

(d) The appropriation in this section is not subject to the review provisions of Minnesota Statutes, section 16B.335, subdivision 1.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective the day following final enactment.

Presented to the governor November 3, 1997

Signed by the governor November 5, 1997, 10:07 a.m.

CHAPTER 3—S.F.No. 12

An act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1996, sections 124.91, subdivision 7; 256B.0627, subdivision 1; and 297A.135; Minnesota Statutes 1997 Supplement, sections 80A.04, subdivision 5; 115.55, subdivision 6; 119B.05, subdivision 7; 144D.01, subdivision 4; 245B.07, subdivisions 5 and 9; 256I.05, subdivision 1d; 273.13, subdivision 25; 297A.44, subdivision 1; 403.02, subdivision 2; 524.3–1201; and 626.556, subdivision 10f; Laws 1997, chapter 143, section 21; chapter 200, article 1, sections 1 and 5, subdivisions 1 and 4, as amended; chapter 203, article 3, sections 18 and 19; chapter 231, article 1, section 16, as amended; and chapter 250, section 18; Laws 1997, First Special Session chapter 4, article 1, section 64; repealing Minnesota Statutes 1997 Supplement, section 168.019.

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

Section 1. CORRECTION.

Subdivision 1. Minnesota Statutes 1997 Supplement, section 403.02, subdivision 2, is amended to read:

Subd. 2. METROPOLITAN AREA. “Metropolitan area” means the metropolitan area as defined in section 473.121, subdivision 2 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Subd. 2. EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. CORRECTION 102. Laws 1997, chapter 250, section 18, is amended to read:

Sec. 18. EFFECTIVE DATE.

Sections 9; 10, subdivisions 5 and 6; 14; and 15 are effective the day following final enactment. Sections 9; 10, subdivisions 1 to 4; 11; 12; 16; and 17 are effective January 1, 1999.

Sec. 3. CORRECTION 103.

Laws 1997, chapter 222, sections 37 to 41, take effect January 1, 1998.

Sec. 4. CORRECTION 104. Minnesota Statutes 1997 Supplement, section 80A.04, subdivision 5, is amended to read:

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

Subd. 5. Except with respect to advisers whose only clients are those described in subdivision 3, ~~clause (2)~~, it is unlawful for a federal covered adviser to conduct advisory business in this state unless the person complies with section 80A.05, subdivision 1a.

Sec. 5. **CORRECTION 105.** Laws 1997, chapter 143, section 21, is amended to read:

Sec. 21. **APPLICATION.**

Section ~~11~~ 17 applies in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

Sec. 6. **CORRECTION 106.** Minnesota Statutes 1997 Supplement, section 144D.01, subdivision 4, is amended to read:

Subd. 4. **HOUSING WITH SERVICES ESTABLISHMENT OR ESTABLISHMENT.** "Housing with services establishment" or "establishment" means an establishment providing sleeping accommodations to one or more adult residents, at least 80 percent of which are 55 years of age or older, and offering or providing, for a fee, one or more regularly scheduled health-related services or two or more regularly scheduled supportive services, whether offered or provided directly by the establishment or by another entity arranged for by the establishment.

Housing with services establishment does not include:

- (1) a nursing home licensed under chapter 144A;
- (2) a hospital, boarding care home, or supervised living facility licensed under sections 144.50 to 144.56;
- (3) a board and lodging establishment licensed under chapter 157 and Minnesota Rules, parts 9520.0500 to 9520.0670, 9525.0215 to 9525.0355, 9525.0500 to 9525.0660, or 9530.4100 to 9530.4450, or under chapter 245B;
- (4) a board and lodging establishment which serves as a shelter for battered women or other similar purpose;
- (5) a family adult foster care home licensed by the department of human services;
- (6) private homes in which the residents are related by kinship, law, or affinity with the providers of services;
- (7) residential settings for persons with mental retardation or related conditions in which the services are licensed under Minnesota Rules, parts 9525.2100 to 9525.2140, or applicable successor rules or laws;
- (8) a home-sharing arrangement such as when an elderly or disabled person or single-parent family makes lodging in a private residence available to another person in exchange for services or rent, or both;
- (9) a duly organized condominium, cooperative, common interest community, or owners' association of the foregoing where at least 80 percent of the units that comprise the condominium, cooperative, or common interest community are occupied by individuals who are the owners, members, or shareholders of the units; or

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(10) services for persons with developmental disabilities that are provided under a license according to Minnesota Rules, parts 9525.2000 to 9525.2140 in effect until January 1, 1998, or under chapter 245B.

Sec. 7. **CORRECTION 107.** Minnesota Statutes 1997 Supplement, section 245B.07, subdivision 5, is amended to read:

Subd. 5. **STAFF ORIENTATION.** (a) Within 60 days of hiring staff who provide direct service, the license holder must provide 30 hours of staff orientation. Direct care staff must complete 15 of the 30 hours orientation before providing any unsupervised direct service to a consumer. If the staff person has received orientation training from a license holder licensed under this chapter, or provides semi-independent living services only, the 15-hour requirement may be reduced to eight hours. The total orientation of 30 hours may be reduced to 15 hours if the staff person has previously received orientation training from a license holder licensed under this chapter.

(b) The 30 hours of orientation must combine supervised on-the-job training with coverage of the following material:

(1) review of the consumer's service plans and risk management plan to achieve an understanding of the consumer as a unique individual;

(2) review and instruction on the license holder's policies and procedures, including their location and access;

(3) emergency procedures;

(4) explanation of specific job functions, including implementing objectives from the consumer's individual service plan;

(5) explanation of responsibilities related to ~~chapter 245C~~ section 245A.65; sections 626.556 and 626.557, governing maltreatment reporting and service planning for children and vulnerable adults; and section 245.825, governing use of aversive and deprivation procedures;

(6) medication administration as it applies to the individual consumer, from a training curriculum developed by a health services professional described in section 245B.05, subdivision 5, and when the consumer meets the criteria of having overriding health care needs, then medication administration taught by a health services professional. Once a consumer with overriding health care needs is admitted, staff will be provided with remedial training as deemed necessary by the license holder and the health professional to meet the needs of that consumer.

For purposes of this section, overriding health care needs means a health care condition that affects the service options available to the consumer because the condition requires:

(i) specialized or intensive medical or nursing supervision; and

(ii) nonmedical service providers to adapt their services to accommodate the health and safety needs of the consumer;

(7) consumer rights; and

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(8) other topics necessary as determined by the consumer's individual service plan or other areas identified by the license holder.

(c) The license holder must document each employee's orientation received.

Sec. 8. **CORRECTION 107A.** Minnesota Statutes 1997 Supplement, section 245B.07, subdivision 9, is amended to read:

Subd. 9. **AVAILABILITY OF CURRENT WRITTEN POLICIES AND PROCEDURES.** The license holder shall:

(1) review and update, as needed, the written policies and procedures in this ~~subdivision~~ chapter and inform all consumers or the consumer's legal representatives, case managers, and employees of the revised policies and procedures when they affect the service provision;

(2) inform consumers or the consumer's legal representatives of the written policies and procedures in this ~~subdivision~~ chapter upon service initiation. Copies must be available to consumers or the consumer's legal representatives, case managers, the county where services are located, and the commissioner upon request; and

(3) document and maintain relevant information related to the policies and procedures in this ~~subdivision~~ chapter.

Sec. 9. **CORRECTION 108.** Minnesota Statutes 1996, section 256B.0627, subdivision 1, is amended to read:

Subdivision 1. **DEFINITION.** (a) "Assessment" means a review and evaluation of a recipient's need for home care services conducted in person. Assessments for private duty nursing shall be conducted by a private duty nurse. Assessments for home health agency services shall be conducted by a home health agency nurse. Assessments for personal care services shall be conducted by the county public health nurse or a certified public health nurse under contract with the county. An initial assessment for personal care services is conducted on individuals who are requesting personal care services or for those consumers who have never had a public health nurse assessment. The initial assessment must include: a face-to-face health status assessment and determination of baseline need, collection of initial case data, identification of appropriate services and service plan development, coordination of initial services, referrals and follow-up to appropriate payers and community resources, completion of required reports, obtaining service authorization, and consumer education. A reassessment visit for personal care services is conducted at least annually or when there is a significant change in consumer condition and need for services. The reassessment visit includes a review of initial baseline data, evaluation of service outcomes, redetermination of service need, modification of service plan and appropriate referrals, update of initial forms, obtaining service authorization, and on going consumer education. Assessments for medical assistance home care services for mental retardation or related conditions and alternative care services for developmentally disabled home and community-based waived recipients may be conducted by the county public health nurse to ensure coordination and avoid duplication. Assessments must be completed on forms provided by the commissioner within 30 days of a request for home care services by a recipient or responsible party.

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(b) "Care plan" means a written description of personal care assistant services developed by the agency nurse with the recipient or responsible party to be used by the personal care assistant with a copy provided to the recipient or responsible party.

(c) "Home care services" means a health service, determined by the commissioner as medically necessary, that is ordered by a physician and documented in a service plan that is reviewed by the physician at least once every 60 days for the provision of home health services, or private duty nursing, or at least once every 365 days for personal care. Home care services are provided to the recipient at the recipient's residence that is a place other than a hospital or long-term care facility or as specified in section 256B.0625.

(d) "Medically necessary" has the meaning given in Minnesota Rules, parts 9505.0170 to 9505.0475.

(e) "Personal care assistant" means a person who: (1) is at least 18 years old, except for persons 16 to 18 years of age who participated in a related school-based job training program or have completed a certified home health aide competency evaluation; (2) is able to effectively communicate with the recipient and personal care provider organization; (3) effective July 1, 1996, has completed one of the training requirements as specified in Minnesota Rules, part 9505.0335, subpart 3, items A to D; (4) has the ability to, and provides covered personal care services according to the recipient's care plan, responds appropriately to recipient needs, and reports changes in the recipient's condition to the supervising registered nurse; (5) is not a consumer of personal care services; and (6) is subject to criminal background checks. An individual who has been convicted of a crime specified in Minnesota Rules, part 4668.0020, subpart 14, or a comparable crime in another jurisdiction is disqualified from being a personal care assistant, unless the individual meets the rehabilitation criteria specified in Minnesota Rules, part 4668.0020, subpart 15.

(f) "Personal care provider organization" means an organization enrolled to provide personal care services under the medical assistance program that complies with the following: (1) owners who have a five percent interest or more, and managerial officials are subject to a background study as provided in section 245A.04. This applies to currently enrolled personal care provider organizations and those agencies seeking enrollment as a personal care provider organization. An organization will be barred from enrollment if an owner or managerial official of the organization has been convicted of a crime specified in Minnesota Rules, part 4668.0020, subpart 14 section 245A.04, or a comparable crime in another jurisdiction, unless the owner or managerial official meets the rehabilitation reconsideration criteria specified in Minnesota Rules, part 4668.0020, subpart 15 section 245A.04; (2) the organization must maintain a surety bond and liability insurance throughout the duration of enrollment and provides proof thereof. The insurer must notify the department of human services of the cancellation or lapse of policy; and (3) the organization must maintain documentation of services as specified in Minnesota Rules, part 9505.2175, subpart 7, as well as evidence of compliance with personal care assistant training requirements.

(g) "Responsible party" means an individual residing with a recipient of personal care services who is capable of providing the supportive care necessary to assist the recipient to live in the community, is at least 18 years old, and is not a personal care assistant. Responsible parties who are parents of minors or guardians of minors or incapacitated

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persons may delegate the responsibility to another adult during a temporary absence of at least 24 hours but not more than six months. The person delegated as a responsible party must be able to meet the definition of responsible party, except that the delegated responsible party is required to reside with the recipient only while serving as the responsible party. Foster care license holders may be designated the responsible party for residents of the foster care home if case management is provided as required in section 256B.0625, subdivision 19a. For persons who, as of April 1, 1992, are sharing personal care services in order to obtain the availability of 24-hour coverage, an employee of the personal care provider organization may be designated as the responsible party if case management is provided as required in section 256B.0625, subdivision 19a.

(h) "Service plan" means a written description of the services needed based on the assessment developed by the nurse who conducts the assessment together with the recipient or responsible party. The service plan shall include a description of the covered home care services, frequency and duration of services, and expected outcomes and goals. The recipient and the provider chosen by the recipient or responsible party must be given a copy of the completed service plan within 30 calendar days of the request for home care services by the recipient or responsible party.

(i) "Skilled nurse visits" are provided in a recipient's residence under a plan of care or service plan that specifies a level of care which the nurse is qualified to provide. These services are:

(1) nursing services according to the written plan of care or service plan and accepted standards of medical and nursing practice in accordance with chapter 148;

(2) services which due to the recipient's medical condition may only be safely and effectively provided by a registered nurse or a licensed practical nurse;

(3) assessments performed only by a registered nurse; and

(4) teaching and training the recipient, the recipient's family, or other caregivers requiring the skills of a registered nurse or licensed practical nurse.

Sec. 10. **CORRECTION 109.** Minnesota Statutes 1997 Supplement, section 626.556, subdivision 10f, is amended to read:

Subd. 10f. **NOTICE OF DETERMINATIONS.** Within ten working days of the conclusion of an assessment, the local welfare agency shall notify the parent or guardian of the child, the person determined to be maltreating the child, and if applicable, the director of the facility, of the determination and a summary of the specific reasons for the determination. The notice must also include a certification that the information collection procedures under subdivision 10, paragraphs (h), (i), and (j), were followed and a notice of the right of a data subject to obtain access to other private data on the subject collected, created, or maintained under this section. In addition, the notice shall include the length of time that the records will be kept under subdivision 11c. When there is no determination of either maltreatment or a need for services, the notice shall also include the alleged perpetrator's right to have the records destroyed. The investigating agency shall notify the designee parent or guardian of the child who is the subject of the report, and any person or facility determined to have maltreated a child, of their appeal rights under this section.

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Sec. 11. **CORRECTION 110.** Laws 1997, chapter 231, article 1, section 16, as amended by Laws 1997, First Special Session chapter 5, section 35, is amended to read:

Sec. 16. PROPERTY TAX REBATE.

(a) A credit is allowed against the tax imposed on an individual under Minnesota Statutes, chapter 290, to an individual, other than as a dependent, as defined in sections 151 and 152 of the Internal Revenue Code, disregarding section 152(b)(3) of the Internal Revenue Code, equal to 20 percent of the qualified property tax paid in calendar year 1997 for taxes assessed in 1996. The credit is allowed only to the individual and spouse, if any, who paid the tax, whether directly, through an escrow arrangement, or under a contractual agreement for the purchase or sale of the property, and without regard to whether the individual qualifies as a claimant under Minnesota Statutes, chapter 290A.

(b) For property owned and occupied by the taxpayer during 1997, qualified tax means property taxes payable as defined in Minnesota Statutes, section 290A.03, subdivision 13, assessed in 1996 and payable in 1997, except the requirement that the taxpayer own and occupy the property on January 2, 1997, does not apply. The credit is allowed only to the individual and spouse, if any, who paid the tax, whether directly, through an escrow arrangement, or under a contractual agreement for the purchase or sale of the property.

(c) For a renter, the qualified property tax means the amount of rent constituting property taxes under Minnesota Statutes, section 290A.03, subdivision 11, based on rent paid in 1997. If two or more renters could be claimants under Minnesota Statutes, chapter 290A with regard to the rent constituting property taxes, the rules under Minnesota Statutes, section 290A.03, subdivision 8, paragraph (f), applies to determine the amount of the credit for the individual.

(d) For an individual who both owned and rented principal residences in calendar year 1997, qualified taxes are the sum of the amounts under paragraphs (a) and (b).

(e) If the amount of the credit under this subdivision exceeds the taxpayer's tax liability under this chapter, the commissioner shall refund the excess.

(f) To claim a credit under this subdivision, the taxpayer must attach a copy of the property tax statement and certificate of rent paid, as applicable, and provide any additional information the commissioner requires.

(g) An amount sufficient to pay refunds under this subdivision is appropriated to the commissioner from the general fund.

(h) This credit applies to taxable years beginning after December 31, 1996, and before January 1, 1998.

(i) Payment of the credit under this section is subject to Minnesota Statutes, chapter 270A, and any other provision applicable to refunds under Minnesota Statutes, chapter 290.

Sec. 12. **CORRECTION 111B.** Minnesota Statutes 1997 Supplement, section 115.55, subdivision 6, is amended to read:

Subd. 6. **DISCLOSURE OF INDIVIDUAL SEWAGE TREATMENT SYSTEM TO BUYER.** (a) Before signing an agreement to sell or transfer real property, the

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seller or transferor must disclose in writing to the buyer or transferee information on how sewage generated at the property is managed. The disclosure must be made by delivering a statement to the buyer or transferee that either:

(1) the sewage goes to a facility permitted by the agency; or

(2) the sewage does not go to a permitted facility, is therefore subject to applicable requirements, and describes the system in use, including the legal description of the property, the county in which the property is located, and a map drawn from available information showing the location of the system on the property to the extent practicable. If the seller or transferor has knowledge that an abandoned individual sewage treatment system exists on the property, the disclosure must include a map showing its location. In the disclosure statement the seller or transferor must indicate whether the individual sewage treatment system is in use and, to the seller's or transferor's knowledge, in compliance with applicable sewage treatment laws and rules.

(b) Unless the buyer or transferee and seller or transferor agree to the contrary in writing before the closing of the sale, a seller or transferor who fails to disclose the existence or known status of an individual sewage treatment system at the time of sale, and who knew or had reason to know of the existence or known status of the system-

(b) A seller or transferor who fails to meet the requirements of this section, is liable to the buyer or transferee for costs relating to bringing the system into compliance with the individual sewage treatment system rules and for reasonable attorney fees for collection of costs from the seller or transferor. An action under this subdivision must be commenced within two years after the date on which the buyer or transferee closed the purchase or transfer of the real property where the system is located.

Sec. 13. **CORRECTION 113.** Minnesota Statutes 1997 Supplement, section 524.3-1201, is amended to read:

524.3-1201 COLLECTION OF PERSONAL PROPERTY BY AFFIDAVIT.

(a) Thirty days after the death of a decedent, (i) any person indebted to the decedent, (ii) any person having possession of tangible personal property or an instrument evidencing a debt, obligation, stock or chose in action belonging to the decedent, or (iii) any safe deposit company, as defined in section 55.01, controlling the right of access to decedent's safe deposit box shall make payment of the indebtedness or deliver the tangible personal property or an instrument evidencing a debt, obligation, stock or chose in action or deliver the entire contents of the safe deposit box to a person claiming to be the successor of the decedent, or a state or county agency with a claim authorized by section 256B.15, upon being presented a certified death certificate of the decedent and an affidavit, in duplicate, made by or on behalf of the successor stating that:

(1) the value of the entire probate estate, wherever located, including specifically any contents of a safe deposit box, less liens and encumbrances, does not exceed \$20,000;

(2) 30 days have elapsed since the death of the decedent or, in the event the property to be delivered is the contents of a safe deposit box, 30 days have elapsed since the filing of an inventory of the contents of the box pursuant to section 55.10, paragraph (h);

(3) no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction;

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(4) if presented, by a state or county agency with a claim authorized by section 256B.15, to a financial institution with a multiple-party account in which the decedent had an interest at the time of death, the amount of the affiant's claim and a good faith estimate of the extent to which the decedent was the source of funds or beneficial owner of the account; and

(5) the claiming successor is entitled to payment or delivery of the property.

(b) A transfer agent of any security shall change the registered ownership on the books of a corporation from the decedent to the successor or successors upon the presentation of an affidavit as provided in subsection (a).

(c) The claiming successor or state or county agency shall disburse the proceeds collected under this section to any person with a superior claim under section 524.2-403 or 524.3-805.

(d) A motor vehicle registrar shall issue a new certificate of title in the name of the successor upon the presentation of an affidavit as provided in subsection (a).

(e) The person controlling access to decedent's safe deposit box need not open the box or deliver the contents of the box if:

(1) the person has received notice of a written or oral objection from any person or has reason to believe that there would be an objection; or

(2) the lessee's key or combination is not available.

Sec. 14. **CORRECTION 116.** Laws 1997, First Special Session chapter 4, article 1, section 64, is amended to read:

Sec. 64. EFFECTIVE DATE.

(a) Sections 2, 11, 29, 30, 32, and 43, 47, and 48 are effective for revenue for fiscal year 1997.

(b) Sections 42 and 45 are effective for fiscal year 1999.

(c) If this act is enacted on or after July 1, 1997, all sections in this article except for those sections listed in paragraphs (a) and (b) are effective the day following final enactment.

Sec. 15. **CORRECTION 119.** Laws 1997, chapter 203, article 3, section 19, is amended to read:

Sec. 19. ICF/MR REIMBURSEMENT OCTOBER 1, 1997, TO OCTOBER 1, 1999.

(a) Notwithstanding any contrary provision in Minnesota Statutes, section 256B.501, for the rate years beginning October 1, 1997, and October 1, 1998, the commissioner of human services shall, for purposes of the spend-up limit, array facilities within each grouping established under Minnesota Statutes, section 256B.501, subdivision 5b, paragraph (d), clause (4), by each facility's cost per resident day. A facility's cost per resident day shall be determined by dividing its allowable historical general operating cost for the reporting year by the facility's resident days for the reporting year. Notwith-

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standing Laws 1996, chapter 451, article 3, section 12, paragraph (c), for purposes of computing the spend-up limits for the rate year beginning October 1, 1997, the facility's prior cost report year's allowable general operating cost base shall be either the facility's allowed general operating costs used to set the payment rate paid for the rate year beginning October 1, 1996, or the general operating cost base determined using Laws 1996, chapter 451, article 3, section 12, paragraph (c), for October 1, 1996, whichever results in the highest payment rate effective October 1, 1997. Facilities with a cost per resident day at or above the median shall be limited to the lesser of:

(1) the current reporting year's cost per resident day; or

(2) the prior report year's cost per resident day plus the inflation factor established under Minnesota Statutes, section 256B.501, subdivision 3c, clause (2), increased by three percentage points.

In no case shall the amount of this reduction exceed: three percent for a facility with a licensed capacity greater than 16 beds; two percent for a facility with a licensed capacity of nine to 16 beds; and one percent for a facility with a licensed capacity of eight or fewer beds.

(b) The commissioner shall not apply the limits established under Minnesota Statutes, section 256B.501, subdivision 5b, paragraph (d), clause (8), for the rate years beginning October 1, 1997, and October 1, 1998.

Sec. 16. **CORRECTION 121.** Laws 1997, chapter 203, article 3, section 18, is amended to read:

Sec. 18. RATE CLARIFICATION.

For the rate years beginning October 1, 1997, and October 1, 1998 of 1997, 1998, 1999, and 2000, the commissioner of human services shall exempt intermediate care facilities for persons with mental retardation (ICF/MR) from reductions to the payment rates under Minnesota Statutes, section 256B.501, subdivision 5b, paragraph (d), clause (6), if the facility:

(1) has had a settle-up payment rate established in the reporting year preceding the rate year for the one-time rate adjustment;

(2) is a newly established facility;

(3) is an A to B conversion that has been converted under Minnesota Statutes, section 252.292, since rate year 1990;

(4) has a payment rate subject to a community conversion project under Minnesota Statutes, section 252.292;

(5) has a payment rate established under Minnesota Statutes, section 245A.12 or 245A.13; or

(6) is a facility created by the relocation of more than 25 percent of the capacity of a related facility during the reporting year.

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Sec. 17. **CORRECTION 122.** Laws 1997, chapter 200, article 1, section 1, is amended to read:

Section 1. ECONOMIC DEVELOPMENT; APPROPRIATIONS.

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1998" and "1999," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1998, or June 30, 1999, respectively. The term "first year" means the fiscal year ending June 30, 1998, and "second year" means the fiscal year ending June 30, 1999.

SUMMARY BY FUND

	1998	1999	TOTAL
General	\$ 195,977,000	\$ 163,741,000	\$ 359,718,000
	\$ 195,962,000	\$ 163,756,000	
Petroleum Tank			
Cleanup	957,000	969,000	1,926,000
Trunk Highway	706,000	723,000	1,429,000
Workers'			
Compensation	23,095,000	23,130,000	46,225,000
Special Revenue	1,120,000	1,125,000	2,245,000
Taconite Environmental			
Protection	1,410,000	-0-	1,410,000
TOTAL	\$ 223,265,000	\$ 189,688,000	\$ 412,953,000
	\$ 223,250,000	\$ 189,703,000	

APPROPRIATIONS
Available for the Year
Ending June 30
1998 1999

Sec. 18. **CORRECTION 122A.** Laws 1997, chapter 200, article 1, section 5, subdivision 1, is amended to read:

Subdivision 1. Total		
Appropriation	42,067,000	34,110,000
	<u>42,052,000</u>	<u>34,125,000</u>
Summary by Fund		
General	41,292,000	33,335,000
	41,277,000	33,350,000
Special Revenue	<u>775,000</u>	<u>775,000</u>

Sec. 19. **CORRECTION 122B.** Laws 1997, chapter 200, article 1, section 5, subdivision 4, as amended by Laws 1997, First Special Session chapter 5, section 22, is amended to read:

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Subd. 4. Workforce Preparation

16,922,000	9,079,000
<u>16,907,000</u>	<u>9,094,000</u>

Summary by Fund

General	16,147,000	8,304,000
	<u>16,132,000</u>	<u>8,319,000</u>
Special Revenue	775,000	775,000

\$775,000 the first year and \$775,000 the second year is for job training programs under Minnesota Statutes, sections 268.60 to 268.64. Notwithstanding Minnesota Statutes, section 268.022, this appropriation is from the workforce investment fund. Of this amount, \$250,000 each year is for grants to the Ramsey county opportunities industrialization center. The grants are to be used to (1) offer prevocational training programs and specific vocational training programs involving intensive English as a second language in instruction, and (2) train for and locate entry level jobs including, without limitation, clerical, building maintenance, manufacturing, home maintenance and repair, and certified nursing assistance.

\$1,815,000 the first year and \$1,817,000 the second year is for displaced homemaker programs under Minnesota Statutes, section 268.96.

\$1,050,000 the first year and \$1,050,000 the second year is for youth intervention programs under Minnesota Statutes, section 268.30. Funding from this appropriation may be used to expand existing programs to serve unmet needs and to create new programs in underserved areas. This appropriation is available until spent.

\$1,500,000 the first year and \$1,500,000 the second year is to supplement the activities of the Job Training Partnership Act Title II-A program as described in United States Code, title 29, sections 1501 to 1792. The commissioner may use up to five percent of this amount of state operations. The balance of the amount is for services to temporary assistance for needy families (TANF) recipients.

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This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001.

\$75,000 the first year is for the PLATO education partnership pilot program. If the commissioner favorably evaluates the demonstration implementation of PLATO in Fairmont and Owatonna, the commissioner shall select two other communities in which PLATO will be implemented. Of this amount, not more than \$10 is for the demonstration implementations. This appropriation is available until June 30, 1999. This is a one-time appropriation and may not be included in the agency's budget base for the biennium ending June 30, 2001.

\$250,000 the first year and \$250,000 the second year is for the learn to earn summer youth employment program established under Laws 1995, chapter 224, sections 5 and 39. This appropriation is available until spent.

\$10,000 the first year and \$10,000 the second year are for one-time grants to independent school district No. 2752, Fairmont, for community initiatives.

Of the money appropriated for the summer youth program for the first year, \$750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appropriated. In addition to the base appropriation, \$6,000,000 the first year is for the summer youth program. If the appropriation in either year is insufficient, the appropriation for the other year is available.

\$700,000 the first year and \$700,000 the second year is for the Youthbuild program under Minnesota Statutes, sections 268.361 to 268.366. A Minnesota YOUTHBUILD program funded under this section as authorized in Minnesota Statutes, sections 268.361 to 268.367, qualifies as an approved training program under Minnesota Rules, part 5200.0930, subpart 1.

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\$250,000 the first year is for a one-time grant to the displaced homemaker program in the department of economic security and \$125,000 the first year and \$125,000 the second year are for one-time grants to the St. Paul district 5 planning council. These grants are to operate a community work empowerment support group demonstration project. A project consists of empowerment groups of individuals that are in the process of obtaining or have obtained jobs, including those in the welfare-to-work programs, or are working out problems of attaining self-sufficiency. The groups must separately meet at least monthly for at least two hours. Each group meeting must include empowerment mentors whose responsibility will be to conduct the meeting. Group members must be paid at least \$20 for each meeting attended. The sites will report to the commissioner on a semiannual basis regarding the progress achieved at the meetings. The purpose of the group is to:

- (1) share information among group members as to the successes and problems encountered in the individual's employment goals;
- (2) provide a forum for individuals involved in moving to self-sufficiency to share their experiences and strategies and to support and empower each other; and
- (3) to provide feedback to the commissioner concerning the best strategies to achieve the empowerment support group's objectives.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund \$3,500,000 in the first year and \$3,500,000 in the second year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

\$15,000 the first year and \$15,000 the second year is for a grant to the city of Champlin for creating and expanding curfew enforcement. The program must have clearly estab-

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lished neighborhood, community, and family measures of success and must report to the commissioner of economic security on the achievement of these outcomes on or before June 30, 1998.

\$250,000 the first year is for a one-time grant to Ramsey county to expand the sister-to-sister mentoring, support, and training network program countywide. This appropriation is in addition to money appropriated under Minnesota Statutes, sections 256J.62 and 256J.76.

\$500,000 is for a grant to the center for victims of torture to design and develop training to educate health care and human service workers on levels of sensitive care and how to make referrals and to establish a network of care providers to do pro bono care for torture survivors so as to enable a rapid integration into communities and labor markets by torture victims. This is a one-time appropriation requiring a one-to-one nonstate, in-kind match, and is available until expended.

Sec. 20. **CORRECTION 301.** Minnesota Statutes 1997 Supplement, section 256I.05, subdivision 1d, is amended to read:

Subd. 1d. SUPPLEMENTARY SERVICE RATES FOR CERTAIN FACILITIES SERVING PERSONS WITH MENTAL ILLNESS OR CHEMICAL DEPENDENCY. Notwithstanding the provisions of subdivisions 1a and 1c for the fiscal year ending June 30, 1998, a county agency may negotiate a supplementary service rate in addition to the board and lodging rate for facilities licensed and registered by the Minnesota department of health under section 157.17 prior to December 31, 1994 1996, if the facility meets the following criteria:

- (1) at least 75 percent of the residents have a primary diagnosis of mental illness, chemical dependency, or both, and have related special needs;
- (2) the facility provides 24-hour, on-site, year-round supportive services by qualified staff capable of intervention in a crisis of persons with late-state inebriety or mental illness who are vulnerable to abuse or neglect;
- (3) the services at the facility include, but are not limited to:
 - (i) secure central storage of medication;
 - (ii) reminders and monitoring of medication for self-administration;
 - (iii) support for developing an individual medical and social service plan, updating the plan, and monitoring compliance with the plan; and

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(iv) assistance with setting up meetings, appointments, and transportation to access medical, chemical health, and mental health service providers;

(4) each resident has a documented need for at least one of the services provided;

(5) each resident has been offered an opportunity to apply for admission to a licensed residential treatment program for mental illness, chemical dependency, or both, have refused that offer, and the offer and their refusal has been documented to writing; and

(6) the residents are not eligible for home and community-based services waivers because of their unique need for community support.

The total supplementary service rate must not exceed \$575.

Sec. 21. **CORRECTION 303.** Laws 1997, chapter 200, article 1, section 5, subdivision 4, as amended by Laws 1997, First Special Session chapter 5, section 22, is amended to read:

Subd. 4. Workforce Preparation

16,922,000	9,079,000
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Summary by Fund

General	16,147,000	8,304,000
Special Revenue	775,000	775,000

\$775,000 the first year and \$775,000 the second year is for job training programs under Minnesota Statutes, sections 268.60 to 268.64. Notwithstanding Minnesota Statutes, section 268.022, this appropriation is from the workforce investment fund. Of this amount, \$250,000 each year is for grants to the Ramsey county opportunities industrialization center. The grants are to be used to (1) offer prevocational training programs and specific vocational training programs involving intensive English as a second language in instruction, and (2) train for and locate entry level jobs including, without limitation, clerical, building maintenance, manufacturing, home maintenance and repair, and certified nursing assistance.

\$1,815,000 the first year and \$1,817,000 the second year is for displaced homemaker programs under Minnesota Statutes, section 268.96.

\$1,050,000 the first year and \$1,050,000 the second year is for youth intervention programs under Minnesota Statutes, section

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268.30. Funding from this appropriation may be used to expand existing programs to serve unmet needs and to create new programs in underserved areas. This appropriation is available until spent.

\$1,500,000 the first year and \$1,500,000 the second year is to supplement the activities of the Job Training Partnership Act Title II-A program as described in United States Code, title 29, sections 1501 to 1792. The commissioner may use up to five percent of this amount of state operations. The balance of the amount is for services to temporary assistance for needy families (TANF) recipients. This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001.

\$75,000 the first year is for the PLATO education partnership pilot program. If the commissioner favorably evaluates the demonstration implementation of PLATO in Fairmont and Owatonna, the commissioner shall select two other communities in which PLATO will be implemented. Of this amount, not more than \$10 is for the demonstration implementations. This appropriation is available until June 30, 1999. This is a one-time appropriation and may not be included in the agency's budget base for the biennium ending June 30, 2001.

\$250,000 the first year and \$250,000 the second year is for the learn to earn summer youth employment program established under Laws 1995, chapter 224, sections 5 and 39. This appropriation is available until spent.

\$10,000 the first year and \$10,000 the second year are for one-time grants to independent school district No. 2752, Fairmont, for community initiatives.

Of the money appropriated for the summer youth program for the first year, \$750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appro-

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priated. In addition to the base appropriation, \$6,000,000 the first year is for the summer youth program. If the appropriation in either year is insufficient, the appropriation for the other year is available.

\$700,000 the first year and \$700,000 the second year is for the Youthbuild program under Minnesota Statutes, sections 268.361 to 268.366. A Minnesota YOUTHBUILD program funded under this section as authorized in Minnesota Statutes, sections 268.361 to 268.367, qualifies as an approved training program under Minnesota Rules, part 5200.0930, subpart 1.

\$250,000 the first year is for a one-time grant to the displaced homemaker program in the department of economic security and \$125,000 the first year and \$125,000 the second year are for one-time grants to the St. Paul district 5 planning council. These grants are to operate a community work empowerment support group demonstration project. A project consists of empowerment groups of individuals that are in the process of obtaining or have obtained jobs, including those in the welfare-to-work programs, or are working out problems of attaining self-sufficiency. The groups must separately meet at least monthly for at least two hours. Each group meeting must include empowerment mentors whose responsibility will be to conduct the meeting. Group members must be paid at least \$20 for each meeting attended. The sites will report to the commissioner on a semiannual basis regarding the progress achieved at the meetings. The purpose of the group is to:

- (1) share information among group members as to the successes and problems encountered in the individual's employment goals;
- (2) provide a forum for individuals involved in moving to self-sufficiency to share their experiences and strategies and to support and empower each other; and

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(3) to provide feedback to the commissioner concerning the best strategies to achieve the empowerment support group's objectives.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund \$3,500,000 in the first year and \$3,500,000 in the second year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

\$15,000 the first year and \$15,000 the second year is for a grant to the city of Champlin for creating and expanding curfew enforcement. The program must have clearly established neighborhood, community, and family measures of success and must report to the commissioner of economic security on the achievement of these outcomes on or before June 30, 1998.

\$250,000 the first year is for a one-time grant to Ramsey county to expand the sister-to-sister mentoring, support, and training network program countywide. This appropriation is in addition to money appropriated under Minnesota Statutes, sections 256J.62 and 256J.76. This appropriation is available until June 30, 1999.

\$500,000 is for a grant to the center for victims of torture to design and develop training to educate health care and human service workers on levels of sensitive care and how to make referrals and to establish a network of care providers to do pro bono care for torture survivors so as to enable a rapid integration into communities and labor markets by torture victims. This is a one-time appropriation requiring a one-to-one nonstate, in-kind match, and is available until expended.

Sec. 22. **CORRECTION 304.** Minnesota Statutes 1997 Supplement, section 119B.05, subdivision 7, is amended to read:

Subd. 7. **CHILD CARE ASSISTANCE DIVERSION.** A one-year program is established to provide assistance to participants under the working family assistance MFIP-S program established in chapter 256J who are participating in an authorized ac-

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tivity under section ~~256J.03~~, subdivision 4 256J.49, subdivision 5, or 256J.52, subdivision 5, and who are eligible for child care assistance according to chapter 119B as a reimbursement for expenses related to the costs of education, training, or transportation when all of the following conditions exist:

- (1) child care needs during participation in the authorized activity are being met by a legal child care provider as defined in section 119B.01, subdivision 13;
- (2) the participant cannot reasonably arrange for the education, training, or transportation costs to be met through alternate arrangements;
- (3) the child care arrangement provides a transition to a stable child care and employment arrangement and does not disrupt the continuity of care for children; and
- (4) the arrangement does not exceed two months.

The commissioner shall select one county in the seven-county metropolitan area to participate in the program. Assistance must be available only to residents of the selected county. Assistance granted under this subdivision must not exceed 1/12 of the average annual cost of care as established for the administering county in the previous state fiscal year for each authorized month. Assistance under this subdivision is available to a recipient on a one-time basis.

Sec. 23. **CORRECTION 305.** Minnesota Statutes 1996, section 297A.135, is amended to read:

297A.135 RENTAL MOTOR VEHICLE TAX.

Subdivision 1. TAX IMPOSED. A tax is imposed on the lease or rental in this state for not more than 28 days of a passenger automobile as defined in section 168.011, subdivision 7, a van as defined in section 168.011, subdivision 28, or a pickup truck as defined in section 168.011, subdivision 29. ~~A van designed or adapted primarily for transporting property rather than passengers is exempt from the tax imposed under this section.~~ The tax is imposed at the rate of 6.2 percent of the sales price as defined for the purpose of imposing the sales and use tax in this chapter. ~~The tax does not apply to the lease or rental of a hearse or limousine used in connection with a burial or funeral service.~~ It applies whether or not the vehicle is licensed in the state.

Subd. 1a. FEE IMPOSED. A fee equal to three percent of the sales price is imposed on leases or rentals of vehicles subject to the tax under subdivision 1. The lessor on the invoice to the customer may designate the fee as "a fee imposed by the State of Minnesota for the registration of rental cars."

Subd. 2. SALES AND USE TAX. ~~The tax imposed in subdivision 1 is and the fee imposed in subdivision 1a are not included in the sales price for purposes of determining the sales and use tax imposed in this chapter or any sales and use tax imposed on the transaction under a special law.~~

Subd. 3. ADMINISTRATION. ~~The tax imposed in subdivision 1 must be reported and paid to the commissioner of revenue with the taxes imposed in this chapter. It is The tax imposed in subdivision 1 and the fee imposed in subdivision 1a are subject to the same interest, penalty, and other provisions provided for sales and use taxes under chapter 289A and this chapter. The commissioner has the same powers to assess and collect the~~

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tax and fee that are given the commissioner in chapters 270 and 289A and this chapter to assess and collect sales and use tax.

Subd. 4. **EXEMPTION.** The tax and the fee imposed by this section does do not apply to a lease or rental if the of (1) a vehicle is to be used by the lessee to provide a licensed taxi service; (2) a hearse or limousine used in connection with a burial or funeral service; or (3) a van designed or adapted primarily for transporting property rather than passengers.

Subd. 5. **PAYMENT OF EXCESS FEES.** On the first sales tax return due following the end of a calendar year during which a lessor has imposed a fee under subdivision 1a, the lessor shall report to the commissioner of revenue, in the form required by the commissioner, the amount of the fee collected and the amount of motor vehicle registration taxes paid under chapter 168. If the amount of the fee collected during the previous year exceeds the amount of motor vehicle registration taxes paid under chapter 168 during the previous year, the lessor shall remit the excess to the commissioner of revenue at the time the report is submitted.

Sec. 24. **CORRECTION 305A.** Minnesota Statutes 1997 Supplement, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b) ~~and (e)~~ to (d), all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic account in the special revenue fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (k), clauses (1) and (2), must be deposited by the commissioner in the state treasury, and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

(d) The revenues, including interest and penalties, collected under section 297A.135, subdivision 5, shall be deposited by the commissioner in the state treasury and credited to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.135, subdivision 5, for the previous calendar year.

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Sec. 25. CORRECTION 305B. REPEALER.

Minnesota Statutes 1997 Supplement, section 168.019, is repealed.

Sec. 26. CORRECTION 305C. EFFECTIVE DATE.

Sections 23 to 25 are effective for leases or rentals occurring on or after August 1, 1997.

Sec. 27. CORRECTION 307. Subdivision 1. Minnesota Statutes 1996, section 124.91, subdivision 7, is amended to read:

Subd. 7. LEASE PURCHASE, INSTALLMENT BUYS. (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs (a) and (b), a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law. An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or land shall include personal property.

Subd. 2. EFFECTIVE DATE. This section is effective retroactively from July 1, 1997.

Sec. 28. CORRECTION 308. Subdivision 1. Minnesota Statutes 1997 Supplement, section 273.13, subdivision 25, is amended to read:

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Subd. 25. **CLASS 4.** (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property in a city with a population of 5,000 or less, that is (1) located outside of the metropolitan area, as defined in section 473.121, subdivision 2, or outside any county contiguous to the metropolitan area, and (2) whose city boundary is at least 15 miles from the boundary of any city with a population greater than 5,000 has a class rate of 2.3 percent of market value. All other class 4a property has a class rate of 2.9 percent of market value. For purposes of this paragraph, population has the same meaning given in section 477A.011, subdivision 3.

(b) Class 4b includes:

(1) residential real estate containing less than four units that does not qualify as class 4bb, other than seasonal residential, and recreational;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b) containing two or three units;

(4) unimproved property that is classified residential as determined under section 273.13, subdivision 33.

Class 4b property has a class rate of 2.1 percent of market value.

(c) Class 4bb includes:

(1) nonhomestead residential real estate containing one unit, other than seasonal residential, and recreational; and

(2) a single family dwelling, garage, and surrounding one acre of property on a non-homestead farm classified under subdivision 23, paragraph (b).

Class 4bb has a class rate of 1.9 percent on the first \$75,000 of market value and a class rate of 2.1 percent of its market value that exceeds \$75,000.

Property that has been classified as seasonal recreational residential property at any time during which it has been owned by the current owner or spouse of the current owner does not qualify for class 4bb.

(d) Class 4c property includes:

(1) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used for residential occupancy, and a fee is charged for residential occupancy. In order for a property to be classified as class 4c, seasonal recreational residential for commercial purposes, at least 40 per-

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cent of the annual gross lodging receipts related to the property must be from business conducted between Memorial Day weekend and Labor Day weekend and at least 60 percent of all bookings by lodging guests during the year must be for periods of at least two consecutive nights. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause also includes the remainder of class 1c resorts. Owners of real property devoted to temporary and seasonal residential occupancy for recreation purposes and all or a portion of which was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c or 4c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located will be designated class 1c or 4c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The owner of property desiring designation as class 1c or 4c property must provide guest registers or other records demonstrating that the units for which class 1c or 4c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, and (4) other non-residential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes shall not qualify for class 1c or 4c;

(2) qualified property used as a golf course if:

(i) any portion of the property is located within a county that has a population of less than 50,000, or within a county containing a golf course owned by a municipality ~~or~~, the county, or a special taxing district;

(ii) it is open to the public on a daily fee basis. It may charge membership fees or dues, but a membership fee may not be required in order to use the property for golfing, and its green fees for golfing must be comparable to green fees typically charged by municipal courses; and

(iii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with the golf course is classified as class 3a property.

(3) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through De-

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ember 31, 1990. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity;

(4) post-secondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus; and

(5) manufactured home parks as defined in section 327.14, subdivision 3.

Class 4c property has a class rate of 2.1 percent of market value, except that (i) for each parcel of seasonal residential recreational property not used for commercial purposes the first \$75,000 of market value has a class rate of 1.4 percent, and the market value that exceeds \$75,000 has a class rate of 2.5 percent, and (ii) manufactured home parks assessed under clause (5) have a class rate of two percent.

(e) Class 4d property is qualifying low-income rental housing certified to the assessor by the housing finance agency under sections 273.126 and 462A.071. Class 4d includes land in proportion to the total market value of the building that is qualifying low-income rental housing. For all properties qualifying as class 4d, the market value determined by the assessor must be based on the normal approach to value using unrestricted rents.

Class 4d property has a class rate of one percent of market value.

(f) Class 4e property consists of the residential portion of any structure located within a city that was converted from nonresidential use to residential use, provided that:

- (1) the structure had formerly been used as a warehouse;
- (2) the structure was originally constructed prior to 1940;
- (3) the conversion was done after December 31, 1995, but before January 1, 2003; and
- (4) the conversion involved an investment of at least \$25,000 per residential unit.

Class 4e property has a class rate of 2.3 percent, provided that a structure is eligible for class 4e classification only in the 12 assessment years immediately following the conversion.

Subd. 2. EFFECTIVE DATE. This section is effective for taxes levied in 1997, payable in 1998, and thereafter.

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

Sec. 29. **EFFECTIVE DATE.**

Unless provided otherwise, each section of this act takes effect at the time that the provision of law enacted in 1997 that it amends, cites, or refers to takes effect.

Presented to the governor November 3, 1997

Signed by the governor November 5, 1997, 10:30 a.m.

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