delivery of community-based services to children and families.~~

(c) The commission must study ~~and report on~~ methods of improving and coordinating educational, social, and health care services that assist children and families during the early childhood years. The commission's study must include an evaluation of the following: early childhood health and development screening services, headstart, child care, early childhood family education, and parents' involvement in programs meeting the social, cognitive, physical, and emotional needs of children.

(d) The commission must study ~~and report on~~ methods of improving and coordinating the practices of judicial, correctional, and social service agencies in placing juvenile offenders and children who are in need of protective services or treatment.

(e) The commission must study and recommend constructive changes in preventive, community-based programs that encourage children and youth to responsibly serve their community.

(f) The legislative commission on children, youth, and their families and the children's cabinet must study and make joint recommendations regarding a state-level governance structure to deliver funding and coordinate policy for children and their families. These recommendations may include structural changes to minimize barriers to and actively promote collaborating and integrating services for children and families in the community. The commission and cabinet must jointly evaluate the need for a new cabinet-level agency for children. The commission and cabinet shall report their findings and recommendations to the legislature by January 15, 1994.

Sec. 4. Minnesota Statutes 1996, section 9.041, subdivision 2, is amended to read:

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

Subd. 2. **LEGISLATIVE ACTION; SMALL CLAIMS.** The executive council shall refer its findings and conclusions to the legislature for confirmation and No adjustment or settlement of any claim by the executive council is final until ratified by the legislature. The executive council may make final settlement and adjustment of individual claims of settlers or Indian allottees, where the land in question does not exceed 100 acres.

Sec. 5. Minnesota Statutes 1996, section 16A.276, is amended to read:

**16A.276 CASH OVERAGE AND SHORTAGE ACCOUNT.**

The commissioner may keep accounts to record daily the difference between actual and recorded cash receipts including losses from forged and uncollectible checks. At the end of the fiscal year, the commissioner shall clear the accounts by transferring the balances to the general fund and paying the deficits from operating accounts of the agencies charged with the deficit and shall report an adjustment to the legislative audit commission.

Sec. 6. Minnesota Statutes 1996, section 17.138, subdivision 2, is amended to read:

Subd. 2. **COORDINATION OF RESEARCH.** The commissioner shall coordinate manure management research and monitoring and make recommendations on manure management research and monitoring funding priorities to the legislature and other funding bodies other than the legislature.

Sec. 7. Minnesota Statutes 1996, section 45.027, subdivision 1, is amended to read:

Subdivision 1. **GENERAL POWERS.** In connection with the duties and responsibilities entrusted to the commissioner, and Laws 1993, chapter 361, section 2, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate any law, rule, or order related to the duties and responsibilities entrusted to the commissioner;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the duties and responsibilities entrusted to the commissioner;

(4) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes to the legislature in the laws related to the duties and responsibilities entrusted to the commissioner;

(5) examine the books, accounts, records, and files of every licensee, and of every person who is engaged in any activity regulated; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

(6) publish information which is contained in any order issued by the commissioner; and

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(7) require any person subject to duties and responsibilities entrusted to the commissioner, to report all sales or transactions that are regulated. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction.

Sec. 8. Minnesota Statutes 1996, section 119A.13, subdivision 3, is amended to read:

Subd. 3. **PLAN FOR DISBURSEMENT OF FUNDS.** By June 1, 1987, the commissioner, assisted by the advisory council, shall develop a plan to disburse money from the trust fund. In developing the plan, the commissioner shall review prevention programs. The plan must ensure that all geographic areas of the state have an equal opportunity to establish prevention programs and receive trust fund money. Biennially thereafter the commissioner shall send the plan to the legislature and the governor by January 1 of each odd-numbered year.

Sec. 9. Minnesota Statutes 1996, section 119A.13, subdivision 4, is amended to read:

Subd. 4. **RESPONSIBILITIES OF THE COMMISSIONER.** (a) The commissioner shall:

(1) provide for the coordination and exchange of information on the establishment and maintenance of prevention programs;

(2) develop and publish criteria for receiving trust fund money by prevention programs;

(3) review, approve, and monitor the spending of trust fund money by prevention programs;

(4) provide statewide educational and public informational seminars to develop public awareness on preventing child abuse; to encourage professional persons and groups to recognize instances of child abuse and work to prevent them; to make information on child abuse prevention available to the public and to organizations and agencies; and to encourage the development of prevention programs;

(5) establish a procedure for an annual, internal evaluation of the functions, responsibilities, and performance of the commissioner in carrying out Laws 1986, chapter 423. In a year in which the state plan is prepared, the evaluation must be coordinated with the preparation of the state plan;

(6) provide technical assistance to local councils and agencies working in the area of child abuse prevention; and

(7) accept and review grant applications beginning June 1, 1987.

(b) The commissioner shall recommend to the governor ~~and the legislature~~ changes in state programs, statutes, policies, budgets, and standards that will reduce the problems of child abuse, improve coordination among state agencies that provide prevention services, and improve the condition of children, parents, or guardians in need of prevention program services.

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



Sec. 10. Minnesota Statutes 1996, section 119A.26, subdivision 2, is amended to read:

Subd. 2. **DUTIES.** (a) The assistant commissioner shall:

(1) gather, develop, and make available throughout the state information and educational materials on preventing and reducing violence in the family and in the community, both directly and by serving as a clearinghouse for information and educational materials from schools, state and local agencies, community service providers, and local organizations;

(2) foster collaboration among schools, state and local agencies, community service providers, and local organizations that assist in violence intervention or prevention;

(3) assist schools, state and local agencies, service providers, and organizations, on request, with training and other programs designed to educate individuals about violence and reinforce values that contribute to ending violence;

(4) after consulting with all state agencies involved in preventing or reducing violence within the family or community, develop a statewide strategy for preventing and reducing violence that encompasses the efforts of those agencies and takes into account all money available for preventing or reducing violence from any source;

(5) submit the strategy to the governor and the legislature by January 15 of each calendar year, along with a summary of activities occurring during the previous year to prevent or reduce violence experienced by children, young people, and their families; and

(6) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of activities to prevent or reduce violence within the family or community.

(b) The assistant commissioner shall gather and make available information on prevention and supply reduction activities throughout the state, foster cooperation among involved state and local agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of prevention and supply reduction activities.

(c) The assistant commissioner shall coordinate the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. The assistant commissioner shall recommend to the commissioner recipients of grants under sections 119A.30 and 299A.33, after consultation with the chemical abuse prevention resource council.

(d) The assistant commissioner shall:

(1) after consultation with all state agencies involved in prevention or supply reduction activities, develop a state chemical abuse and dependency strategy encompassing the efforts of those agencies and taking into account all money available for prevention and supply reduction activities, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of prevention and supply reduction activities during the preceding calendar year;

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

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of prevention and supply reduction activities;

(4) provide information, including information on drug trends, and assistance to state and local agencies, both directly and by functioning as a clearinghouse for information from other agencies;

(5) facilitate cooperation among drug program agencies; and

(6) in coordination with the chemical abuse prevention resource council, review, approve, and coordinate the administration of prevention, criminal justice, and treatment grants.

Sec. 11. Minnesota Statutes 1996, section 119B.17, subdivision 3, is amended to read:

Subd. 3. **DUTIES AND POWERS.** The council has the following duties and powers:

(1) develop a biennial plan for early childhood care and education in the state;

(2) take a leadership role in developing its recommendations in conjunction with the recommendations of other state agencies on the state budget for early childhood care and education;

(3) apply for and receive state money and public and private grant money;

(4) participate in and facilitate the development of interagency agreements on early childhood care and education issues;

(5) review state agency policies on early childhood care and education issues so that they do not conflict;

(6) advocate for an effective and coordinated early childhood care and education system with state agencies and programs;

(7) study the need for child care funding for special populations whose needs are not being met by current programs;

(8) ensure that the early childhood care and education system reflects community diversity; and

(9) be responsible for advocating policies and funding for early childhood care and education; and

(10) provide a report to the legislature on January 1 of every odd-numbered year, containing a description of the activities and the work plan of the council and any legislative recommendations developed by the council.

Sec. 12. Minnesota Statutes 1996, section 124A.711, subdivision 2, is amended to read:

Subd. 2. **DETERMINATION OF AID.** The total amount of support services aid shall be determined according to indices for each service recommended by the commis-

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sioner of children, families, and learning after consultations with appropriate state agencies, educators, and other interested persons. The commissioner shall recommend indices and aid amounts to the legislature by February 1 of each odd-numbered year. The indices shall reflect the need for each service based on the economic, geographic, demographic, and other appropriate characteristics of each district.

Sec. 13. Minnesota Statutes 1996, section 144.056, is amended to read:

**144.056 PLAIN LANGUAGE IN WRITTEN MATERIALS.**

(a) To the extent reasonable and consistent with the goals of providing easily understandable and readable materials and complying with federal and state laws governing the program, all written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of health must be understandable to a person who reads at the seventh-grade level, using the Flesch scale analysis readability score as determined under section 72C.09.

(b) All written materials relating to services and determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of health must be developed to satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 8.31 and 325G.33 to 325G.36 do not apply to these materials. Failure to comply with this section does not provide a basis for suspending the implementation or operation of other laws governing programs administered by the commissioner.

(c) The requirements of this section apply to all materials modified or developed by the commissioner on or after July 1, 1988. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval to the extent that application of the requirements prevents federal approval.

(d) Nothing in this section may be construed to prohibit a lawsuit brought to require the commissioner to comply with this section or to affect individual appeal rights under the special supplemental food program for women, infants, and children granted pursuant to federal regulations under the Code of Federal Regulations, chapter 7, section 246.

(e) The commissioner shall report annually to the chairs of the health and human services divisions of the senate finance committee and the house of representatives appropriations committee on the number and outcome of cases that raise the issue of the commissioner's compliance with this section.

Sec. 14. Minnesota Statutes 1996, section 144.062, is amended to read:

**144.062 VACCINE COST REDUCTION PROGRAM.**

The commissioner of administration, after consulting with the commissioner of health, shall negotiate discounts or rebates on vaccine or may purchase vaccine at reduced prices. Vaccines may be offered for sale to medical care providers at the depart-

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ment's cost plus a fee for administrative costs. As a condition of receiving the vaccine at reduced cost, a medical care provider must agree to pass on the savings to patients. The commissioner of health may transfer money appropriated for other department of health programs to the commissioner of administration for the initial cost of purchasing vaccine, provided the money is repaid by the end of each state fiscal year and the commissioner of finance approves the transfer. Proceeds from the sale of vaccines to medical care providers, including fees collected for administrative costs, are appropriated to the commissioner of administration. If the commissioner of administration, in consultation with the commissioner of health, determines that a vaccine cost reduction program is not economically feasible or cost-effective, the commissioner may elect not to implement the program but shall provide a report to the legislature that explains the reasons for the decision.

Sec. 15. Minnesota Statutes 1996, section 144.092, is amended to read:

**144.092 COORDINATED NUTRITION DATA COLLECTION.**

The commissioner of health may develop and coordinate a reporting system to improve the state's ability to document inadequate nutrient and food intake of Minnesota's children and adults and to identify problems and determine the most appropriate strategies for improving inadequate nutritional status. The board on aging may develop a method to evaluate the nutritional status and requirements of the elderly in Minnesota. ~~The commissioner of health and the board on aging may report to the legislature on each July 1, beginning in 1988, on the results of their investigation and their recommendations on the nutritional needs of Minnesotans.~~

Sec. 16. Minnesota Statutes 1996, section 144A.33, subdivision 5, is amended to read:

Subd. 5. **REPORT; EVALUATION.** Each year the Minnesota board on aging shall evaluate the programs and funding sources established under this section and report to the legislature by February 1 of each year concerning the programs established and the effectiveness of the programs.

Sec. 17. Minnesota Statutes 1996, section 144A.53, subdivision 1, is amended to read:

Subdivision 1. **POWERS.** The director may:

(a) Promulgate by rule, pursuant to chapter 14, and within the limits set forth in subdivision 2, the methods by which complaints against health facilities, health care providers, home care providers, or residential care homes, or administrative agencies are to be made, reviewed, investigated, and acted upon; provided, however, that a fee may not be charged for filing a complaint.

(b) Recommend legislation and changes in rules to the state commissioner of health, ~~legislature,~~ governor, administrative agencies or the federal government.

(c) Investigate, upon a complaint or upon initiative of the director, any action or failure to act by a health care provider, home care provider, residential care home, or a health facility.

(d) Request and receive access to relevant information, records, incident reports, or documents in the possession of an administrative agency, a health care provider, a home

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care provider, a residential care home, or a health facility, and issue investigative subpoenas to individuals and facilities for oral information and written information, including privileged information which the director deems necessary for the discharge of responsibilities. For purposes of investigation and securing information to determine violations, the director need not present a release, waiver, or consent of an individual. The identities of patients or residents must be kept private as defined by section 13.02, subdivision 12.

(e) Enter and inspect, at any time, a health facility or residential care home and be permitted to interview staff; provided that the director shall not unduly interfere with or disturb the provision of care and services within the facility or home or the activities of a patient or resident unless the patient or resident consents.

(f) Issue correction orders and assess civil fines pursuant to section 144.653 or any other law which provides for the issuance of correction orders to health facilities or home care provider, or under section 144A.45. A facility's or home's refusal to cooperate in providing lawfully requested information may also be grounds for a correction order.

(g) Recommend the certification or decertification of health facilities pursuant to Title XVIII or XIX of the United States Social Security Act.

(h) Assist patients or residents of health facilities or residential care homes in the enforcement of their rights under Minnesota law.

(i) Work with administrative agencies, health facilities, home care providers, residential care homes, and health care providers and organizations representing consumers on programs designed to provide information about health facilities to the public and to health facility residents.

Sec. 18. Minnesota Statutes 1996, section 144A.54, subdivision 1, is amended to read:

Subdivision 1. **DIRECTOR; DUTIES.** Except as otherwise provided by this section, the director may determine the form, frequency, and distribution of the conclusions and recommendations. The director shall transmit the conclusions and recommendations to the state commissioner of health and the legislature. Before announcing a conclusion or recommendation that expressly or by implication criticizes an administrative agency, a health care provider, a home care provider, a residential care home, or a health facility, the director shall consult with that agency, health care provider, home care provider, home, or facility. When publishing an opinion adverse to an administrative agency, a health care provider, a home care provider, a residential care home, or a health facility, the director shall include in the publication any statement of reasonable length made to the director by that agency, health care provider, home care provider, residential care home, or health facility in defense or explanation of the action.

Sec. 19. Minnesota Statutes 1996, section 144A.54, subdivision 2, is amended to read:

Subd. 2. **ANNUAL REPORT.** In addition to whatever other reports the director may make, the director shall, at the end of each year, report to the state commissioner of health and the legislature concerning the exercise of the director's functions during the preceding year. The state commissioner of health may, at any time, request and receive information, other than resident records, from the director.

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Sec. 20. Minnesota Statutes 1996, section 145.894, is amended to read:

**145.894 STATE COMMISSIONER OF HEALTH; DUTIES, RESPONSIBILITIES.**

The commissioner of health shall:

(a) develop a comprehensive state plan for the delivery of nutritional supplements to pregnant and lactating women, infants, and children;

(b) contract with existing local public or private nonprofit organizations for the administration of the nutritional supplement program;

(c) develop and implement a public education program promoting the provisions of sections 145.891 to 145.897, and provide for the delivery of individual and family nutrition education and counseling at project sites. The education programs must include a campaign to promote breast feeding;

(d) develop in cooperation with other agencies and vendors a uniform state voucher system for the delivery of nutritional supplements;

(e) authorize local health agencies to issue vouchers bimonthly to some or all eligible individuals served by the agency, provided the agency demonstrates that the federal minimum requirements for providing nutrition education will continue to be met and that the quality of nutrition education and health services provided by the agency will not be adversely impacted;

(f) investigate and implement a system to reduce the cost of nutritional supplements and maintain ongoing negotiations with nonparticipating manufacturers and suppliers to maximize cost savings;

(g) develop, analyze, and evaluate the health aspects of the nutritional supplement program and establish nutritional guidelines for the program;

(h) apply for, administer, and annually expend at least 99 percent of available federal or private funds;

(i) aggressively market services to eligible individuals by conducting ongoing outreach activities and by coordinating with and providing marketing materials and technical assistance to local human services and community service agencies and nonprofit service providers;

(j) determine, on July 1 of each year, the number of pregnant women participating in each special supplemental food program for women, infants, and children (W.I.C.) and, in 1986, 1987, and 1988, at the commissioner's discretion, designate a different food program deliverer if the current deliverer fails to increase the participation of pregnant women in the program by at least ten percent over the previous year's participation rate;

(k) promulgate all rules necessary to carry out the provisions of sections 145.891 to 145.897; and

(l) report to the legislature by November 15 of every year on the expenditures and activities under sections 145.891 to 145.897 of the state and local health agencies for the preceding fiscal year; and

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(m) ensure that any state appropriation to supplement the federal program is spent consistent with federal requirements.

Sec. 21. Minnesota Statutes 1996, section 152.02, subdivision 13, is amended to read:

Subd. 13. Annually, the state board of pharmacy shall study the implementation of this chapter in relation to the problems of drug abuse in Minnesota and shall report to the legislature annually on or before December 1, their recommendations concerning amendments to this chapter.

Sec. 22. Minnesota Statutes 1996, section 152.21, subdivision 3, is amended to read:

Subd. 3. **RESEARCH GRANT.** The commissioner of health shall grant funds to the principal investigator selected by the commissioner pursuant to subdivision 4 for the purpose of conducting a research program under a protocol approved by the FDA regarding the therapeutic use of oral THC and other dosage forms, if available, according to the guidelines and requirements of the federal food and drug administration, the drug enforcement administration and the national institute on drug abuse. The commissioner shall ensure that the research principal investigator complies with the requirements of subdivision 5. The commissioner may designate the principal investigator as the sponsor.

The commissioner shall report to the legislature on January 1 of each odd-numbered year on the number of oncologists and patients involved in the program and the results available at that date regarding the effects of therapeutic use of THC on patients involved in the program. The commissioner shall also report on the current status of THC under the federal Food, Drug and Cosmetic Act and the federal Controlled Substances Act.

Sec. 23. Minnesota Statutes 1996, section 161.10, is amended to read:

#### 161.10 INVESTIGATIONS, RECOMMENDATIONS, REPORTS.

When practicable the commissioner shall investigate and determine the location of road material in the state, ascertain the most approved methods of construction and improvement of roads, investigate the most approved laws in relation to roads in other states and hold public meetings throughout the state when deemed advisable. On or before November 15 on each even-numbered year the commissioner shall make a printed report to the governor and the legislature stating the condition, management, and financial transactions of the transportation department, including a statement of the expense incurred in maintaining such department; the number of miles of roads built or improved during the preceding two fiscal years and their cost; the general character and location of material suitable for road construction; the general character and needs of the roads of the state; the name, location, size, and description of each state trail, state water access site, and state rest area established by the commissioner since the last report; and recommend such legislation as the commissioner deems advisable. The report shall be transmitted by the governor to the legislature.

Sec. 24. Minnesota Statutes 1996, section 161.1419, subdivision 7, is amended to read:

Subd. 7. **REPORT TO LEGISLATURE PROGRAM REVIEW.** The commission may review the programs of the various interstate compacts, studies, planning

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groups and commissions involved in water and land use activities along the Mississippi river in Minnesota and report to the legislature biennially any duplication of programs and funding as well as its recommendations for new legislation.

Sec. 25. Minnesota Statutes 1996, section 192.551, is amended to read:

**192.551 ARMY REGULATIONS TO APPLY.**

All money and property received from any source for the military forces shall be kept, disbursed, and accounted for as prescribed by army regulations, where applicable, otherwise as prescribed by state rules. All such accounts shall be examined and audited at least once annually by officers of the military forces detailed by the adjutant general as military auditors. ~~The adjutant general shall file a copy of the report of every such examination with the legislative auditor. This shall not preclude other examinations of such accounts by the legislative auditor as authorized by law.~~ The legislative auditor may appoint any military auditor as an assistant examiner, with all the powers incident thereto, in connection with the examination of such accounts. The provisions of the state civil service act shall not be applicable to such appointments.

Sec. 26. Minnesota Statutes 1996, section 197.133, is amended to read:

**197.133 DISPOSAL OF PROPERTY AND EXPIRATION OF THE BOARD OF GOVERNORS.**

If a majority of the board determines that the disposal of the camp or a portion of the camp is in the best interests of Minnesota veterans, or if the camp is not used solely as a camp for and by disabled and other veterans and their families and operated and maintained in compliance with all state, federal, and local laws, the board may dispose of the property at market value as provided in this section. Before disposing of the property, the board shall give notice by certified mail to the commissioner of veterans affairs of its decision to dispose of the property. The commissioner shall publish the notice in the State Register. Interested governmental agencies have until the end of the next legislative session after the notice to appropriate money to purchase the property.

Proceeds realized from the disposal of the property and any assets on hand at the time of the disposal of the property, must be placed in an irrevocable trust to be used for the initiation or maintenance of veterans programs in the state of Minnesota. Trustees must be appointed in the same manner as provided for under section 197.131. The trustees shall consult with the commissioner of veterans affairs to determine the needs of Minnesota veterans and provide the commissioner ~~and the committee on general legislation and veterans affairs of the house of representatives and the committee on veterans and general legislation in the senate~~ with an annual written report on the trust. The commissioner must approve all expenditures from the trust. A certified audit of all assets, expenditures, and property must be conducted prior to any disposition of any assets under the control of the board. Any board member who would benefit directly or indirectly financially from the sale of this property must be removed by the board and a successor appointed as provided by section 197.131. Upon final disposition of all assets to the trust, the board must disband. Should the assets of the trust be exhausted, the trust must be terminated.

Sec. 27. Minnesota Statutes 1996, section 214.07, subdivision 1, is amended to read:

Subdivision 1. **BOARD REPORTS.** The health-related licensing boards and the non-health-related licensing boards shall prepare reports according to this subdivision

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and subdivision 1a by October 1 of each even-numbered year. Copies of the reports shall be delivered to the legislature in accordance with section 3.195, and to the governor. Copies of the reports of the health-related licensing boards shall also be delivered to the commissioner of health. The reports shall contain the following information relating to the two-year period ending the previous June 30:

- (a) a general statement of board activities;
- (b) the number of meetings and approximate total number of hours spent by all board members in meetings and on other board activities;
- (c) the receipts and disbursements of board funds;
- (d) the names of board members and their addresses, occupations, and dates of appointment and reappointment to the board;
- (e) the names and job classifications of board employees;
- (f) a brief summary of board rules proposed or adopted during the reporting period with appropriate citations to the State Register and published rules;
- (g) the number of persons having each type of license and registration issued by the board as of June 30 in the year of the report;
- (h) the locations and dates of the administration of examinations by the board;
- (i) the number of persons examined by the board with the persons subdivided into groups showing age categories, sex, and states of residency;
- (j) the number of persons licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;
- (k) the number of persons not licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;
- (l) the number of persons not taking the examinations referred to in clause (h) who were licensed or registered by the board or who were denied licensing or registration with the reasons for the licensing or registration or denial thereof and with the persons subdivided by age categories, sex, and states of residency;
- (m) the number of persons previously licensed or registered by the board whose licenses or registrations were revoked, suspended, or otherwise altered in status with brief statements of the reasons for the revocation, suspension or alteration;
- (n) the number of written and oral complaints and other communications received by the executive director or executive secretary of the board, a board member, or any other person performing services for the board (1) which allege or imply a violation of a statute or rule which the board is empowered to enforce and (2) which are forwarded to other agencies as required by section 214.10;
- (o) a summary, by specific category, of the substance of the complaints and communications referred to in clause (n) and, for each specific category, the responses or dispositions thereof pursuant to section 214.10 or 214.11;

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(p) any other objective information which the board members believe will be useful in reviewing board activities.

Sec. 28. Minnesota Statutes 1996, section 214.13, subdivision 5, is amended to read:

Subd. 5. **RECOMMENDATION ON REGULATION; APPLICATION RE-NEWAL.** The commissioner of health shall exercise care to prevent the proliferation of unessential registered human services occupations. If In evaluating a currently unregistered occupation the commissioner ~~determines~~ may determine that registration of the occupation is not appropriate, but that implementation of another mode as set forth in section 214.001, subdivision 3, is appropriate the ~~commissioner~~ commissioner shall promptly so report to the legislature. For a period of two years after a determination by the commissioner as to the appropriate regulatory mode, if any, for an occupational applicant group, the same or substantially equivalent group may not submit a letter of intent to enter the credentialing process, unless invited to do so by the commissioner.

Sec. 29. Minnesota Statutes 1996, section 237.70, subdivision 7, is amended to read:

Subd. 7. **ADMINISTRATION.** The telephone assistance plan must be administered jointly by the commission, the department of human services, and the telephone companies in accordance with the following guidelines:

(a) The commission and the department of human services shall develop an application form that must be completed by the subscriber for the purpose of certifying eligibility for telephone assistance plan credits to the department of human services. The application must contain the applicant's social security number. Applicants who refuse to provide a social security number will be denied telephone assistance plan credits. The application form must include provisions for the applicant to show the name of the applicant's telephone company. The application must also advise the applicant to submit the required proof of age or disability, and income and must provide examples of acceptable proof. The application must state that failure to submit proof with the application will result in the applicant being found ineligible. Each telephone company shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing and shall mail the application form to customers when requested.

The notice must state the following:

**YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED AND IF YOU MEET CERTAIN HOUSEHOLD INCOME LIMITS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE CONTACT .....**

(b) The department of human services shall determine the eligibility for telephone assistance plan credits at least annually according to the criteria contained in subdivision 4a.

(c) An application may be made by the subscriber, the subscriber's spouse, or a person authorized by the subscriber to act on the subscriber's behalf. On completing the application certifying that the statutory criteria for eligibility are satisfied, the applicant must return the application to an office of the department of human services specially designated to process telephone assistance plan applications. On receiving a completed application from an applicant, the department of human services shall determine the ap-

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plicant's eligibility or ineligibility within 120 days. If the department fails to do so, it shall within three working days provide written notice to the applicant's telephone company that the company shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of the written notice. The applicant must receive telephone assistance plan credits until the earliest possible month following the company's receipt of notice from the department that the applicant is ineligible.

If the department of human services determines that an applicant is not eligible to receive telephone assistance plan credits, it shall notify the applicant within ten working days of that determination.

Within ten working days of determining that an applicant is eligible to receive telephone assistance plan credits, the department of human services shall provide written notification to the telephone company that serves the applicant. The notice must include the applicant's name, address, and telephone number.

Each telephone company shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of notice from the department of human services.

By December 31 of each year, the department of human services shall redetermine eligibility of each person receiving telephone assistance plan credits, as required in paragraph (b). The department of human services shall submit an annual report to the legislature and the commission by January 15 of each year showing that the department has determined the eligibility for telephone assistance plan credits of each person receiving the credits or explaining why the determination has not been made and showing how and when the determination will be completed.

If the department of human services determines that a current recipient of telephone assistance plan credits is not eligible to receive the credits, it shall notify, in writing, the recipient within ten working days and the telephone company serving the recipient within 20 working days of the determination. The notice must include the recipient's name, address, and telephone number.

Each telephone company shall remove telephone assistance plan credits against monthly charges in the earliest possible month following receipt of notice from the department of human services.

Each telephone company that disconnects a subscriber receiving the telephone assistance plan credit shall report the disconnection to the department of human services. The reports must be submitted monthly, identifying the subscribers disconnected. Telephone companies that do not disconnect a subscriber receiving the telephone assistance plan credit are not required to report.

If the telephone assistance plan credit is not itemized on the subscriber's monthly charges bill for local telephone service, the telephone company must notify the subscriber of the approval for the telephone assistance plan credit.

(d) The commission shall serve as the coordinator of the telephone assistance plan and be reimbursed for its administrative expenses from the surcharge revenue pool. As the coordinator, the commission shall:

- (1) establish a uniform statewide surcharge in accordance with subdivision 6;

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(2) establish a uniform statewide level of telephone assistance plan credit that each telephone company shall extend to each eligible household in its service area;

(3) require each telephone company to account to the commission on a periodic basis for surcharge revenues collected by the company, expenses incurred by the company, not to include expenses of collecting surcharges, and credits extended by the company under the telephone assistance plan;

(4) require each telephone company to remit surcharge revenues to the department of administration for deposit in the fund; and

(5) remit to each telephone company from the surcharge revenue pool the amount necessary to compensate the company for expenses, not including expenses of collecting the surcharges, and telephone assistance plan credits. When it appears that the revenue generated by the maximum surcharge permitted under subdivision 6 will be inadequate to fund any particular established level of telephone assistance plan credits, the commission shall reduce the credits to a level that can be adequately funded by the maximum surcharge. Similarly, the commission may increase the level of the telephone assistance plan credit that is available or reduce the surcharge to a level and for a period of time that will prevent an unreasonable overcollection of surcharge revenues.

(e) Each telephone company shall maintain adequate records of surcharge revenues, expenses, and credits related to the telephone assistance plan and shall, as part of its annual report or separately, provide the commission and the department of public service with a financial report of its experience under the telephone assistance plan for the previous year. That report must also be adequate to satisfy the reporting requirements of the federal matching plan.

(f) The department of public service shall investigate complaints against telephone companies with regard to the telephone assistance plan and shall report the results of its investigation to the commission.

Sec. 30. Minnesota Statutes 1996, section 241.01, subdivision 3a, is amended to read:

Subd. 3a. **COMMISSIONER, POWERS AND DUTIES.** The commissioner of corrections has the following powers and duties:

(a) To accept persons committed to the commissioner by the courts of this state for care, custody, and rehabilitation.

(b) To determine the place of confinement of committed persons in a correctional facility or other facility of the department of corrections and to prescribe reasonable conditions and rules for their employment, conduct, instruction, and discipline within or outside the facility. Inmates shall not exercise custodial functions or have authority over other inmates. Inmates may serve on the board of directors or hold an executive position subordinate to correctional staff in any corporation, private industry or educational program located on the grounds of, or conducted within, a state correctional facility with written permission from the chief executive officer of the facility.

(c) To administer the money and property of the department.

(d) To administer, maintain, and inspect all state correctional facilities.

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(e) To transfer authorized positions and personnel between state correctional facilities as necessary to properly staff facilities and programs.

(f) To utilize state correctional facilities in the manner deemed to be most efficient and beneficial to accomplish the purposes of this section, but not to close the Minnesota correctional facility—Stillwater or the Minnesota correctional facility—St. Cloud without legislative approval. The commissioner may place juveniles and adults at the same state minimum security correctional facilities, if there is total separation of and no regular contact between juveniles and adults, except contact incidental to admission, classification, and mental and physical health care.

(g) To organize the department and employ personnel the commissioner deems necessary to discharge the functions of the department, including a chief executive officer for each facility under the commissioner's control who shall serve in the unclassified civil service and may, under the provisions of section 43A.33, be removed only for cause, and two internal affairs officers for security.

(h) To define the duties of these employees and to delegate to them any of the commissioner's powers, duties and responsibilities, subject to the commissioner's control and the conditions the commissioner prescribes.

(i) To annually develop a comprehensive set of goals and objectives designed to clearly establish the priorities of the department of corrections. This report shall be submitted to the governor and the state legislature commencing January 1, 1976. The commissioner may establish ad hoc advisory committees.

Sec. 31. Minnesota Statutes 1996, section 244.09, subdivision 7, is amended to read:

Subd. 7. After the implementation of the sentencing guidelines promulgated by the commission, the commission shall study the their impact of the sentencing guidelines promulgated by the commission after their implementation. The commission shall also, after implementation of the guidelines, review the powers and duties of the commissioner of corrections and make recommendations to the legislature on the appropriate role, if any, of the board under the guidelines and review the powers and duties of the commissioner of corrections.

Sec. 32. Minnesota Statutes 1996, section 244.13, subdivision 3, is amended to read:

Subd. 3. **EVALUATION.** The commissioner shall develop a system for gathering and analyzing information concerning the value and effectiveness of the intensive community supervision and intensive supervised release programs and shall compile a report to the chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy by January 1 of each odd-numbered year.

Sec. 33. Minnesota Statutes 1996, section 245.697, subdivision 2, is amended to read:

Subd. 2. **DUTIES.** The state advisory council on mental health shall:

(1) advise the governor, the legislature, and heads of state departments and agencies about policy, programs, and services affecting people with mental illness;

(2) advise the commissioner of human services on all phases of the development of mental health aspects of the biennial budget;

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(3) advise the governor and the legislature about the development of innovative mechanisms for providing and financing services to people with mental illness;

(4) encourage state departments and other agencies to conduct needed research in the field of mental health;

(5) review recommendations of the subcommittee on children's mental health;

(6) educate the public about mental illness and the needs and potential of people with mental illness;

(7) review and comment on all grants dealing with mental health and on the development and implementation of state and local mental health plans; and

(8) coordinate the work of local children's and adult mental health advisory councils and subcommittees.

Sec. 34. Minnesota Statutes 1996, section 245.697, subdivision 3, is amended to read:

Subd. 3. **REPORTS.** The state advisory council on mental health shall report from time to time on its activities to the governor, ~~the legislature,~~ and the commissioners of health, economic security, and human services. It shall file a formal report with the governor not later than October 15 of each even-numbered year so that the information contained in the report, including recommendations, can be included in the governor's budget message to the legislature. ~~It shall also report to the legislature not later than November 15 of each even-numbered year.~~

Sec. 35. Minnesota Statutes 1996, section 246.06, is amended to read:

#### 246.06 **REPORTS.**

On or before November 15 in each even-numbered year, the commissioner of human services shall make a report to the governor and legislature covering the biennial period ending June 30th preceding, therein giving observations and conclusions respecting each institution under control of the commissioner. This report shall contain the reports of the executive officers of the institutions, a statement of the visitations thereto, and when and by whom made, the name and salary of every employee of the commissioner, and of every officer and employee of the several institutions. Such report shall be published under the direction of the commissioner of administration and paid for out of the appropriation for public printing. The commissioner of human services shall make such other reports to the governor as the commissioner may from time to time require, or as the commissioner may deem necessary, relating to the condition and wants of the several institutions.

Sec. 36. Minnesota Statutes 1996, section 246.64, subdivision 3, is amended to read:

Subd. 3. **RESPONSIBILITIES OF COMMISSIONER.** The commissioner shall credit all receipts from billings for rates set in subdivision 1, except those credited according to subdivision 2, to the chemical dependency fund. This money must not be used for a regional treatment center activity that is not a chemical dependency service or an allocation of expenditures that are included in the base for computation of the rates under subdivision 1. The commissioner may expand chemical dependency services so long as expenditures are recovered by patient fees, transfer of funds, or supplementary appropri-

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ations. The commissioner may expand or reduce chemical dependency staff complement as long as expenditures are recovered by patient fees, transfer of funds, or supplementary appropriations. Notwithstanding chapters 176 and 268, the commissioner shall provide for the self-insurance of regional treatment center chemical dependency programs for the costs of reemployment insurance and workers' compensation claims. ~~The commissioner shall provide a biennial report to the chairs of the senate division on health care and family services, the house of representatives division on health and housing finance, and the senate health care committee and house of representatives health and human services committee.~~

Sec. 37. Minnesota Statutes 1996, section 252.035, is amended to read:

**252.035 REGIONAL TREATMENT CENTER CATCHMENT AREAS.**

The commissioner may administratively designate catchment areas for regional treatment centers and state nursing homes. Catchment areas may vary by client group served. Catchment areas in effect on January 1, 1989, may not be modified until the commissioner has consulted with the regional planning committees of the affected regional treatment centers and with the chairs of the senate health and human services finance division and the house of representatives health and human services appropriation division.

Sec. 38. Minnesota Statutes 1996, section 252.291, subdivision 3, is amended to read:

Subd. 3. **DUTIES OF COMMISSIONER OF HUMAN SERVICES.** The commissioner shall:

(a) establish standard admission criteria for state hospitals and county utilization targets to limit and reduce the number of intermediate care beds in state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1987, to assure that appropriate services are provided in the least restrictive setting;

(b) define services, including respite care, that may be needed in meeting individual service plan objectives;

(c) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community-based services; alternative community services; or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for persons with mental retardation or related conditions;

(d) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, 1987; and

(e) develop a state plan for the delivery and funding of residential day and support services to persons with mental retardation or related conditions in Minnesota and submit that plan to the clerk of each house of the Minnesota legislature on or before the 15th of January of each biennium beginning January 15, 1985. The biennial mental retardation plan shall include but not be limited to:

(1) county by county maximum intermediate care bed utilization quotas;

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- (2) plans for the development of the number and types of services alternative to intermediate care beds;
- (3) procedures for the administration and management of the plan;
- (4) procedures for the evaluation of the implementation of the plan; and
- (5) the number, type, and location of intermediate care beds targeted for decertification.

The commissioner shall modify the plan to ensure conformance with the medical assistance home and community-based services waiver.

Sec. 39. Minnesota Statutes 1996, section 254A.16, subdivision 2, is amended to read:

Subd. 2. (a) The commissioner shall provide program and service guidelines and technical assistance to the county boards in carrying out services authorized under sections 254A.08, 254A.12, 254A.14, and their responsibilities under chapter 256E.

(b) The commissioner shall recommend to the governor ~~and to the legislature~~ means of improving the efficiency and effectiveness of comprehensive program services in the state and maximizing the use of nongovernmental funds for providing comprehensive programs.

Sec. 40. Minnesota Statutes 1996, section 256.01, subdivision 2, is amended to read:

Subd. 2. **SPECIFIC POWERS.** Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

(a) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(b) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(c) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(d) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(e) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.017; and

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(f) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds.

(2) Inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs.

(3) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(4) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(5) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(6) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(7) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(8) Act as designated guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by county agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

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(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) ~~The proposed comprehensive plan, including estimated project costs and the proposed order establishing the waiver, shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.~~

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(c) (b) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and AFDC programs, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance

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which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) Have the authority to make direct payments to facilities providing shelter to women and their children pursuant to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256D.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

(17) Have the authority to establish and enforce the following county reporting requirements:

(a) The commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for human services programs. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced.

(b) The county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner.

(c) If the required reports are not received by the deadlines established in clause (b), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received.

(d) A county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance.

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(e) The final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period.

(f) The commissioner may not delay payments, withhold funds, or require repayment under paragraph (c) or (e) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under paragraph (c) or (e), the county board may appeal the action according to sections 14.57 to 14.69.

(g) Counties subject to withholding of funds under paragraph (c) or forfeiture or repayment of funds under paragraph (e) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under paragraph (c) or (e).

(18) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample for the foster care program under title IV-E of the Social Security Act, United States Code, title 42, in direct proportion to each county's title IV-E foster care maintenance claim for that period.

Sec. 41. Minnesota Statutes 1996, section 256.016, is amended to read:

**256.016 PLAIN LANGUAGE IN WRITTEN MATERIALS.**

(a) To the extent reasonable and consistent with the goals of providing easily understandable and readable materials and complying with federal and state laws governing the programs, all written materials relating to services and determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of human services must be understandable to a person who reads at the seventh-grade level, using the Flesch scale analysis readability score as determined under section 72C.09.

(b) All written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of human services must be developed to satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 8.31 and 325G.33 to 325G.36 do not apply to these materials. Failure to comply with this section does not provide a basis for suspending the implementation or operation of other laws governing programs administered by the commissioner.

(c) The requirements of this section apply to all materials modified or developed by the commissioner on or after July 1, 1988. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

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(d) Nothing in this section may be construed to prohibit a lawsuit brought to require the commissioner to comply with this section or to affect individual appeal rights granted pursuant to section 256.045.

~~(e) The commissioner shall report annually to the chairs of the health and human services divisions of the senate finance committee and the house of representatives appropriations committee on the number and outcome of cases that raise the issue of the commissioner's compliance with this section.~~

Sec. 42. Minnesota Statutes 1996, section 256.736, subdivision 3a, is amended to read:

Subd. 3a. **PARTICIPATION.** (a) Except as provided under paragraphs (b) and (c), participation in employment and training services under this section is limited to the following recipients:

- (1) caretakers who are required to participate in a job search under subdivision 14;
- (2) custodial parents who are subject to the school attendance or case management participation requirements under subdivision 3b;
- (3) caretakers whose participation in employment and training services began prior to May 1, 1990, if the caretaker's AFDC eligibility has not been interrupted for 30 days or more and the caretaker's employability development plan has not been completed;
- (4) recipients who are members of a family in which the youngest child is within two years of being ineligible for AFDC due to age;
- (5) custodial parents under the age of 24 who: (i) have not completed a high school education and who, at the time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or (ii) have had little or no work experience in the preceding year;
- (6) recipients who have received AFDC for 36 or more months out of the last 60 months;
- (7) recipients who are participants in the self-employment investment demonstration project under section 268.95; and
- (8) recipients who participate in the new chance research and demonstration project under contract with the department of human services.

(b) If the commissioner determines that participation of persons listed in paragraph (a) in employment and training services is insufficient either to meet federal performance targets or to fully utilize funds appropriated under this section, the commissioner may, after notifying the chairs of the senate family services committee, the house health and human services committee, the family services division of the senate family services and health care committees, and the human services division of the house health and human services committee, permit additional groups of recipients to participate until the next meeting of the legislative advisory commission, after which the additional groups may continue to enroll for participation unless the legislative advisory commission disapproves the continued enrollment. The commissioner shall allow participation of additional groups in the following order only as needed to meet performance targets or fully utilize funding for employment and training services under this section:

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(1) recipients who have received 24 or more months of AFDC out of the previous 48 months; and

(2) recipients who have not completed a high school education or a high school equivalency program.

(c) To the extent of money appropriated specifically for this paragraph, the commissioner may permit AFDC caretakers who are not eligible for participation in employment and training services under the provisions of paragraph (a) or (b) to participate. Money must be allocated to county agencies based on the county's percentage of participants statewide in services under this section in the prior calendar year. Caretakers must be selected on a first-come, first-served basis from a waiting list of caretakers who volunteer to participate. The commissioner may, on a quarterly basis, reallocate unused allocations to county agencies that have sufficient volunteers. If funding under this paragraph is discontinued in future fiscal years, caretakers who began participating under this paragraph must be deemed eligible under paragraph (a), clause (3).

(d) Participants who are eligible and enroll in the STRIDE program under one of the categories of this subdivision are required to cooperate with the assessment and employability plan development and to meet the terms of their employability plan. Failure to comply, without good cause, shall result in the imposition of sanctions as specified in subdivision 4, clause (6).

Sec. 43. Minnesota Statutes 1996, section 256.7365, subdivision 7, is amended to read:

Subd. 7. **DEMONSTRATION AND EVALUATION.** For the biennium ending June 30, 1989, projects are demonstration projects to test the effectiveness of differing approaches to serving populations with acute needs. The commissioner of human services shall submit to the governor and the legislature a progress report by February 1, 1989, and shall submit subsequent program evaluation reports to the governor as part of the biennial plan.

Sec. 44. Minnesota Statutes 1996, section 256.9742, subdivision 1, is amended to read:

Subdivision 1. **DUTIES.** The ombudsman shall:

(1) gather information and evaluate any act, practice, policy, procedure, or administrative action of a long-term care facility, acute care facility, home care service provider, or government agency that may adversely affect the health, safety, welfare, or rights of any client;

(2) mediate or advocate on behalf of clients;

(3) monitor the development and implementation of federal, state, or local laws, rules, regulations, and policies affecting the rights and benefits of clients;

(4) comment on and recommend to the legislature and public and private agencies regarding laws, rules, regulations, and policies affecting clients;

(5) inform public agencies about the problems of clients;

(6) provide for training of volunteers and promote the development of citizen participation in the work of the office;

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(7) conduct public forums to obtain information about and publicize issues affecting clients;

(8) provide public education regarding the health, safety, welfare, and rights of clients; and

(9) collect and analyze data relating to complaints, conditions, and services.

Sec. 45. Minnesota Statutes 1996, section 256D.04, is amended to read:

**256D.04 DUTIES OF THE COMMISSIONER.**

In addition to any other duties imposed by law, the commissioner shall:

(1) Supervise according to section 256.01 the administration of general assistance and general assistance medical care by county agencies as provided in sections 256D.01 to 256D.21;

(2) Promulgate uniform rules consistent with law for carrying out and enforcing the provisions of sections 256D.01 to 256D.21, including section 256D.05, subdivision 3, and section 256.01, subdivision 2, paragraph (16), to the end that general assistance may be administered as uniformly as possible throughout the state; rules shall be furnished immediately to all county agencies and other interested persons; in promulgating rules, the provisions of sections 14.001 to 14.69, shall apply;

(3) Allocate money appropriated for general assistance and general assistance medical care to county agencies as provided in section 256D.03, subdivisions 2 and 3;

(4) Accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance and general assistance medical care;

(5) Cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.01 to 256D.21;

(6) Cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services;

(7) Gather and study current information and report at least annually to the governor and legislature on the nature and need for general assistance and general assistance medical care, the amounts expended under the supervision of each county agency, and the activities of each county agency and publish such reports for the information of the public;

(8) Specify requirements for general assistance and general assistance medical care reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17); and

(9) Ensure that every notice of eligibility for general assistance includes a notice that women who are pregnant may be eligible for medical assistance benefits.

Sec. 46. Minnesota Statutes 1996, section 256E.04, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall prepare a biennial social services plan and present the plan to the governor and the legislature. The commissioner shall update the plan biennially. The plan shall include:

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- (a) a description of state social service programs and priorities;
- (b) an overview of all county biennial community social services plans;
- (c) identification of social services program requirements which counties have identified as unnecessarily administratively burdensome;
- (d) identification of social services program requirements for which inadequate state and local funding is available; and
- (e) identification of unmet needs reported by the county agencies.

The commissioner shall consult with the heads of human service related state departments and agencies in preparing the coordination statement required by this subdivision.

Sec. 47. Minnesota Statutes 1996, section 256F.04, subdivision 3, is amended to read:

Subd. 3. **MONITORING.** The commissioner shall design and implement methods for monitoring the delivery and evaluating the effectiveness of placement prevention and family reunification services. The commissioner shall monitor the provision of family-based services, and conduct evaluations, and prepare and submit biannual reports to the legislature.

Sec. 48. Minnesota Statutes 1996, section 260.181, subdivision 3a, is amended to read:

Subd. 3a. **REPORTS; JUVENILES PLACED OUT OF STATE.** (a) Whenever a child is placed in a residential program located outside of this state pursuant to a disposition order issued under section 260.185 or 260.191, the juvenile court administrator shall report the following information to the state court administrator:

- (1) the fact that the placement is out of state;
- (2) the type of placement; and
- (3) the reason for the placement.

(b) By July 1, 1994, and each year thereafter, the state court administrator shall file a report with the legislature containing the information reported under paragraph (a) during the previous calendar year.

Sec. 49. Minnesota Statutes 1996, section 290.171, is amended to read:

#### **290.171 ENACTMENT OF MULTISTATE TAX COMPACT.**

The "multistate tax compact" is hereby enacted into law to the extent provided in this section and entered into with all jurisdictions legally joining therein, in the form substantially as follows:

##### **Article I. Purposes.**

The purposes of this compact are to:

- 1. Facilitate proper determination of state and local tax liability of multistate taxpayers, including the equitable apportionment of tax bases and settlement of apportionment disputes.

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2. Promote uniformity or compatibility in significant components of tax systems.
3. Facilitate taxpayer convenience and compliance in the filing of tax returns and in other phases of tax administration.
4. Avoid duplicative taxation.

#### Article II. Definitions.

As used in this compact:

1. "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.
2. "Subdivision" means any governmental unit or special district of a state.
3. "Taxpayer" means any corporation, partnership, firm, association, governmental unit or agency or person acting as a business entity in more than one state.
4. "Income tax" means a tax imposed on or measured by net income including any tax imposed on or measured by an amount arrived at by deducting expenses from gross income, one or more forms of which expenses are not specifically and directly related to particular transactions.
5. "Capital stock tax" means a tax measured in any way by the capital of a corporation considered in its entirety.
6. "Gross receipts tax" means a tax, other than a sales tax, which is imposed on or measured by the gross volume of business, in terms of gross receipts or in other terms, and in the determination of which no deduction is allowed which would constitute the tax an income tax.
7. "Sales tax" means a tax imposed with respect to the transfer for a consideration of ownership, possession or custody of tangible personal property or the rendering of services measured by the price of the tangible personal property transferred or services rendered and which is required by state or local law to be separately stated from the sales price by the seller, or which is customarily separately stated from the sales price, but does not include a tax imposed exclusively on the sale of a specifically identified commodity or article or class of commodities or articles.
8. "Use tax" means a nonrecurring tax, other than a sales tax, which (a) is imposed on or with respect to the exercise or enjoyment of any right or power over tangible personal property incident to the ownership, possession or custody of that property or the leasing of that property from another including any consumption, keeping, retention, or other use of tangible personal property and (b) is complementary to a sales tax.
9. "Tax" means an income tax, capital stock tax, gross receipts tax, sales tax, use tax, and any other tax which has a multistate impact, except that the provisions of article V of this compact shall apply only to the taxes specifically designated therein.

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## Article III. Elements of Income Tax Laws.

## Article IV. Division of Income.

Article V. Elements of Sales and Use Tax Laws.  
Tax Credit.

1. Each purchaser liable for a use tax on tangible personal property shall be entitled to full credit for the combined amount or amounts of legally imposed sales or use taxes paid by him with respect to the same property to another state and any subdivision thereof. The credit shall be applied first against the amount of any use tax due the state, and any unused portion of the credit shall then be applied against the amount of any use tax due a subdivision.

2. Whenever a vendor receives and accepts in good faith from a purchaser a resale or other exemption certificate or other written evidence of exemption authorized by the appropriate state or subdivision taxing authority, the vendor shall be relieved of liability for a sales or use tax with respect to the transaction.

Article VI. The Commission.  
Organization and Management.

1. (a) The multistate tax commission is hereby established. It shall be composed of one "member" from each party state who shall be the head of the state agency charged with the administration of the types of taxes to which this compact applies. If there is more than one such agency the state shall provide by law for the selection of the commission member from the heads of the relevant agencies. State law may provide that a member of the commission be represented by an alternate but only if there is on file with the commission written notification of the designation and identity of the alternate. The attorney general of each party state or his designee, or other counsel if the laws of the party state specifically provide, shall be entitled to attend the meetings of the commission, but shall not vote. Such attorneys general, designees, or other counsel shall receive all notices of meetings required under paragraph 1(e) of this article.

(b) Each party state shall provide by law for the selection of representatives from its subdivisions affected by this compact to consult with the commission member from that state.

(c) Each member shall be entitled to one vote. The commission shall not act unless a majority of the members are present, and no action shall be binding unless approved by a majority of the total number of members.

(d) The commission shall adopt an official seal to be used as it may provide.

(e) The commission shall hold an annual meeting and such other regular meetings as its bylaws may provide and such special meetings as its executive committee may determine. The commission bylaws shall specify the dates of the annual and any other regular meetings, and shall provide for the giving of notice of annual, regular and special meetings. Notices of special meetings shall include the reasons therefor and an agenda of the items to be considered.

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(f) The commission shall elect annually, from among its members, a chairman, a vice-chairman and a treasurer. The commission shall appoint an executive director who shall serve at its pleasure, and it shall fix his duties and compensation. The executive director shall be secretary of the commission. The commission shall make provision for the bonding of such of its officers and employees as it may deem appropriate.

(g) Irrespective of the civil service, personnel or other merit system laws of any party state, the executive director shall appoint or discharge such personnel as may be necessary for the performance of the functions of the commission and shall fix their duties and compensation. The commission bylaws shall provide for personnel policies and programs.

(h) The commission may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental entity.

(i) The commission may accept for any of its purposes and functions any and all donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any governmental entity, and may utilize and dispose of the same.

(j) The commission may establish one or more offices for the transacting of its business.

(k) The commission shall adopt bylaws for the conduct of its business. The commission shall publish its bylaws in convenient form, and shall file a copy of the bylaws and any amendments thereto with the appropriate agency or officer in each of the party states.

(l) The commission annually shall make to the governor and legislature of each party state a report covering its activities for the preceding year. Any donation or grant accepted by the commission or services borrowed shall be reported in the annual report of the commission, and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The commission may make additional reports as it may deem desirable.

#### Committees.

2. (a) To assist in the conduct of its business when the full commission is not meeting, the commission shall have an executive committee of seven members, including the chairman, vice chairman, treasurer and four other members elected annually by the commission. The executive committee, subject to the provisions of this compact and consistent with the policies of the commission, shall function as provided in the bylaws of the commission.

(b) The commission may establish advisory and technical committees, membership on which may include private persons and public officials, in furthering any of its activities. Such committees may consider any matter of concern to the commission, including problems of special interest to any party state and problems dealing with particular types of taxes.

(c) The commission may establish such additional committees as its bylaws may provide.

#### Powers.

3. In addition to powers conferred elsewhere in this compact, the commission shall have power to:

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- (a) Study state and local tax systems and particular types of state and local taxes.
- (b) Develop and recommend proposals for an increase in uniformity or compatibility of state and local tax laws with a view toward encouraging the simplification and improvement of state and local tax law and administration.
- (c) Compile and publish information as in its judgment would assist the party states in implementation of the compact and taxpayers in complying with state and local tax laws.
- (d) Do all things necessary and incidental to the administration of its functions pursuant to this compact.

#### Finance.

4. (a) The commission shall submit to the governor or designated officer or officers of each party state a budget of its estimated expenditures for such period as may be required by the laws of that state for presentation to the legislature thereof.

(b) Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the party states. The total amount of appropriations requested under any such budget shall be apportioned among the party states as follows: one-tenth in equal shares; and the remainder in proportion to the amount of revenue collected by each party state and its subdivisions from income taxes, capital stock taxes, gross receipts taxes, sales and use taxes. In determining such amounts, the commission shall employ such available public sources of information as, in its judgment, present the most equitable and accurate comparisons among the party states. Each of the commission's budgets of estimated expenditures and requests for appropriations shall indicate the sources used in obtaining information employed in applying the formula contained in this paragraph.

(c) The commission shall not pledge the credit of any party state. The commission may meet any of its obligations in whole or in part with funds available to it under paragraph 1(i) of this article, provided that the commission takes specific action setting aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it under paragraph 1(i), the commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.

(d) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

(e) The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the commission.

(f) Nothing contained in this article shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

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## Article VII. Uniform Regulations and Forms.

1. Whenever any two or more party states, or subdivisions of party states, have uniform or similar provisions of law relating to an income tax, capital stock tax, gross receipts tax, sales or use tax, the commission may adopt uniform regulations for any phase of the administration of such law, including assertion of jurisdiction to tax, or prescribing uniform tax forms.

2. Prior to the adoption of any regulation, the commission shall:

(a) As provided in its bylaws, hold at least one public hearing on due notice to all affected party states and subdivisions thereof and to all taxpayers and other persons who have made timely request of the commission for advance notice of its regulation-making proceedings.

(b) Afford all affected party states and subdivisions and interested persons an opportunity to submit relevant written data and views, which shall be considered fully by the commission.

3. The commission shall submit any regulations adopted by it to the appropriate officials of all party states and subdivisions to which they might apply. Each such state and subdivision shall consider any such regulation for adoption in accordance with its own laws and procedures.

## Article VIII. Interstate Audits.

1. Any party state or subdivision thereof desiring to make or participate in an audit of any accounts, books, papers, records or other documents may request the commission to perform the audit on its behalf. In responding to the request, the commission shall have access to and may examine, at any reasonable time, such accounts, books, papers, records, and other documents and any relevant property or stock of merchandise. The commission may enter into agreements with party states or their subdivisions for assistance in performance of the audit. The commission shall make charges, to be paid by the state or local government or governments for which it performs the service, for any audits performed by it in order to reimburse itself for the actual costs incurred in making the audit.

2. The commission may require the attendance of any person within the state where it is conducting an audit or part thereof at a time and place fixed by it within such state for the purpose of giving testimony with respect to any account, book, paper, document, other record, property or stock of merchandise being examined in connection with the audit. If the person is not within the jurisdiction, he may be required to attend for such purpose at any time and place fixed by the commission within the state of which he is a resident, provided that such state has adopted this article.

3. The commission may apply to any court having power to issue compulsory process for orders in aid of its powers and responsibilities pursuant to this article and any and all such courts shall have jurisdiction to issue such orders. Failure of any person to obey any such order shall be punishable as contempt of the issuing court. If the party or subject matter on account of which the commission seeks an order is within the jurisdiction of the court to which application is made, such application may be to a court in the state or subdivision on behalf of which the audit is being made or a court in the state in which the

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object of the order being sought is situated. The provisions of this paragraph apply only to courts in a state that has adopted this article.

4. The commission may decline to perform any audit requested if it finds that its available personnel or other resources are insufficient for the purpose or that, in the terms requested, the audit is impracticable of satisfactory performance. If the commission, on the basis of its experience, has reason to believe that an audit of a particular taxpayer, either at a particular time or on a particular schedule, would be of interest to a number of party states or their subdivisions, it may offer to make the audit or audits, the offer to be contingent on sufficient participation therein as determined by the commission.

5. Information obtained by any audit pursuant to this article shall be confidential and available only for tax purposes to party states, their subdivisions or the United States. Availability of information shall be in accordance with the laws of the states or subdivisions on whose account the commission performs the audit, and only through the appropriate agencies or officers of such states or subdivisions. Nothing in this article shall be construed to require any taxpayer to keep records for any period not otherwise required by law.

6. Other arrangements made or authorized pursuant to law for cooperative audit by or on behalf of the party states or any of their subdivisions are not superseded or invalidated by this article.

7. In no event shall the commission make any charge against a taxpayer for an audit.

8. As used in this article, "tax," in addition to the meaning ascribed to it in article II, means any tax or license fee imposed in whole or in part for revenue purposes.

#### Article IX. Arbitration.

1. Whenever the commission finds a need for settling disputes concerning apportionments and allocations by arbitration, it may adopt a regulation placing this article in effect, notwithstanding the provisions of article VII.

2. The commission shall select and maintain an arbitration panel composed of officers and employees of state and local governments and private persons who shall be knowledgeable and experienced in matters of tax law and administration.

3. Whenever the laws of the party states or subdivisions thereof are substantially identical with the relevant provisions of this chapter, the taxpayer, by written notice to the commission and to each party state or subdivision thereof that would be affected, may secure arbitration of an apportionment or allocation, if he is dissatisfied with the final administrative determination of the tax agency of the state or subdivision with respect thereto on the ground that it would subject him to double or multiple taxation by two or more party states or subdivisions thereof. Each party state and subdivision thereof hereby consents to the arbitration as provided herein, and agrees to be bound thereby.

4. The arbitration board shall be composed of one person selected by the taxpayer, one by the agency or agencies involved, and one member of the commission's arbitration panel. If the agencies involved are unable to agree on the person to be selected by them, such person shall be selected by lot from the total membership of the arbitration panel. The two persons selected for the board in the manner provided by the foregoing provi-

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sions of this paragraph shall jointly select the third member of the board. If they are unable to agree on the selection, the third member shall be selected by lot from among the total membership of the arbitration panel. No member of a board selected by lot shall be qualified to serve if he is an officer or employee or is otherwise affiliated with any party to the arbitration proceeding. Residence within the jurisdiction of a party to the arbitration proceeding shall not constitute affiliation within the meaning of this paragraph.

5. The board may sit in any state or subdivision party to the proceeding, in the state of the taxpayer's incorporation, residence or domicile, in any state where the taxpayer does business, or in any place that it finds most appropriate for gaining access to evidence relevant to the matter before it.

6. The board shall give due notice of the times and places of its hearings. The parties shall be entitled to be heard, to present evidence, and to examine and cross-examine witnesses. The board shall act by majority vote.

7. The board shall have power to administer oaths, take testimony, subpoena and require the attendance of witnesses and the production of accounts, books, papers, records, and other documents, and issue commissions to take testimony. Subpoenas may be signed by any member of the board. In case of failure to obey a subpoena, and upon application by the board, any judge of a court of competent jurisdiction of the state in which the board is sitting or in which the person to whom the subpoena is directed may be found may make an order requiring compliance with the subpoena, and the court may punish failure to obey the order as a contempt. The provisions of this paragraph apply only in states that have adopted this article.

8. Unless the parties otherwise agree the expenses and other costs of the arbitration shall be assessed and allocated among the parties by the board in such manner as it may determine. The commission shall fix a schedule of compensation for members of arbitration boards and of other allowable expenses and costs. No officer or employee of a state or local government who serves as a member of a board shall be entitled to compensation therefor unless he is required on account of his service to forego the regular compensation attaching to his public employment, but any such board member shall be entitled to expenses.

9. The board shall determine the disputed apportionment or allocation and any matters necessary thereto. The determinations of the board shall be final for purposes of making the apportionment or allocation, but for no other purpose.

10. The board shall file with the commission and with each tax agency represented in the proceeding: the determination of the board; the board's written statement of its reasons therefor; the record of the board's proceedings; and any other documents required by the arbitration rules of the commission to be filed.

11. The commission shall publish the determinations of boards together with the statements of the reasons therefor.

12. The commission shall adopt and publish rules of procedure and practice and shall file a copy of such rules and of any amendment thereto with the appropriate agency or officer in each of the party states.

13. Nothing contained herein shall prevent at any time a written compromise of any matter or matters in dispute, if otherwise lawful, by the parties to the arbitration proceedings.

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## Article X. Entry Into Force and Withdrawal.

1. This compact shall become effective as to any other state upon its enactment. The commission shall arrange for notification of all party states whenever there is a new enactment of the compact.

2. Any party state may withdraw from this compact by enacting a statute repealing the same. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

3. No proceeding commenced before an arbitration board prior to the withdrawal of a state and to which the withdrawing state or any subdivision thereof is a party shall be discontinued or terminated by the withdrawal, nor shall the board thereby lose jurisdiction over any of the parties to the proceeding necessary to make a binding determination therein.

## Article XI. Effect on Other Laws and Jurisdictions.

Nothing in this compact shall be construed to:

(a) Affect the power of any state or subdivision thereof to fix rates of taxation.

(b) Apply to any tax or fixed fee imposed for the registration of a motor vehicle or any tax on motor fuel, other than a sales tax, provided that the definition of "tax" in article VIII 9 may apply for the purposes of that article and the commission's powers of study and recommendation pursuant to article VI 3 may apply.

(c) Withdraw or limit the jurisdiction of any state or local court or administrative officer or body with respect to any person, corporation or other entity or subject matter, except to the extent that such jurisdiction is expressly conferred by or pursuant to this compact upon another agency or body.

(d) Supersede or limit the jurisdiction of any court of the United States.

## Article XII. Construction and Severability.

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

Sec. 50. Minnesota Statutes 1996, section 299F.051, subdivision 3, is amended to read:

Subd. 3. **IN-SERVICE TRAINING.** The state fire marshal and the superintendent of the bureau of criminal apprehension, in cooperation with the Minnesota board of peace officer standards and training, shall encourage the establishment of in-service and re-

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fresher training for firefighters and peace officers through schools administered by the state, county, school district, municipality, or joint or contractual combinations thereof. The Minnesota board of peace officers standards and training shall report to the governor and legislature on the progress made in this effort as provided in section 626.843.

Sec. 51. Minnesota Statutes 1996, section 360.015, subdivision 17, is amended to read:

Subd. 17. **REPORT TO GOVERNOR.** On or before October 1 in every even-numbered year the commissioner shall make to the governor a full report of the proceedings of the department for the preceding two fiscal years, together with the commissioner's recommendations pertaining to the affairs of the department. ~~The governor shall transmit this report to the legislature by November 15 of each even-numbered year.~~

Sec. 52. Minnesota Statutes 1996, section 363.05, subdivision 1, is amended to read:

Subdivision 1. **FORMULATION OF POLICIES.** The commissioner shall formulate policies to effectuate the purposes of this chapter and shall:

(1) exercise leadership under the direction of the governor in the development of human rights policies and programs, and make recommendations to the governor and the legislature for their consideration and implementation;

(2) establish and maintain a principal office in St. Paul, and any other necessary branch offices at any location within the state;

(3) meet and function at any place within the state;

(4) employ attorneys, clerks, and other employees and agents as the commissioner may deem necessary and prescribe their duties;

(5) to the extent permitted by federal law and regulation, utilize the records of the department of economic security of the state when necessary to effectuate the purposes of this chapter;

(6) obtain upon request and utilize the services of all state governmental departments and agencies;

(7) adopt suitable rules for effectuating the purposes of this chapter;

(8) issue complaints, receive and investigate charges alleging unfair discriminatory practices, and determine whether or not probable cause exists for hearing;

(9) subpoena witnesses, administer oaths, take testimony, and require the production for examination of any books or papers relative to any matter under investigation or in question;

(10) attempt, by means of education, conference, conciliation, and persuasion to eliminate unfair discriminatory practices as being contrary to the public policy of the state;

(11) develop and conduct programs of formal and informal education designed to eliminate discrimination and intergroup conflict by use of educational techniques and programs the commissioner deems necessary;

(12) make a written report of the activities of the commissioner to the governor each year and to the legislature by November 15 of each even-numbered year;

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(13) accept gifts, bequests, grants or other payments public and private to help finance the activities of the department;

(14) create such local and statewide advisory committees as will in the commissioner's judgment aid in effectuating the purposes of the department of human rights;

(15) develop such programs as will aid in determining the compliance throughout the state with the provisions of this chapter, and in the furtherance of such duties, conduct research and study discriminatory practices based upon race, color, creed, religion, national origin, sex, age, disability, marital status, status with regard to public assistance, familial status, sexual orientation, or other factors and develop accurate data on the nature and extent of discrimination and other matters as they may affect housing, employment, public accommodations, schools, and other areas of public life;

(16) develop and disseminate technical assistance to persons subject to the provisions of this chapter, and to agencies and officers of governmental and private agencies;

(17) provide staff services to such advisory committees as may be created in aid of the functions of the department of human rights;

(18) make grants in aid to the extent that appropriations are made available for that purpose in aid of carrying out duties and responsibilities; and

(19) cooperate and consult with the commissioner of labor and industry regarding the investigation of violations of, and resolution of complaints regarding section 363.03, subdivision 9.

In performing these duties, the commissioner shall give priority to those duties in clauses (8), (9), and (10) and to the duties in section 363.073.

Sec. 53. Minnesota Statutes 1996, section 383A.43, subdivision 6, is amended to read:

Subd. 6. **MINUTES; REPORTS TO LEGISLATURE.** The committee shall keep minutes of its meetings which are open to the public. It shall ~~make a periodic report to members of the delegation from the county in the legislature and shall keep them fully informed on each matter that comes before the committee, the action taken thereon, and the progress made in relation thereto.~~ At least 30 days before each biennial legislative session, the committee shall make a written report summarizing its activities, investigations, surveys and findings of facts to the ~~members of the legislature from the county and~~ to the public.

Sec. 54. Minnesota Statutes 1996, section 458A.08, is amended to read:

**458A.08 COMMISSION; ANNUAL REPORTS.**

The commission on or before November 30, 1969, and annually thereafter, shall prepare a report for the preceding fiscal year, also, so far as practicable, for the further time up to the preparation of the report, containing, in addition to such other matters as the commission may deem proper, the following:

(a) the activities of the commission during the period covered by the report;

(b) the financial condition of public transit systems under the control of the commission;

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(c) a complete financial accounting of moneys received and spent by the commission during the fiscal year;

(d) recommendations for improvements of or additions to the mass transit facilities of the area to provide adequate, speedy, and efficient means of transporting people therein;

(e) recommendations for any needed legislation in furtherance of the aforesaid purposes.

Each report shall be filed with the secretary of the commission and a copy shall be filed with the secretary of state. Copies shall also be submitted to the legislature at the opening of each regular session after July 1, 1969, and shall be distributed annually to the governor and to each member of the legislature under section 3.195, each county commission, and each elected chief executive of each municipality in the transit area.

Sec. 55. Minnesota Statutes 1996, section 462A.07, subdivision 7, is amended to read:

**Subd. 7. RECOMMENDATIONS TO GOVERNOR AND LEGISLATURE.** It may survey and investigate the housing conditions and needs, both urban and rural, throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing housing shortage in the state.

Sec. 56. Minnesota Statutes 1996, section 473.1623, subdivision 3, is amended to read:

**Subd. 3. FINANCIAL REPORT.** By December 15 of even-numbered years, the council, in consultation with the advisory committee, shall publish a consolidated financial report for the council and all metropolitan agencies and their functions, services, and systems. The financial report must cover the calendar year in which the report is published and the two years preceding and three years succeeding that year. The financial report must contain the following information, for each agency, function, or system, respectively, and in the aggregate, in a consistent format that allows comparison over time and among agencies in expenditure and revenue categories:

- (1) financial policies, goals, and priorities;
- (2) levels and allocation of public expenditure, including capital, debt, operating, and pass-through funds, stated in the aggregate and by appropriate functional, programmatic, administrative, and geographic categories, and the changes in expenditure levels and allocations that the report represents;
- (3) the resources available under existing fiscal policy;
- (4) additional resources, if any, that are or may be required;
- (5) changes in council or agency policies on regional sources of revenue and in levels of debt, user charges, and taxes;
- (6) other changes in existing fiscal policy, on regional revenues and intergovernmental aids respectively, that are expected or that have been or may be recommended by the council or the respective agencies;

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(7) an analysis that links, as far as practicable, the uses of funds and the sources of funds, by appropriate categories and in the aggregate;

(8) a description of how the fiscal policies effectuate current policy and implementation plans of the council and agencies concerned; and

(9) a summary of significant changes in council and agency finance and an analysis of fiscal trends.

The council shall present the report for discussion and comment at a public meeting in the metropolitan area and request, in writing, an opportunity to make presentations on the report before appropriate committees of the legislature.

Sec. 57. Minnesota Statutes 1996, section 473.1623, subdivision 4, is amended to read:

Subd. 4. **FINANCIAL REPORTING; BUDGETING.** The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop uniform or consistent standards, formats, and procedures for the budgets and financial reports of the council and all metropolitan agencies. ~~The council shall report to the legislature from time to time on progress made by the committee in improving the uniformity and quality of budgets and financial reports and on legislation that may be needed for this purpose.~~

Sec. 58. Minnesota Statutes 1996, section 473.1623, subdivision 5, is amended to read:

Subd. 5. **ADMINISTRATIVE COORDINATION.** The advisory committee shall evaluate the benefits, costs, methods, and effects, including operational effects, of joint or uniform and coordinated exercise of powers by the council and metropolitan agencies for appropriate administrative functions. The study must include at least ongoing managerial reporting, contracts, purchasing, data processing, and personnel. ~~The council shall report to the legislature from time to time on the findings and recommendations of the advisory committee to date and on legal and other impediments to increased coordination of administrative functions. Before submitting the report, the council shall request comments on the report from the affected metropolitan agencies, and the comments must be submitted along with the report.~~

Sec. 59. Minnesota Statutes 1996, section 473.3994, subdivision 9, is amended to read:

Subd. 9. **LIGHT RAIL TRANSIT OPERATING COSTS.** (a) Before submitting an application for federal assistance for light rail transit facilities in the metropolitan area, the applicant must provide to the metropolitan council estimates of the amount of operating subsidy which will be required to operate light rail transit in the corridor to which the federal assistance would be applied. The information provided to the council must indicate the amount of operating subsidy estimated to be required in each of the first ten years of operation of the light rail transit facility.

(b) The council must review and evaluate the information provided under paragraph (a) with regard to the effect of operating the light rail transit facility on the currently available mechanisms for financing transit in the metropolitan area.

(c) ~~The council must present its evaluation to the transportation and taxes committees of the house and senate, to the appropriations committee of the house and the finance~~

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committee of the senate, to the local government and metropolitan affairs committee of the house, and to the metropolitan affairs committee of the senate.

Sec. 60. Minnesota Statutes 1996, section 473.598, subdivision 3, is amended to read:

Subd. 3. **COMMISSION PROPOSAL.** (a) If the commission makes a final determination to acquire the basketball and hockey arena, the commission may then submit to the metropolitan council a proposal to bond for and acquire the basketball and hockey arena. The commission's proposal shall contain all information deemed appropriate or necessary by the council to its determinations pursuant to section 473.599, subdivision 4. The commission, in preparing the proposal for the council, shall require of the sellers and of the professional teams that are potential lessees or other potential lessees and all of their affiliated entities any and all data relevant to the acquisition, financing, ownership, and operation of the basketball and hockey arena, including, but not limited to, contracts, agreements, profit and loss statements, annual audit statements and balance sheets. The commission shall contract with an independent, nationally recognized firm of certified public accountants to perform due diligence and provide an economic feasibility study or report with regard to the data received by the commission from the sellers, the potential lessees, and affiliated entities. In evaluating whether to acquire the basketball and hockey arena, the commission shall consider among other factors, (a) total capital and operating costs of the basketball and hockey arena to the commission and total commission revenues from the basketball and hockey arena over the expected life of the facility, including any contributions by the state, local units of government or other organizations, (b) the total governmental costs associated with the acquisition and operation of the basketball and hockey arena, including the cost to all units and agencies of government as well as the costs to the commission, (c) the net gain or loss of taxes to the state and all local government units, and (d) economic and other benefits accruing to the public.

(b) Before submitting its proposal to the metropolitan council under paragraph (a), the commission shall submit the proposal to the legislative auditor and the department of finance for review, evaluation, and comment. The legislative auditor shall present the evaluation and comments to the legislative audit commission. Both the legislative auditor and the commissioner of finance shall present their evaluation and comments to the chairs of the house taxes, and ways and means committees, to the chair of the state government finance division of the house governmental operations committee, and to the chairs of the senate taxes and finance committees. Any data which is not public data under subdivision 4 shall remain not public data when given to the legislative auditor or the department of finance.

Sec. 61. Minnesota Statutes 1996, section 609.101, subdivision 4, is amended to read:

Subd. 4. **MINIMUM FINES; OTHER CRIMES.** Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by

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law, unless the fine is set at a lower amount on a uniform fine schedule established by the conference of chief judges in consultation with affected state and local agencies. This schedule shall be promulgated and reported to the legislature not later than January 1 of each year and shall become effective on August 1 of that year unless the legislature, by law, provides otherwise.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

The court shall collect the fines mandated in this subdivision and, except for fines for traffic and motor vehicle violations governed by section 169.871 and section 299D.03 and fish and game violations governed by section 97A.065, forward 20 percent of the revenues to the state treasurer for deposit in the general fund.

Sec. 62. Minnesota Statutes 1996, section 611.216, subdivision 3, is amended to read:

Subd. 3. **REPORT.** Each corporation shall submit reports showing, at a minimum, the number of clients served, the number of charges brought, the number of cases of each kind, such as felonies, gross misdemeanors, misdemeanors, and juvenile delinquencies, the number of dispositions of each kind, such as jury trials, court trials, guilty pleas, and dismissals, the number of court appearances, and financial data. ~~This information must be summarized for each corporation in the budget documents submitted to the legislature.~~

Sec. 63. Minnesota Statutes 1996, section 611.25, subdivision 3, is amended to read:

Subd. 3. **DUTIES.** The state public defender shall prepare a biennial report to the board and a report to the governor, the legislature, and the supreme court on the operation of the state public defender's office, district defender systems, and public defense corporations. The biennial report is due on or before the beginning of the legislative session following the end of the biennium. The state public defender may require the reporting of statistical data, budget information, and other cost factors by the chief district public defenders and appointed counsel systems. The state public defender shall design and conduct programs for the training of all state and district public defenders, appointed counsel, and attorneys for public defense corporations funded under section 611.26. The state public defender shall establish policies and procedures to administer the district public defender system, consistent with standards adopted by the state board of public defense.

Sec. 64. Minnesota Statutes 1996, section 611A.56, subdivision 1, is amended to read:

Subdivision 1. **DUTIES.** In addition to carrying out any duties specified elsewhere in sections 611A.51 to 611A.68 or in other law, the board shall:

- (a) provide all claimants with an opportunity for hearing pursuant to chapter 14;
- (b) adopt rules to implement and administer sections 611A.51 to 611A.68, including rules governing the method of practice and procedure before the board, prescribing the manner in which applications for reparations shall be made, and providing for discovery proceedings;

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(c) publicize widely the availability of reparations and the method of making claims; and

(d) prepare and transmit annually to the governor, and the commissioner of public safety, and the legislature a report of its activities including the number of claims awarded, a brief description of the facts in each case, the amount of reparation awarded, and a statistical summary of claims and awards made and denied.

Sec. 65. Minnesota Statutes 1996, section 626.843, subdivision 3, is amended to read:

Subd. 3. **BOARD AUTHORITY.** The board may, in addition:

(a) Recommend studies, surveys, and reports to be made by the executive director regarding the carrying out of the objectives and purposes of sections 626.841 to 626.855;

(b) Visit and inspect any peace officer training school approved by the executive director or for which application for such approval has been made;

(c) Make recommendations, from time to time, to the executive director, attorney general, and the governor, and the legislature regarding the carrying out of the objectives and purposes of sections 626.841 to 626.855;

(d) Perform such other acts as may be necessary or appropriate to carry out the powers and duties of the board as set forth in sections 626.841 to 626.855;

(e) Cooperate with and receive financial assistance from and join in projects or enter into contracts with the federal government or its agencies for the furtherance of the purposes of Laws 1977, chapter 433.

Sec. 66. Minnesota Statutes 1996, section 626.845, subdivision 1, is amended to read:

Subdivision 1. **POWERS AND DUTIES.** The board shall have the following powers and duties:

(a) To certify peace officers' training schools or programs administered by state, county and municipalities located within this state in whole or in part no later than 90 days after receipt of an application for certification. The reasons for noncertification of any school or program or part thereof shall be transmitted to the school within 90 days and shall contain a detailed explanation of the reasons for which the school or program was disapproved and an explanation of what supporting material or other requirements are necessary for the board to reconsider. Disapproval of a school or program shall not preclude the reapplication for certification of the school or program;

(b) To issue certificates to schools, and to revoke such certification when necessary to maintain the objectives and purposes of sections 626.841 to 626.855;

(c) To certify, as qualified, instructors at peace officer training schools, and to issue appropriate certificates to such instructors;

(d) To license peace officers who have satisfactorily completed certified basic training programs, and passed examinations as required by the board;

(e) To cause studies and surveys to be made relating to the establishment, operation, and approval of state, county, and municipal peace officer training schools;

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(f) To consult and cooperate with state, county, and municipal peace officer training schools for the development of in-service training programs for peace officers;

(g) To consult and cooperate with universities, colleges, and technical colleges for the development of specialized courses of instruction and study in the state for peace officers and part-time peace officers in police science and police administration;

(h) To consult and cooperate with other departments and agencies of the state and federal government concerned with peace officer standards and training;

(i) To perform such other acts as may be necessary and appropriate to carry out the powers and duties as set forth in the provisions of sections 626.841 to 626.855;

(j) To coordinate the provision, on a regional basis, of skills oriented basic training courses to graduates of certified law enforcement training schools or programs;

(k) To obtain criminal conviction data for persons seeking a license to be issued or possessing a license issued by the board. The board shall have authority to obtain criminal conviction data to the full extent that any other law enforcement agency, as that term is defined by state or federal law, has to obtain the data;

(l) To prepare and transmit annually to the governor and the legislature a report of its activities with respect to allocation of moneys appropriated to it for peace officers training, including the name and address of each recipient of money for that purpose, the amount awarded, and the purpose of the award;

(m) To assist and cooperate with any political subdivision or state law enforcement agency which employs persons licensed by the board to establish written procedures for the investigation and resolution of allegations of misconduct of persons licensed by the board, and to enforce licensing sanctions for failure to implement such procedures; and

(n) To assist and cooperate with political subdivisions and state law enforcement agencies that employ persons licensed by the board in establishing written procedures to govern the conduct of peace officers who are in pursuit of a vehicle in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The board may impose licensing sanctions for failure to establish pursuit procedures and training requirements by October 1, 1989.

#### Sec. 67. **REPEALER.**

Minnesota Statutes 1996, sections 3.922, subdivision 9; 15.475; 16B.87, subdivision 4; 17.452, subdivision 3; 116D.11, subdivision 4; 126.78, subdivision 5; 144.95, subdivision 9; 145A.12, subdivision 6; 148.578; 174.23, subdivision 5; 196.22, subdivision 4; 246.57, subdivision 2; 254B.03, subdivision 8; 256B.04, subdivision 11; 256B.0629, subdivision 3; 256F.11, subdivision 3; 256F.12, subdivision 5; 260.152, subdivision 7; 325F.98; 388.24, subdivision 5; 494.05, subdivision 3; 611.27, subdivision 14; and 611A.75, are repealed.

#### PART B

Sec. 68. Minnesota Statutes 1996, section 14.62, subdivision 3, is amended to read:

Subd. 3. **AWARD OF FEES AND OTHER EXPENSES.** Fees and expenses must be awarded as provided in sections 15.471 to ~~15.475~~ 15.474.

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Sec. 69. Minnesota Statutes 1996, section 15.471, subdivision 1, is amended to read:

Subdivision 1. **TERMS DEFINED.** For purposes of this section and sections 15.471 to ~~15.475~~ 15.474, the terms defined in this section have the meanings given them.

Sec. 70. Minnesota Statutes 1996, section 270A.09, subdivision 3, is amended to read:

Subd. 3. **CONTESTED CASE; FINAL DECISION.** The report of the administrative law judge shall contain a decision and order, which constitute the final decision in the contested case. A copy of the decision and order shall be served by first class mail upon each party, the commissioner of revenue, and the attorney general. Fees and expenses may be awarded as provided in sections 15.471 to ~~15.475~~ 15.474. The provisions for judicial review under sections 14.63 to 14.68 apply to decisions of the administrative law judge under this subdivision.

Sec. 71. Minnesota Statutes 1996, section 325F.84, subdivision 1, is amended to read:

Subdivision 1. **APPLICABILITY.** As used in sections 325F.84 to ~~325F.98~~ 325F.97, the following terms have the meanings given them.

#### PART C

Sec. 72. **RETROACTIVE EFFECTIVE DATE.**

Sections 2 to 71 are effective retroactive to October 15, 1995.

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### ARTICLE 3

#### CHICANO/LATINO AFFAIRS COUNCIL

Section 1. Minnesota Statutes 1996, section 15.0591, subdivision 2, is amended to read:

Subd. 2. **BODIES AFFECTED.** A member meeting the qualifications in subdivision 1 must be appointed to the following boards, commissions, advisory councils, task forces, or committees:

- (1) advisory council on battered women;
- (2) advisory task force on the use of state facilities;
- (3) alcohol and other drug abuse advisory council;
- (4) board of examiners for nursing home administrators;
- (5) board on aging;
- (6) chiropractic examiners board;

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- (7) consumer advisory council on vocational rehabilitation;
- (8) council on disability;
- (9) council on affairs of ~~Spanish-speaking~~ Chicano/Latino people;
- (10) council on Black Minnesotans;
- (11) dentistry board;
- (12) department of economic security advisory council;
- (13) higher education services office;
- (14) housing finance agency;
- (15) Indian advisory council on chemical dependency;
- (16) medical practice board;
- (17) medical policy directional task force on mental health;
- (18) Minnesota employment and economic development task force;
- (19) Minnesota office of citizenship and volunteer services advisory committee;
- (20) Minnesota state arts board;
- (21) mortuary sciences advisory council;
- (22) nursing board;
- (23) optometry board;
- (24) pharmacy board;
- (25) physical therapists council;
- (26) podiatry board;
- (27) psychology board;
- (28) veterans advisory committee.

Sec. 2. Minnesota Statutes 1996, section 15.441, subdivision 1, is amended to read:

Subdivision 1. **STATE AGENCIES; BILINGUAL EMPLOYEES.** Every state agency that is directly involved in furnishing information or rendering services to the public and that serves a substantial number of non-English-speaking people shall employ enough qualified bilingual persons in public contact positions, or enough interpreters to assist those in these positions, to ensure provision of information and services in the language spoken by a substantial number of non-English-speaking people.

The commissioner of administration shall determine the application of this section to each state agency, in consultation with the council on affairs of ~~Spanish-speaking~~ Chicano/Latino people, groups representing other non-English-speaking people, and the head of the agency. In determining what constitutes a substantial number of non-English-speaking people, the commissioner shall consider:

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- (1) the number of people served by the agency;
- (2) the number of non-English-speaking people served by the agency;
- (3) the frequency with which non-English-speaking people are served by the agency; and
- (4) the extent to which information or services rendered by the agency affect legal rights, privileges, or duties.

Sec. 3. Minnesota Statutes 1996, section 121.1601, subdivision 3, is amended to read:

Subd. 3. **ADVISORY BOARD.** The commissioner shall establish an advisory board composed of:

(1) eight superintendents, each of whom shall be selected by the superintendents of the school districts located in whole or in part within each of the eight metropolitan districts established under section 473.123, subdivision 3c; and

(2) one person each selected by the Indian affairs council, the council on Asian-Pacific Minnesotans, the council on Black Minnesotans, and the Spanish Speaking Affairs council on affairs of Chicano/Latino people.

The advisory board shall advise the office on complying with the requirements under subdivision 1. The advisory board may solicit comments from teachers, parents, students, and interested community organizations and others.

Sec. 4. Minnesota Statutes 1996, section 148C.11, subdivision 3, is amended to read:

Subd. 3. **FEDERALLY RECOGNIZED TRIBES; ETHNIC MINORITIES.** (a) Alcohol and drug counselors licensed to practice alcohol and drug counseling according to standards established by federally recognized tribes, while practicing under tribal jurisdiction, are exempt from the requirements of this chapter. In practicing alcohol and drug counseling under tribal jurisdiction, individuals licensed under that authority shall be afforded the same rights, responsibilities, and recognition as persons licensed pursuant to this chapter.

(b) The commissioner shall develop special licensing criteria for issuance of a license to alcohol and drug counselors who: (1) are members of ethnic minority groups; or (2) are employed by private, nonprofit agencies, including agencies operated by private, nonprofit hospitals, whose primary agency service focus addresses ethnic minority populations. These licensing criteria may differ from the licensing criteria specified in section 148C.04. To develop these criteria, the commissioner shall establish a committee comprised of but not limited to representatives from the council on hearing impaired, the council on affairs of Spanish-speaking Chicano/Latino people, the council on Asian-Pacific Minnesotans, the council on Black Minnesotans, and the Indian affairs council.

Sec. 5. Minnesota Statutes 1996, section 242.56, subdivision 3, is amended to read:

Subd. 3. **ADVISORY GROUP.** The commissioner shall appoint an advisory group to assist in selecting sites under this section. The commissioner shall include among the members of the group representatives of the following: the council on Black Minneso-

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tans, the council on the affairs of Spanish-speaking Chicano/Latino people, the council on Asian-Pacific Minnesotans, the Indian affairs council, the commissioner of children, families, and learning, community corrections officials, county corrections officials, the association of counties, and the association of county probation officers.

Sec. 6. Minnesota Statutes 1996, section 257.072, subdivision 5, is amended to read:

Subd. 5. **MINORITY PLACEMENTS.** Beginning December 1, 1996, the commissioner shall provide to the Indian affairs council, the council on affairs of Spanish-speaking Chicano/Latino people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans the annual report required under section 257.0725.

Sec. 7. Minnesota Statutes 1996, section 257.0755, subdivision 1, is amended to read:

Subdivision 1. **CREATION.** One ombudsperson shall operate independently from but in collaboration with each of the following groups: the Indian affairs council, the Spanish-Speaking affairs council on affairs of Chicano/Latino people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans.

Sec. 8. Minnesota Statutes 1996, section 257.0768, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP.** Four community-specific boards are created. Each board consists of five members. The chair of each of the following groups shall appoint the board for the community represented by the group: the Indian affairs council; the Spanish-Speaking Affairs council on affairs of Chicano/Latino people; the council on Black Minnesotans; and the council on Asian-Pacific Minnesotans. In making appointments, the chair must consult with other members of the council.

Sec. 9. Minnesota Statutes 1996, section 257.0769, is amended to read:

**257.0769 FUNDING FOR THE OMBUDSPERSON PROGRAM.**

(a) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, clause (15), to the Indian affairs council for the purposes of sections 257.0755 to 257.0768.

(b) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, clause (15), to the Spanish-speaking Affairs council on affairs of Chicano/Latino people for the purposes of sections 257.0755 to 257.0768.

(c) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, clause (15), to the Council of Black Minnesotans for the purposes of sections 257.0755 to 257.0768.

(d) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, clause (15), to the Council on Asian-Pacific Minnesotans for the purposes of sections 257.0755 to 257.0768.

Sec. 10. Minnesota Statutes 1996, section 260.152, subdivision 2, is amended to read:

Subd. 2. **PROGRAM COMPONENTS.** (a) The commissioner of human services shall, in consultation with the Indian affairs council, the council on affairs of Spanish-

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speaking Chicano/Latino people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, provide grants to the counties for the pilot projects. The projects shall build upon the existing service capabilities in the community and must include availability of screening for mental health problems of children who are alleged or found to be delinquent and children who are reported as being or found to be in need of protection or services.

(b) The projects must include referral for mental health assessment of all children for whom the screening indicates a need. This assessment is to be provided by the appropriate mental health professional. If the child is of a minority race or minority ethnic heritage, the mental health professional must be skilled in and knowledgeable about the child's racial and ethnic heritage, or must consult with a special mental health consultant who has such knowledge so that the assessment is relevant, culturally specific, and sensitive to the child's cultural needs.

(c) Upon completion of the assessment, the project must provide or ensure access to nonresidential mental health services identified as needed in the assessment.

Sec. 11. Minnesota Statutes 1996, section 260.152, subdivision 3, is amended to read:

Subd. 3. **SCREENING TOOL.** The commissioner of human services and the commissioner of corrections, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking Chicano/Latino people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, shall jointly develop a model screening tool to screen children to determine if a mental health assessment is needed. This tool must contain specific questions to identify potential mental health problems. In implementing a pilot project, a county must either use this model tool or another screening tool approved by the commissioner of human services which meets the requirements of this section.

Sec. 12. Minnesota Statutes 1996, section 260.152, subdivision 6, is amended to read:

Subd. 6. **EVALUATION.** The commissioner of human services and the commissioner of corrections shall, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking Chicano/Latino people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, develop systems and procedures for evaluating the pilot projects. The departments must develop an interagency management information system to track children who receive mental health services. The system must be designed to meet the information needs of the agencies involved and to provide a basis for evaluating outcome data. The system must be designed to track the mental health treatment of children released from custody and to improve the planning, delivery, and evaluation of services and increase interagency collaboration. The evaluation protocol must be designed to measure the impact of the program on juvenile recidivism, school performance, and state and county budgets.

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**ARTICLE 4****CONSTITUTIONAL CITATIONS**

Section 1. Minnesota Statutes 1996, section 360.013, subdivision 20, is amended to read:

Subd. 20. **MUNICIPALITY.** "Municipality" means a city of any class, including a city organized under a charter framed pursuant to the Constitution of the State of Minnesota, Article 4, Section 36, Article XI, Section 4, or Article XII, Section 5, a county, a town, or a statutory city in this state, the regents of the University of Minnesota, and any other political subdivision, public corporation, authority, or district in this state which is or may be authorized by law to acquire, establish, construct, maintain, improve, and operate airports and other air navigation facilities.

Sec. 2. Minnesota Statutes 1996, section 427.02, is amended to read:

**427.02 DEPOSITORIES.**

The council of any city in this state, but not including cities when governed under a charter adopted under and pursuant to the Constitution of the state of Minnesota, article IV, section 36, article XI, section 4, or article XII, section 5, and sections 410.03 to 410.24, and 441.01 to 441.09, and all acts supplemental thereto, in which charter the matter of designating depositories for city funds and the protection thereof is provided for, or in which charter it shall hereafter be provided for, shall have the power and authority to designate or redesignate at the beginning of each calendar year, or from time to time, the banks or other legal depositories of any city in which the treasurer of the city shall deposit and keep the moneys of the city, designating in each instance the maximum amount which may at any time be kept in any one of these depositories, which maximum amount shall in no case exceed 25 percent of the paid-up capital and surplus of the depository, unless the depository shall deposit with the treasurer of the city United States government bonds to secure the deposit of the funds of the city; and, in that event, the amount so deposited shall not exceed the amount of the United States government bonds so deposited. No depository shall deposit United States government bonds which mature within one year from the date such bonds were first considered as a part of the bank's reserve and which reserves are required by section 48.221. The council of each city shall, at all times, designate depositories in the city, or elsewhere in the United States, sufficient for the depository of all funds which are likely to be in the hands of the treasurer of the city at any one time and shall, so far as consistent with the best interest of the city, designate these depositories in the city and require from these depositories good and sufficient bonds payable to the city in a penal sum not to exceed the amount designated as the limit of deposit therein, and conditioned for the safekeeping and payment of funds so deposited, or, in lieu thereof, good and sufficient collateral as provided for by section 118A.03.

Sec. 3. Minnesota Statutes 1996, section 435.27, is amended to read:

**435.27 APPLICATION.**

Section 435.26 shall be applicable to cities governed by a charter adopted pursuant to the Constitution of the State of Minnesota, Article 4, Section 36, Article XI, Section 4, or Article XII, Section 5.

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Sec. 4. Minnesota Statutes 1996, section 458.40, is amended to read:

**458.40 MUST VOTE TO ISSUE BONDS IF CHARTER SAYS SO.**

If a charter adopted under the Minnesota Constitution, article IV, section 36, article XI, section 4, or article XII, section 5, has a provision that requires the question of the issuance of bonds to be submitted to the electors, the provision prevails over sections 458.36 to 458.40.

Sec. 5. Minnesota Statutes 1996, section 463.01, is amended to read:

**463.01 BUILDING LINES, EASEMENTS; EXISTING STRUCTURES.**

The council of any city, including any city of this state operating under a home rule charter adopted pursuant to the Constitution of the State of Minnesota, Article 4, Section 36, Article XI, Section 4, or Article XII, Section 5, may establish along any street or highway within such city a building line upon the land adjoining such street or highway, or any portion thereof, and distant not more than 50 feet from the margin of such street or highway, and may, in behalf of the city, acquire an easement in the land between such line and exterior street line, such that no buildings or structures shall be erected or maintained upon this land. Such easement shall be known as a building line easement. The governing body may, at the time they designate the easement to be acquired and define the line by which it is bounded, provide in the resolution designating such easement that buildings or structures or any portions of buildings or structures existing within the boundaries of the easement at that time may remain thereon for stated periods of time or remain thereon during the life of such buildings or structures or portions thereof, but no alteration of any such buildings or structures or portions thereof upon such easement shall be permitted after the designation of such easements, and when such buildings are removed no other buildings or structures shall be erected thereon. Such permission to maintain existing structures upon such easement shall be clearly defined as to time in such resolution and shall confer the right upon the owner of such buildings or structures or portions thereof to maintain the same as defined in such resolution.

Sec. 6. Minnesota Statutes 1996, section 465.15, is amended to read:

**465.15 CITIES MAY ACQUIRE EXEMPT PROPERTY.**

Each city of the first class now or hereafter having a population of 50,000 inhabitants or more, including each such city operating under a charter adopted pursuant to the provisions of the Constitution of the State of Minnesota, article IV, section 36, article XI, section 4, or article XII, section 5, is hereby authorized and empowered to acquire by purchase, condemnation, or otherwise any right or interest in land either platted or unplatted within the limits of the city, which interest in land consists of a right or privilege in the owner of the land to offset certain amounts against special assessments levied by the governing body, the city council, or the board of park commissioners of such city for park or parkway purposes, or both.

Sec. 7. Minnesota Statutes 1996, section 465.20, is amended to read:

**465.20 APPLICATION.**

Sections 465.19 and 465.20 shall apply to all cities including those now or hereafter governed by a charter adopted pursuant to the Constitution of the state of Minnesota, article IV, section 36, article XI, section 4, or article XII, section 5.

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Sec. 8. Minnesota Statutes 1996, section 469.183, subdivision 4, is amended to read:

Subd. 4. **ADDITIONAL POWERS.** The authority granted in this section is in addition to all existing power and authority of any city operating under a home rule charter adopted in pursuance of the Constitution of the state of Minnesota, article IV, section 36, article XI, section 4, or article XII, section 5.

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## ARTICLE 5

### EMERGENCY RULES

Section 1. Minnesota Statutes 1996, section 18C.121, subdivision 1, is amended to read:

Subdivision 1. **ADMINISTRATION.** The commissioner may adopt ~~emergency or permanent~~ rules necessary to implement and enforce this chapter. The rules must conform to national standards in a manner that is practicable and consistent with state law.

Sec. 2. Minnesota Statutes 1996, section 18C.575, subdivision 1, is amended to read:

Subdivision 1. **FOR ADMINISTRATION.** The commissioner may adopt ~~emergency or permanent~~ rules necessary to administer sections 18C.531 to 18C.575.

Sec. 3. Minnesota Statutes 1996, section 19.51, subdivision 1, is amended to read:

Subdivision 1. **ENFORCEMENT; RULES.** The commissioner shall enforce sections 19.50 to 19.65. The commissioner may make all necessary examinations and inspections, and adopt ~~emergency or permanent~~ rules necessary to enforce sections 19.50 to 19.65 promptly and effectively. The commissioner may employ classified civil service employees necessary to administer sections 19.50 to 19.65, and may contract with individuals to serve as authorized agents.

Sec. 4. Minnesota Statutes 1996, section 31.874, is amended to read:

#### 31.874 **DISEASE CONTROL.**

If the commissioner of agriculture finds that a disease or foreign matter is actually transmitted by a method of dispensing bulk foods that is permitted by section 31.84, the commissioner may adopt ~~emergency or permanent~~ rules more restrictive on the sale of that food than section 31.84. The rules must address the specific relationship between the disease or foreign matter being transmitted and the dispensing methods permitted by section 31.84.

Sec. 5. Minnesota Statutes 1996, section 32.532, is amended to read:

#### 32.532 **ENFORCEMENT.**

The commissioner is authorized and directed to administer and supervise the enforcement of sections 32.53 to 32.534; to provide for such periodic inspections and inves-

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tigations as the commissioner may deem necessary to disclose violations; to receive and provide for the investigation of complaints; and to provide for the institution and prosecution of civil or criminal actions or both. The provisions of these sections may be enforced by injunction in any court having jurisdiction to grant injunctive relief. Artificial dairy products involved in a violation of these sections are subject to seizure and disposition in accordance with an appropriate court order or a rule adopted by the commissioner. The commissioner may adopt ~~emergency or permanent~~ rules necessary to implement and administer sections 32.53 to 32.534.

Sec. 6. Minnesota Statutes 1996, section 32.71, subdivision 1, is amended to read:

Subdivision 1. **DUTIES; RULES.** The commissioner shall adopt ~~emergency and permanent~~ rules to implement and administer sections 32.70 to 32.74 as necessary.

Sec. 7. Minnesota Statutes 1996, section 41.53, subdivision 2, is amended to read:

Subd. 2. **RULES.** The commissioner may adopt ~~emergency or permanent~~ rules necessary for the efficient administration of sections 41.51 to 41.57; 41.58, subdivisions 1 and 2; 41.59, subdivision 1; and 41.61.

Sec. 8. Minnesota Statutes 1996, section 41A.09, subdivision 4, is amended to read:

Subd. 4. **RULEMAKING AUTHORITY.** The commissioner shall adopt ~~emergency and permanent~~ rules to implement this section.

Sec. 9. Minnesota Statutes 1996, section 62N.05, subdivision 1, is amended to read:

Subdivision 1. **RULES.** The commissioner, in consultation with the commission, may adopt ~~emergency and permanent~~ rules to establish more detailed requirements governing integrated service networks in accordance with this chapter.

Sec. 10. Minnesota Statutes 1996, section 62N.24, is amended to read:

**62N.24 REVIEW OF RULES.**

The commissioner of health shall mail copies of all proposed ~~emergency and permanent~~ rules that are being promulgated under this chapter to each member of the legislative commission on health care access prior to final adoption by the commissioner.

Sec. 11. Minnesota Statutes 1996, section 144A.073, subdivision 3, is amended to read:

Subd. 3. **REVIEW AND APPROVAL OF PROPOSALS.** Within the limits of money specifically appropriated to the medical assistance program for this purpose, the interagency long-term care planning committee may recommend that the commissioner of health grant exceptions to the nursing home licensure or certification moratorium for proposals that satisfy the requirements of this section. The interagency committee shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the committee. The commissioners of human services and health shall provide staff and technical assistance to the committee for the review and analysis of proposals. The interagency committee shall hold a public hearing before submitting recommendations to the commissioner of health on project requests. The committee shall submit recommendations within 150 days of the date of the publication of the notice. The commissioner of health shall approve

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or disapprove a project within 30 days after receiving the committee's recommendations. The advisory review panel, the committee, and the commissioner of health shall base their recommendations, approvals, or disapprovals on a comparison and ranking of proposals using only the criteria in subdivision 4 and in ~~emergency and permanent~~ rules adopted by the commissioner. The cost to the medical assistance program of the proposals approved must be within the limits of the appropriations specifically made for this purpose. Approval of a proposal expires 18 months after approval by the commissioner of health unless the facility has commenced construction as defined in section 144A.071, subdivision 1a, paragraph (d). The committee's report to the legislature, as required under section 144A.31, must include the projects approved, the criteria used to recommend proposals for approval, and the estimated costs of the projects, including the costs of initial construction and remodeling, and the estimated operating costs during the first two years after the project is completed.

Sec. 12. Minnesota Statutes 1996, section 148B.23, subdivision 3, is amended to read:

Subd. 3. ~~TEMPORARY~~ **RULEMAKING AUTHORITY.** The board is authorized to adopt ~~emergency and permanent~~ rules to implement this section.

Sec. 13. Minnesota Statutes 1996, section 176.108, is amended to read:

**176.108 LIGHT-DUTY WORK POOLS.**

Employers may form light-duty work pools for the purpose of encouraging the return to work of injured employees. The commissioner may adopt ~~emergency and permanent~~ rules necessary to implement this section.

Sec. 14. Minnesota Statutes 1996, section 176.1351, subdivision 5, is amended to read:

Subd. 5. **REVOCATION, SUSPENSION, AND REFUSAL TO CERTIFY; PENALTIES AND ENFORCEMENT.** (a) The commissioner shall refuse to certify or shall revoke or suspend the certification of a managed care plan if the commissioner finds that the plan for providing medical or health care services fails to meet the requirements of this section, or service under the plan is not being provided in accordance with the terms of a certified plan.

(b) In lieu of or in addition to suspension or revocation under paragraph (a), the commissioner may, for any noncompliance with the managed care plan as certified or any violation of a statute or rule applicable to a managed care plan, assess an administrative penalty payable to the special compensation fund in an amount up to \$25,000 for each violation or incidence of noncompliance. The commissioner may adopt ~~emergency or permanent~~ rules necessary to implement this subdivision. In determining the level of an administrative penalty, the commissioner shall consider the following factors:

(1) the number of workers affected or potentially affected by the violation or noncompliance;

(2) the effect or potential effect of the violation or noncompliance on workers' health, access to health services, or workers' compensation benefits;

(3) the effect or potential effect of the violation or noncompliance on workers' understanding of their rights and obligations under the workers' compensation law and rules;

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(4) whether the violation or noncompliance is an isolated incident or part of a pattern of violations; and

(5) the potential or actual economic benefits derived by the managed care plan or a participating provider by virtue of the violation or noncompliance.

The commissioner shall give written notice to the managed care plan of the penalty assessment and the reasons for the penalty. The managed care plan has 30 days from the date the penalty notice is issued within which to file a written request for an administrative hearing and review of the commissioner's determination pursuant to section 176.85, subdivision 1.

(c) If the commissioner, for any reason, has cause to believe that a managed care plan has or may violate a statute or rule or a provision of the managed care plan as certified, the commissioner may, before commencing action under paragraph (a) or (b), call a conference with the managed care plan and other persons who may be involved in the suspected violation or noncompliance for the purpose of ascertaining the facts relating to the suspected violation or noncompliance and arriving at an adequate and effective means of correcting or preventing the violation or noncompliance. The commissioner may enter into stipulated consent agreements with the managed care plan for corrective or preventive action or the amount of the penalty to be paid. Proceedings under this paragraph shall not be governed by any formal procedural requirements, and may be conducted in a manner the commissioner deems appropriate under the circumstances.

(d) The commissioner may issue an order directing a managed care plan or a representative of a managed care plan to cease and desist from engaging in any act or practice that is not in compliance with the managed care plan as certified, or that it is in violation of an applicable statute or rule. Within 30 days of service of the order, the managed care plan may request review of the cease and desist order by an administrative law judge pursuant to chapter 14. The decision of the administrative law judge shall include findings of fact, conclusions of law and appropriate orders, which shall be the final decision of the commissioner. In the event of noncompliance with a cease and desist order, the commissioner may institute a proceeding in district court to obtain injunctive or other appropriate relief.

(e) A managed care plan, participating health care provider, or an employer or insurer that receives services from the managed care plan, shall cooperate fully with an investigation by the commissioner. For purposes of this section, cooperation includes, but is not limited to, attending a conference called by the commissioner under paragraph (c), responding fully and promptly to any questions relating to the subject of the investigation, and providing copies of records, reports, logs, data, and other information requested by the commissioner to assist in the investigation.

(f) Any person acting on behalf of a managed care plan who knowingly submits false information in any report required to be filed by a managed care plan is guilty of a misdemeanor.

Sec. 15. Minnesota Statutes 1996, section 176.1351, subdivision 6, is amended to read:

Subd. 6. **RULES.** The commissioner may adopt ~~emergency or permanent~~ rules necessary to implement this section.

Sec. 16. Minnesota Statutes 1996, section 176.1812, subdivision 7, is amended to read:

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Subd. 7. **RULES.** The commissioner may adopt ~~emergency or permanent~~ rules necessary to implement this section.

Sec. 17. Minnesota Statutes 1996, section 176.83, subdivision 5, is amended to read:

Subd. 5. **TREATMENT STANDARDS FOR MEDICAL SERVICES.** In consultation with the medical services review board or the rehabilitation review panel, the commissioner shall adopt ~~emergency and permanent~~ rules establishing standards and procedures for health care provider treatment. The rules shall apply uniformly to all providers including those providing managed care under section 176.1351. The rules shall be used to determine whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital, or other services, is performing procedures or providing services at a level or with a frequency that is excessive, unnecessary, or inappropriate under section 176.135, subdivision 1, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

The rules shall include, but are not limited to, the following:

(1) criteria for diagnosis and treatment of the most common work-related injuries including, but not limited to, low back injuries and upper extremity repetitive trauma injuries;

(2) criteria for surgical procedures including, but not limited to, diagnosis, prior conservative treatment, supporting diagnostic imaging and testing, and anticipated outcome criteria;

(3) criteria for use of appliances, adaptive equipment, and use of health clubs or other exercise facilities;

(4) criteria for diagnostic imaging procedures;

(5) criteria for inpatient hospitalization; and

(6) criteria for treatment of chronic pain.

If it is determined by the payer that the level, frequency or cost of a procedure or service of a provider is excessive, unnecessary, or inappropriate according to the standards established by the rules, the provider shall not be paid for the procedure, service, or cost by an insurer, self-insurer, or group self-insurer, and the provider shall not be reimbursed or attempt to collect reimbursement for the procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program unless the commissioner or compensation judge determines at a hearing or administrative conference that the level, frequency, or cost was not excessive under the rules in which case the insurer, self-insurer, or group self-insurer shall make the payment deemed reasonable.

A rehabilitation provider who is determined by the rehabilitation review panel board, after hearing, to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under this chapter. A prohibition imposed on a provider under this subdivision may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Min-

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nesota by the appropriate licensing or certifying body. The commissioner and medical services review board shall review excessive, inappropriate, or unnecessary health care provider treatment under section 176.103.

Sec. 18. Minnesota Statutes 1996, section 182.676, is amended to read:

**182.676 SAFETY COMMITTEES.**

Every public or private employer of more than 25 employees shall establish and administer a joint labor-management safety committee.

Every public or private employer of 25 or fewer employees shall establish and administer a safety committee if:

(1) the employer has a lost workday cases incidence rate in the top ten percent of all rates for employers in the same industry; or

(2) the workers' compensation premium classification assigned to the greatest portion of the payroll for the employer has a pure premium rate as reported by the workers' compensation rating association in the top 25 percent of premium rates for all classes.

A safety committee must hold regularly scheduled meetings unless otherwise provided in a collective bargaining agreement.

Employee safety committee members must be selected by employees. An employer that fails to establish or administer a safety committee as required by this section may be cited by the commissioner. A citation is punishable as a serious violation under section 182.666.

The commissioner may adopt ~~emergency or permanent~~ rules necessary to implement this section.

Sec. 19. Minnesota Statutes 1996, section 223.19, is amended to read:

**223.19 RULES.**

The commissioner may make ~~emergency or permanent~~ rules pursuant to chapter 14 to carry out the provisions of sections 223.15 to 223.22.

Sec. 20. Minnesota Statutes 1996, section 237.711, is amended to read:

**237.711 IMPLEMENTATION RULES.**

The commission may adopt ~~emergency and permanent~~ rules to implement Laws 1988, chapter 621, sections 1 to 16.

Sec. 21. Minnesota Statutes 1996, section 244.09, subdivision 13, is amended to read:

Subd. 13. **RULEMAKING POWER.** The commission shall have authority to promulgate ~~emergency and permanent~~ rules to carry out the purposes of subdivision 5.

Sec. 22. Minnesota Statutes 1996, section 245.4886, subdivision 2, is amended to read:

Subd. 2. **GRANT APPLICATION AND REPORTING REQUIREMENTS.** To apply for a grant a county board shall submit an application and budget for the use of the

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money in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets are approved by the commissioner. In awarding grants, the commissioner shall give priority to those counties whose applications indicate plans to collaborate in the development, funding, and delivery of services with other agencies in the local system of care. The commissioner may adopt ~~emergency and permanent~~ rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients and may establish grant requirements for the fiscal year ending June 30, 1992, without adopting rules. The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). The commissioner shall require collection of data and periodic reports which the commissioner deems necessary to demonstrate the effectiveness of each service in realizing the stated purpose as specified for family community support in section 245.4884, subdivision 1; therapeutic support of foster care in section 245.4884, subdivision 4; professional home-based family treatment in section 245.4884, subdivision 3; day treatment in section 245.4884, subdivision 2; and case management in section 245.4881.

Sec. 23. Minnesota Statutes 1996, section 245.62, subdivision 2, is amended to read:

Subd. 2. **DEFINITION.** A community mental health center is a private nonprofit corporation or public agency approved under the ~~emergency and permanent~~ rules promulgated by the commissioner pursuant to subdivision 4.

Sec. 24. Minnesota Statutes 1996, section 245.62, subdivision 4, is amended to read:

Subd. 4. **RULES.** The commissioner shall promulgate ~~emergency and permanent~~ rules to establish standards for the designation of an agency as a community mental health center. These standards shall include, but are not limited to:

(a) provision of mental health services in the prevention, identification, treatment and aftercare of emotional disorders, chronic and acute mental illness, mental retardation and developmental disabilities, and alcohol and drug abuse and dependency, including the services listed in section 245.61 except detoxification services;

(b) establishment of a community mental health center board pursuant to section 245.66; and

(c) approval pursuant to section 245.69, subdivision 2.

Sec. 25. Minnesota Statutes 1996, section 245.69, subdivision 2, is amended to read:

Subd. 2. The commissioner of human services has the authority to approve or disapprove public and private mental health centers and public and private mental health clinics for the purposes of section 62A.152, subdivision 2. For the purposes of this subdivision the commissioner shall promulgate both ~~emergency and permanent~~ rules in accordance with sections 14.001 to 14.69. The rules shall require each applicant to pay a fee to cover costs of processing applications and determining compliance with the rules and this subdivision. The commissioner may contract with any state agency, individual, corporation or association to which the commissioner shall delegate all but final approval and disapproval authority to determine compliance or noncompliance.

(a) Each approved mental health center and each approved mental health clinic shall have a multidisciplinary team of professional staff persons as required by rule. A mental

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health center or mental health clinic may provide the staffing required by rule by means of written contracts with professional persons or with other health care providers. Any personnel qualifications developed by rule shall be consistent with any personnel standards developed pursuant to chapter 214.

(b) Each approved mental health clinic and each approved mental health center shall establish a written treatment plan for each outpatient for whom services are reimbursable through insurance or public assistance. The treatment plan shall be developed in accordance with the rules and shall include a patient history, treatment goals, a statement of diagnosis and a treatment strategy. The clinic or center shall provide access to hospital admission as a bed patient as needed by any outpatient. The clinic or center shall ensure ongoing consultation among and availability of all members of the multidisciplinary team.

(c) As part of the required consultation, members of the multidisciplinary team shall meet at least twice monthly to conduct case reviews, peer consultations, treatment plan development and in-depth case discussion. Written minutes of these meetings shall be kept at the clinic or center for three years.

(d) Each approved center or clinic shall establish mechanisms for quality assurance and submit documentation concerning the mechanisms to the commissioner as required by rule, including:

- (1) Continuing education of each professional staff person;
- (2) An ongoing internal utilization and peer review plan and procedures;
- (3) Mechanisms of staff supervision; and
- (4) Procedures for review by the commissioner or a delegate.

(e) The commissioner shall disapprove an applicant, or withdraw approval of a clinic or center, which the commissioner finds does not comply with the requirements of the rules or this subdivision. A clinic or center which is disapproved or whose approval is withdrawn is entitled to a contested case hearing and judicial review pursuant to sections 14.01 to 14.69.

(f) Data on individuals collected by approved clinics and centers, including written minutes of team meetings, is private data on individuals within the welfare system as provided in chapter 13.

(g) Each center or clinic that is approved and in compliance with the commissioner's existing rule on July 1, 1980 is approved for purposes of section 62A.152, subdivision 2, until rules are promulgated to implement this section.

Sec. 26. Minnesota Statutes 1996, section 252.275, subdivision 6, is amended to read:

Subd. 6. **RULES.** The commissioner may adopt ~~emergency and permanent~~ rules in accordance with chapter 14 to govern allocation, reimbursement, and compliance.

Sec. 27. Minnesota Statutes 1996, section 252.291, subdivision 5, is amended to read:

Subd. 5. **RULEMAKING.** The commissioner of human services shall promulgate ~~emergency and permanent~~ rules pursuant to chapter 14, the administrative procedure act, to implement this section.

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Sec. 28. Minnesota Statutes 1996, section 256.736, subdivision 7, is amended to read:

Subd. 7. **RULEMAKING.** The commissioner of human services, in cooperation with the commissioner of economic security, may adopt ~~permanent and emergency~~ rules necessary to qualify for any federal funds available under this section and to carry out this section.

Sec. 29. Minnesota Statutes 1996, section 256.82, subdivision 4, is amended to read:

Subd. 4. **RULES.** The commissioner shall adopt ~~emergency and permanent~~ rules to implement subdivision 3. In developing rules, the commissioner shall take into consideration any existing difficulty of care payment rates so that, to the extent possible, no child for whom a difficulty of care rate is currently established will be adversely affected.

Sec. 30. Minnesota Statutes 1996, section 256B.092, subdivision 6, is amended to read:

Subd. 6. **RULES.** The commissioner shall adopt ~~emergency and permanent~~ rules to establish required controls, documentation, and reporting of services provided in order to assure proper administration of the approved waiver plan, and to establish policy and procedures to reduce duplicative efforts and unnecessary paperwork on the part of case managers.

Sec. 31. Minnesota Statutes 1996, section 256B.49, subdivision 2, is amended to read:

Subd. 2. **RULES.** The commissioner of human services may adopt ~~emergency and permanent~~ rules as necessary to implement subdivision 1.

Sec. 32. Minnesota Statutes 1996, section 256D.03, subdivision 7, is amended to read:

Subd. 7. **DUTIES OF THE COMMISSIONER.** The commissioner shall promulgate ~~emergency and permanent~~ rules as necessary to establish:

(a) standards of eligibility, utilization of services, and payment levels;

(b) standards for quality assurance, surveillance, and utilization review procedures that conform to those established for the medical assistance program pursuant to chapter 256B, including general criteria and procedures for the identification and prompt investigation of suspected fraud, theft, abuse, presentment of false or duplicate claims, presentment of claims for services not medically necessary, or false statements or representations of material facts by a vendor or recipient of general assistance medical care, and for the imposition of sanctions against such vendor or recipient of medical care. The rules relating to sanctions shall be consistent with the provisions of section 256B.064, subdivisions 1a and 2; and

(c) administrative and fiscal procedures for payment of the state share of the medical costs incurred by the counties under section 256D.02, subdivision 4a. Rules promulgated pursuant to this clause may include: (1) procedures by which state liability for the costs of medical care incurred pursuant to section 256D.02, subdivision 4a may be deducted from county liability to the state under any other public assistance program authorized by law; (2) procedures for processing claims of counties for reimbursement by the state for ex-

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penditures for medical care made by the counties pursuant to section 256D.02, subdivision 4a; and (3) procedures by which the county agencies may contract with the commissioner of human services for state administration of general assistance medical care payments.

Sec. 33. Minnesota Statutes 1996, section 259.71, subdivision 5, is amended to read:

**Subd. 5. MEDICAL ASSISTANCE; DUTIES OF THE COMMISSIONER OF HUMAN SERVICES.** The commissioner of human services shall:

(a) Issue a medical assistance identification card to any child with special needs who is title IV-E eligible, or who is not title IV-E eligible but was determined by another state to have a special need for medical or rehabilitative care, and who is a resident in this state and is the subject of an adoption assistance agreement with another state when a certified copy of the adoption assistance agreement obtained from the adoption assistance state has been filed with the commissioner. The adoptive parents shall be required at least annually to show that the agreement is still in force or has been renewed.

(b) Consider the holder of a medical assistance identification card under this subdivision as any other recipient of medical assistance under chapter 256B; process and make payment on claims for the recipient in the same manner as for other recipients of medical assistance.

(c) Provide coverage and benefits for a child who is title IV-E eligible or who is not title IV-E eligible but was determined to have a special need for medical or rehabilitative care and who is in another state and who is covered by an adoption assistance agreement made by the commissioner for the coverage or benefits, if any, which is not provided by the resident state. The adoptive parents acting for the child may submit evidence of payment for services or benefit amounts not payable in the resident state and shall be reimbursed. However, there shall be no reimbursement for services or benefit amounts covered under any insurance or other third party medical contract or arrangement held by the child or the adoptive parents.

(d) Publish ~~emergency and permanent~~ rules implementing this subdivision. Such rules shall include procedures to be followed in obtaining prior approvals for services which are required for the assistance.

Sec. 34. Minnesota Statutes 1996, section 268.0122, subdivision 5, is amended to read:

**Subd. 5. RULEMAKING.** The commissioner may make ~~emergency and permanent~~ rules to carry out this chapter.

Sec. 35. Minnesota Statutes 1996, section 268.90, subdivision 3, is amended to read:

**Subd. 3. COMMISSIONER OF ECONOMIC SECURITY.** The commissioner shall:

(1) make ~~emergency or permanent~~ rules governing plan content, criteria for approval, and administrative standards;

(2) refer community investment program administrators to the appropriate state agency for technical assistance in developing and administering community investment programs;

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(3) establish the method by which community investment programs will be approved or disapproved through the community investment program plan and the annual update component of the county plan;

(4) review and comment on community investment program plans;

(5) institute ongoing methods to monitor and evaluate community investment programs; and

(6) consult with the commissioner of human services on the approval of county plans for community investment programs relating to the participation of public assistance recipients.

Sec. 36. Minnesota Statutes 1996, section 462A.03, subdivision 10, is amended to read:

Subd. 10. **PERSONS AND FAMILIES OF LOW AND MODERATE INCOME.** "Persons and families of low and moderate income" means persons and families, irrespective of race, creed, national origin, sex, or status with respect to guardianship or conservatorship, determined by the agency to require such assistance as is made available by sections 462A.01 to 462A.24 on account of personal or family income not sufficient to afford adequate housing. In making such determination the agency shall take into account the following: (a) The amount of the total income of such persons and families available for housing needs, (b) the size of the family, (c) the cost and condition of housing facilities available, (d) the eligibility of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing. In the case of federally subsidized mortgages with respect to which income limits have been established by any agency of the federal government having jurisdiction thereover for the purpose of defining eligibility of low and moderate income families, the limits so established shall govern under the provision of sections 462A.01 to 462A.24. In all other cases income limits for the purpose of defining low or moderate income persons shall be established by the agency by emergency or permanent rules.

Presented to the governor March 10, 1997

Signed by the governor March 11, 1997, 10:20 a.m.

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## CHAPTER 8—S.F.No. 274

*An act relating to human service; making void the cap on adoption assistance purchase of service reimbursement.*

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

### Section 1. **LIMIT VOID.**

(a) The \$4,000 reimbursement limit for adoption services, contained in Minnesota Rules, part 9560.0102, subpart 2, item C, is void.

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