

Sec. 4 5. EFFECTIVE DATE.

Sections 1 to 3 and 2 are effective, without local approval, July 1, 1997. Sections 3 and 4 are effective without local approval on the day following final enactment.

Presented to the governor March 10, 2000

Signed by the governor March 14, 2000, 3:45 p.m.

CHAPTER 260—H.F.No. 2749

An act relating to legislation; 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erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1998, sections 13.551, subdivision 1; 15.0591, subdivision 2; 15A.086; 17.101, subdivision 1; 43A.18, subdivision 4a; 47.58, subdivision 8; 60A.74, subdivision 6; 60H.05, subdivision 6; 103I.005, subdivision 22; 116J.966, subdivision 1; 136A.29, subdivision 19; 145.698, subdivision 1; 146.23, subdivision 6; 148.7805, subdivision 1; 204C.04, subdivision 2; 245A.04, subdivision 3; 256B.031, subdivision 2; 257.34, subdivision 1; 270.101, subdivision 1; 273.1398, subdivision 1; 275.065, subdivision 3a; 275.16; 281.21; 281.22; 287.28; 290.0802, subdivision 2; 299A.02; 319B.02, subdivision 13; 325D.33, subdivision 8; 325D.415; 352D.02, subdivision 1; 429.091, subdivision 8; 430.12; 459.35; 469.036; 469.040, subdivision 4; 469.063; 469.116, subdivision 8; 469.1733, subdivision 1; 469.178, subdivision 6; 469.203, subdivision 4; 473.3994, subdivision 13; 475.77; 574.03; and 611A.43; Minnesota Statutes 1999 Supplement, sections 3.739, subdivision 1; 10A.01, subdivisions 1 and 35; 13.99, subdivision 11; 16E.02, subdivision 2; 85.41, subdivision 1; 116J.70, subdivision 2a; 119A.04, subdivision 1; 119B.011, subdivision 15; 144A.46, subdivision 2; 147.09; 148.96, subdivision 3; 243.166, subdivision 1; 259.47, subdivision 8; 260B.007, subdivision 20; 260C.007, subdivision 19; 260C.163, subdivision 11; 260C.176, subdivisions 1 and 2; 260C.178, subdivision 3; 260C.181, subdivision 2; 260C.201, subdivision 11; 260C.213, subdivision 1; 287.29, subdivision 1; 290.01, subdivision 19b; 465.797, subdivision 1; 504B.161, subdivision 1; 504B.181, subdivision 5; 515B.1-102; 515B.1-103; 515B.2-105; 515B.3-105; 515B.3-115; 515B.3-116; 515B.4-106; 515B.4-107; and 518.57, subdivision 3; Laws 1997, chapter 150, section 1; and Laws 1999, chapter 110, section 22; chapter 139, article 4, section 3; chapter 159, sections 2, 86, and 154; and chapter 205, article 1, section 1; repealing Minnesota Statutes 1998, sections 281.20; 421.11; 421.12; 421.13; 421.14; and 462A.21, subdivision 19; Minnesota Statutes 1999 Supplement, section 260C.401; Laws 1987, chapter 186, section 11; Laws 1989, chapter 282, article 5, section 45; Laws 1991, chapter 286, section 2; Laws 1994, chapter 572, section 6; Laws 1995, chapter 207, article 4, section 21, subdivision 4; Laws 1996, chapter 412, article 4, section 25; Laws 1997, chapter 85, article 3, section 18; article 4, section 20; chapter 187, article 1, section 4; chapter 203, article 11, section 3; chapter 217, article 1, section 89; Laws 1998, chapter 407, article 6, section 9; Laws 1999, chapter 154, section 3; chapter 159, sections 6, 18, 49, 90, 110, 112, and 113; chapter 177, sections 56 and 58; and chapter 216, article 2, section 5.

REVISOR'S BILL

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

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Section 1. Minnesota Statutes 1999 Supplement, section 3.739, subdivision 1, is amended to read:

Subdivision 1. **PERMISSIBLE CLAIMS.** Claims and demands arising out of the circumstances described in this subdivision shall be presented to, heard, and determined as provided in subdivision 2:

(1) an injury to or death of an inmate of a state, regional, or local correctional facility or county jail who has been conditionally released and ordered to perform compensated or uncompensated work for a state agency, a political subdivision or public corporation of this state, a nonprofit educational, medical, or social service agency, or a private business or individual, as a condition of the release, while performing the work;

(2) an injury to or death of a person sentenced by a court, granted a suspended sentence by a court, or subject to a court disposition order, and who, under court order, is performing work (a) in restitution, (b) in lieu of or to work off fines or court ordered costs, (c) in lieu of incarceration, or (d) as a term or condition of a sentence, suspended sentence, or disposition order, while performing the work;

(3) an injury to or death of a person, who has been diverted from the court system and who is performing work as described in paragraph (1) or (2) under a written agreement signed by the person, and if a juvenile, by a parent or guardian; and

(4) an injury to or death of any person caused by an individual who was performing work as described in paragraph (1), (2), or (3); ~~or~~

(5) ~~necessary medical care of offenders sentenced to the Camp Ripley work program described in section 241.277.~~

Sec. 2. Minnesota Statutes 1999 Supplement, section 10A.01, subdivision 1, is amended to read:

Subdivision 1. **APPLICATION.** For the purposes of sections 10A.01 to 10A.34 ~~this chapter~~, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Sec. 3. Minnesota Statutes 1999 Supplement, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **PUBLIC OFFICIAL.** "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the office of senate counsel and research or house research;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

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(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules, or the power to adjudicate contested cases or appeals;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules or adjudicate contested cases;

(8) executive director of the state board of investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the workers' compensation court of appeals;

(11) administrative law judge or compensation judge in the state office of administrative hearings or referee in the department of economic security;

(12) member, regional administrator, division director, general counsel, or operations manager of the metropolitan council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the division of alcohol and gambling enforcement in the department of public safety;

(15) member or executive director of the higher education facilities authority;

(16) member of the board of directors or president of the Minnesota world trade center corporation or Minnesota Technology, Inc.; or

(17) member of the board of directors or executive director of the Minnesota state high school league.

Sec. 4. Minnesota Statutes 1998, section 13.551, subdivision 1, is amended to read:

Subdivision 1. **SAINT PAUL PORT AUTHORITY.** The following data not on individuals collected and maintained by the Saint Paul port authority are classified as protected nonpublic, until 30 days before the date of a hearing on a proposed sale pursuant to section 469.065: financial studies and reports that are part of appraisers' estimates of value of or concerning projects as defined in chapter 474 469, prepared by personnel of the port authority or independent accountants, consultants, and appraisers for the purpose of marketing by sale or lease a project which the port authority has acquired or repossessed as the result of the default under and the termination of a revenue agreement as defined in chapter 474 469.

Sec. 5. Minnesota Statutes 1999 Supplement, section 13.99, subdivision 11, is amended to read:

Subd. 11. **WORLD TRADE CENTER.** Certain data received or developed by the governing board of commissioner of trade and economic development with respect

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to the Minnesota world trade center ~~corporation~~ are classified in section 44A.08 116J.9665, subdivision 7.

Sec. 6. Minnesota Statutes 1998, 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;
- (7) consumer advisory council on vocational rehabilitation;
- (8) council on disability;
- (9) council on affairs of 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) nursing board;
- (22) optometry board;
- (23) pharmacy board;
- (24) board of physical therapists council therapy;
- (25) podiatry board;
- (26) psychology board;

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(27) veterans advisory committee.

Sec. 7. Minnesota Statutes 1998, section 15A.086, is amended to read:

15A.086 LIMITS ON BONUS PAYMENTS.

Notwithstanding any law to the contrary, an employee of the state lottery or of a public corporation or nonprofit corporation created by law may not receive bonus payments in any year that exceed ten percent of the employee's base salary for that year. For purposes of this section, bonus payments include any combination of merit pay, achievement awards, or any other cash payments in addition to base salary, other than severance pay or overtime or holiday pay. Groups covered by this section include, but are not limited to, the Workers' Compensation Reinsurance Association, the Minnesota Insurance Guaranty Association, the Fair plan, the Joint Underwriters Association, the Minnesota Joint Underwriters Association, the Life and Health Guaranty Association, the Minnesota Comprehensive Health Association, the Minnesota State High School League, Minnesota Technology, Inc., Agricultural Utilization Research Institute, Minnesota Project Outreach Corporation, State Fund Mutual Insurance Company, the ~~World Trade Center Corporation~~, and the State Agricultural Society. This section does not give any entity authority to grant a bonus not otherwise authorized by law.

Sec. 8. Minnesota Statutes 1999 Supplement, section 16E.02, subdivision 2, is amended to read:

Subd. 2. **INTERGOVERNMENTAL PARTICIPATION.** The commissioner of administration or the commissioner's designee shall serve as a member of the Minnesota education telecommunications council, the geographic information systems council, the library planning task force, or their respective successor organizations, and as a member of Minnesota Technology, Inc., and the Minnesota health data institute as a nonvoting member, and ~~the Minnesota world trade center corporation.~~

Sec. 9. Minnesota Statutes 1998, section 17.101, subdivision 1, is amended to read:

Subdivision 1. **DEPARTMENTAL DUTIES.** For the purposes of expanding, improving, and developing production and marketing of products of Minnesota agriculture, the commissioner shall encourage and promote the production and marketing of these products by means of:

- (a) advertising Minnesota agricultural products;
- (b) assisting state agricultural commodity organizations;
- (c) developing methods to increase processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;
- (d) investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;

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- (e) evaluating livestock marketing opportunities;
- (f) assessing and developing national and international markets for Minnesota agricultural products;
- (g) studying the conversion of raw agricultural products to manufactured products including ethanol;
- (h) hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;
- (i) assisting Minnesota agricultural businesses desiring to sell their products;
- (j) conducting research to eliminate or reduce specific production or technological barriers to market development and trade; and
- (k) other activities the commissioner deems appropriate to promote Minnesota agricultural products, provided that the activities do not duplicate programs or services provided by the Minnesota trade division or the Minnesota world trade center corporation.

Sec. 10. Minnesota Statutes 1998, section 43A.18, subdivision 4a, is amended to read:

Subd. 4a. **COMPENSATION REPORTS.** On July 1 of each odd-numbered year the state agricultural society, the World Trade Center corporation board of directors, the Minnesota Technology, Inc. board of directors, and the governing board of the Minnesota state high school league shall each submit a report to the legislative commission on employee relations on the total compensation plan for their employees.

Sec. 11. Minnesota Statutes 1998, section 47.58, subdivision 8, is amended to read:

Subd. 8. **COUNSELING; REQUIREMENT; PENALTY.** A lender, mortgage banking company, or other mortgage lender not related to the mortgagor must keep a certificate on file documenting that the borrower, prior to entering into the reverse mortgage loan, received counseling as defined in this subdivision from an organization that meets the requirements of section ~~462A.28, subdivision 1,~~ 462A.209 and is a housing counseling agency approved by the Department of Housing and Urban Development. The certificate must be signed by the mortgagor and the counselor and include the date of the counseling, the name, address, and telephone number of both the mortgagor and the organization providing counseling. A failure by the lender to comply with this subdivision results in a \$1,000 civil penalty payable to the mortgagor. For the purposes of this subdivision, "counseling" means the following services are provided to the borrower:

- (1) a review of the advantages and disadvantages of reverse mortgage programs;
- (2) an explanation of how the reverse mortgage affects the borrower's estate and public benefits;
- (3) an explanation of the lending process;

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- (4) a discussion of the borrower's supplemental income needs; and
- (5) an opportunity to ask questions of the counselor.

Sec. 12. Minnesota Statutes 1998, section 60A.74, subdivision 6, is amended to read:

Subd. 6. **RESTRICTION ON BOARD APPOINTMENTS.** A reinsurer shall not appoint to its board of directors, any officer, director, employee, controlling shareholder, or subproducer of its RM. This subdivision does not apply to relationships governed by chapter 60D or, if applicable, the Business Transacted With Producer Controlled Property/Casualty Insurer Act, sections 60J.06 to 60J.11.

Sec. 13. Minnesota Statutes 1998, section 60H.05, subdivision 6, is amended to read:

Subd. 6. **PROHIBITED APPOINTMENTS.** An insurer shall not appoint to its board of directors an officer, director, employee, subagent, or controlling shareholder of its managing general agents. This section does not apply to relationships governed by the Insurance Holding Company Act, chapter 60D, or, if applicable, the Business Transacted With Producer Controlled Insurer Act, chapter 60J.

Sec. 14. Minnesota Statutes 1999 Supplement, section 85.41, subdivision 1, is amended to read:

Subdivision 1. **ON PERSON.** While skiing on cross-country ski trails, a person age 16 ~~and~~ or over shall carry in immediate possession a valid, signed cross-country ski pass. A landowner who grants an easement for a grant-in-aid ski trail is not required to have a pass when skiing on the landowner's property.

Sec. 15. Minnesota Statutes 1998, section 103I.005, subdivision 22, is amended to read:

Subd. 22. **WELL DISCLOSURE CERTIFICATE.** "Well disclosure certificate" means a certificate containing the requirements of section 103I.235, subdivision 1, paragraph ~~(e)~~ (k).

Sec. 16. Minnesota Statutes 1999 Supplement, section 116J.70, subdivision 2a, is amended to read:

Subd. 2a. **LICENSE; EXCEPTIONS.** "Business license" or "license" does not include the following:

- (1) any occupational license or registration issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;
- (2) any license issued by a county, home rule charter city, statutory city, township, or other political subdivision;
- (3) any license required to practice the following occupation regulated by the following sections:

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- (i) abstracters regulated pursuant to chapter 386;
- (ii) accountants regulated pursuant to chapter 326;
- (iii) adjusters regulated pursuant to chapter 72B;
- (iv) architects regulated pursuant to chapter 326;
- (v) assessors regulated pursuant to chapter 270;
- (vi) athletic trainers regulated pursuant to chapter 148;
- (vii) attorneys regulated pursuant to chapter 481;
- (viii) auctioneers regulated pursuant to chapter 330;
- (ix) barbers regulated pursuant to chapter 154;
- (x) beauticians regulated pursuant to chapter 155A;
- (xi) boiler operators regulated pursuant to chapter 183;
- (xii) chiropractors regulated pursuant to chapter 148;
- (xiii) collection agencies regulated pursuant to chapter 332;
- (xiv) cosmetologists regulated pursuant to chapter 155A;
- (xv) dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;
- (xvi) detectives regulated pursuant to chapter 326;
- (xvii) electricians regulated pursuant to chapter 326;
- (xviii) mortuary science practitioners regulated pursuant to chapter 149A;
- (xix) engineers regulated pursuant to chapter 326;
- (xx) insurance brokers and salespersons regulated pursuant to chapter 60A;
- (xxi) certified interior designers regulated pursuant to chapter 326;
- (xxii) midwives regulated pursuant to chapter 148 147D;
- (xxiii) nursing home administrators regulated pursuant to chapter 144A;
- (xxiv) optometrists regulated pursuant to chapter 148;
- (xxv) osteopathic physicians regulated pursuant to chapter 147;
- (xxvi) pharmacists regulated pursuant to chapter 151;
- (xxvii) physical therapists regulated pursuant to chapter 148;
- (xxviii) physician assistants regulated pursuant to chapter 147A;
- (xxix) physicians and surgeons regulated pursuant to chapter 147;
- (xxx) plumbers regulated pursuant to chapter 326;
- (xxx1) podiatrists regulated pursuant to chapter 153;

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- (xxxii) practical nurses regulated pursuant to chapter 148;
- (xxxiii) professional fund raisers regulated pursuant to chapter 309;
- (xxxiv) psychologists regulated pursuant to chapter 148;
- (xxxv) real estate brokers, salespersons, and others regulated pursuant to chapters 82 and 83;
- (xxxvi) registered nurses regulated pursuant to chapter 148;
- (xxxvii) securities brokers, dealers, agents, and investment advisers regulated pursuant to chapter 80A;
- (xxxviii) steamfitters regulated pursuant to chapter 326;
- (xxxix) teachers and supervisory and support personnel regulated pursuant to chapter 125;
- (xl) veterinarians regulated pursuant to chapter 156;
- (xli) water conditioning contractors and installers regulated pursuant to chapter 326;
- (xlii) water well contractors regulated pursuant to chapter 103I;
- (xliii) water and waste treatment operators regulated pursuant to chapter 115;
- (xliv) motor carriers regulated pursuant to chapter 221;
- (xlv) professional firms regulated under chapter 319B;
- (xlvi) real estate appraisers regulated pursuant to chapter 82B;
- (xlvii) residential building contractors, residential remodelers, residential roofers, manufactured home installers, and specialty contractors regulated pursuant to chapter 326;
- (4) any driver's license required pursuant to chapter 171;
- (5) any aircraft license required pursuant to chapter 360;
- (6) any watercraft license required pursuant to chapter 86B;
- (7) any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air, or water, which is required to be obtained from a state agency or instrumentality; and
- (8) any pollution control rule or standard established by the pollution control agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services.

Sec. 17. Minnesota Statutes 1998, section 116J.966, subdivision 1, is amended to read:

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Subdivision 1. **GENERALLY.** (a) The commissioner shall promote, develop, and facilitate trade and foreign investment in Minnesota. In furtherance of these goals, and in addition to the powers granted by section 116J.035, the commissioner may:

(1) locate, develop, and promote international markets for Minnesota products and services;

(2) arrange and lead trade missions to countries with promising international markets for Minnesota goods, technology, services, and agricultural products;

(3) promote Minnesota products and services at domestic and international trade shows;

(4) organize, promote, and present domestic and international trade shows featuring Minnesota products and services;

(5) host trade delegations and assist foreign traders in contacting appropriate Minnesota businesses and investments;

(6) develop contacts with Minnesota businesses and gather and provide information to assist them in locating and communicating with international trading or joint venture counterparts;

(7) provide information, education, and counseling services to Minnesota businesses regarding the economic, commercial, legal, and cultural contexts of international trade;

(8) provide Minnesota businesses with international trade leads and information about the availability and sources of services relating to international trade, such as export financing, licensing, freight forwarding, international advertising, translation, and custom brokering;

(9) locate, attract, and promote foreign direct investment and business development in Minnesota to enhance employment opportunities in Minnesota;

(10) provide foreign businesses and investors desiring to locate facilities in Minnesota information regarding sources of governmental, legal, real estate, financial, and business services;

(11) enter into contracts or other agreements with private persons and public entities, including agreements to establish and maintain offices and other types of representation in foreign countries, to carry out the purposes of promoting international trade and attracting investment from foreign countries to Minnesota and to carry out this section, without regard to section 16C.06; and

(12) enter into administrative, programming, and service partnerships with the Minnesota world trade center; and

(13) market trade-related materials to businesses and organizations, and the proceeds of which must be placed in a special revolving account and are appropriated to the commissioner to prepare and distribute trade-related materials.

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(b) The programs and activities of the commissioner of trade and economic development and the Minnesota trade division may not duplicate programs and activities of the commissioner of agriculture or the Minnesota world trade center corporation.

(c) The commissioner shall notify the chairs of the senate finance and house appropriations committees of each agreement under this subdivision to establish and maintain an office or other type of representation in a foreign country.

Sec. 18. Minnesota Statutes 1999 Supplement, section 119A.04, subdivision 1, is amended to read:

Subdivision 1. **DEPARTMENT OF HUMAN SERVICES.** The powers and duties of the department of human services with respect to the following programs are transferred to the department of children, families, and learning under section 15.039. The programs needing federal approval to transfer shall be transferred when the federal government grants transfer authority to the commissioner:

- (1) children's trust fund under sections 119A.10 to 119A.17;
- (2) the family services and community-based collaboratives under section 124D.23;
- (3) ~~the early childhood care and education council under section 119B.17;~~
- (4) the child care programs under sections 119B.011 to 119B.16;
- (5) (4) the migrant child care program under section 256.01;
- (6) (5) the child care resource and referral program under sections ~~119B.18~~ and 119B.19 and 119B.211; and
- (7) (6) the child care service development program under sections 119B.189 to 119B.24.

Sec. 19. Minnesota Statutes 1999 Supplement, section 119B.011, subdivision 15, is amended to read:

Subd. 15. **INCOME.** "Income" means earned or unearned income received by all family members, including public assistance cash benefits and at-home infant care subsidy payments, unless specifically excluded. The following are excluded from income: funds used to pay for health insurance premiums for family members, Supplemental Security Income, scholarships, work-study income, and grants that cover costs or reimbursement for tuition, fees, books, and educational supplies; student loans for tuition, fees, books, supplies, and living expenses; state and federal earned income tax credits; in-kind income such as food stamps, energy assistance, foster care assistance, medical assistance, child care assistance, and housing subsidies; earned income of full or part-time students, who have not earned a high school diploma or GED high school equivalency diploma including earnings from summer employment; grant awards under the family subsidy program; nonrecurring lump sum income only to the extent that it is earmarked and used for the purpose for which it is paid; and any income assigned to the public authority according to section ~~256.74~~ or 256.741.

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Sec. 20. Minnesota Statutes 1998, section 136A.29, subdivision 19, is amended to read:

Subd. 19. Before the issuance of any revenue bonds under the provisions of sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall be covered under a surety or fidelity bond in an amount to be determined by the authority. Each such bond shall be conditioned upon the faithful performance of the duties of the office of the member or officer, shall be executed by a surety company authorized to transact business in the state of Minnesota as surety, and shall be procured under supervision of the public examiner and commissioner of administration under section 574.02 and shall be approved by the attorney general and filed in the office of the secretary of state as provided in section 574.02. The cost of each such bond shall be paid by the authority.

Sec. 21. Minnesota Statutes 1999 Supplement, section 144A.46, subdivision 2, is amended to read:

Subd. 2. **EXEMPTIONS.** The following individuals or organizations are exempt from the requirement to obtain a home care provider license:

(1) a person who is licensed as a registered nurse under sections 148.171 to 148.285 and who independently provides nursing services in the home without any contractual or employment relationship to a home care provider or other organization;

(2) a personal care assistant who provides services to only one individual under the medical assistance program as authorized under sections 256B.0625, subdivision 19 19a, and 256B.04, subdivision 16;

(3) a person or organization that exclusively offers, provides, or arranges for personal care assistant services to only one individual under the medical assistance program as authorized under sections 256B.0625, subdivision 19 19a, and 256B.04, subdivision 16;

(4) a person who is licensed under sections 148.65 to 148.78 and who independently provides physical therapy services in the home without any contractual or employment relationship to a home care provider or other organization;

(5) a provider that is licensed by the commissioner of human services to provide semi-independent living services under Minnesota Rules, parts 9525.0500 to 9525.0660 when providing home care services to a person with a developmental disability;

(6) a provider that is licensed by the commissioner of human services to provide home and community-based services under Minnesota Rules, parts 9525.2000 to 9525.2140 when providing home care services to a person with a developmental disability;

(7) a person or organization that provides only home management services, if the person or organization is registered under section 144A.461; or

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(8) a person who is licensed as a social worker under sections 148B.18 to 148B.289 and who provides social work services in the home independently and not through any contractual or employment relationship with a home care provider or other organization.

An exemption under this subdivision does not excuse the individual from complying with applicable provisions of the home care bill of rights.

Sec. 22. Minnesota Statutes 1998, section 145.698, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY.** When a person has been accused of violating any state or local law or ordinance in district court, and if it appears to the court that the defendant may be a drug dependent person, or by reason of the repeated use of drugs may not be responsible for that person's actions, the court may adjourn the proceedings and order the county attorney to file a petition for commitment of the defendant pursuant to chapter 253B, the Minnesota Hospitalization and Commitment and Treatment Act, for confinement in a hospital, a mental health center, the Willmar regional treatment center or other drug treatment facility until such time as the court feels that such person can be returned to the court.

Sec. 23. Minnesota Statutes 1998, section 146.23, subdivision 6, is amended to read:

Subd. 6. **SCOPE OF PRACTICE.** Nothing in this section expands or limits the scope of practice of ~~registered licensed~~ physical therapists or occupational therapists certified by the American Occupational Therapy Certification Board.

Sec. 24. Minnesota Statutes 1999 Supplement, section 147.09, is amended to read:

147.09 **EXEMPTIONS.**

Section 147.081 does not apply to, control, prevent or restrict the practice, service, or activities of:

(1) A person who is a commissioned medical officer of, a member of, or employed by, the armed forces of the United States, the United States Public Health Service, the Veterans Administration, any federal institution or any federal agency while engaged in the performance of official duties within this state, if the person is licensed elsewhere.

(2) A licensed physician from a state or country who is in actual consultation here.

(3) A licensed or registered physician who treats the physician's home state patients or other participating patients while the physicians and those patients are participating together in outdoor recreation in this state as defined by section 86A.03, subdivision 3. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to promulgate the contents of that form by rule. No fee shall be charged for this registration.

(4) A student practicing under the direct supervision of a preceptor while the student is enrolled in and regularly attending a recognized medical school.

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(5) A student who is in continuing training and performing the duties of an intern or resident or engaged in postgraduate work considered by the board to be the equivalent of an internship or residency in any hospital or institution approved for training by the board, provided the student has a residency permit issued by the board under section 147.0391.

(6) A person employed in a scientific, sanitary, or teaching capacity by the state university, the department of children, families, and learning, ~~or by any a~~ public or private school, college, or other bona fide educational institution, a nonprofit organization, which has tax-exempt status in accordance with the Internal Revenue Code, section 501(c)(3), and is organized and operated primarily for the purpose of conducting scientific research directed towards discovering the causes of and cures for human diseases, or the state department of health, whose duties are entirely of a research, public health, or educational character, while engaged in such duties; provided that if the research includes the study of humans, such research shall be conducted under the supervision of one or more physicians licensed under this chapter.

(7) Physician's assistants registered in this state.

(8) A doctor of osteopathy duly licensed by the state board of osteopathy under Minnesota Statutes 1961, sections 148.11 to 148.16, prior to May 1, 1963, who has not been granted a license to practice medicine in accordance with this chapter provided that the doctor confines activities within the scope of the license.

(9) Any person licensed by a health related licensing board, as defined in section 214.01, subdivision 2, or registered by the commissioner of health pursuant to section 214.13, including psychological practitioners with respect to the use of hypnosis; provided that the person confines activities within the scope of the license.

(10) A person who practices ritual circumcision pursuant to the requirements or tenets of any established religion.

(11) A Christian Scientist or other person who endeavors to prevent or cure disease or suffering exclusively by mental or spiritual means or by prayer.

(12) A physician licensed to practice medicine in another state who is in this state for the sole purpose of providing medical services at a competitive athletic event. The physician may practice medicine only on participants in the athletic event. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to adopt the contents of the form by rule. The physician shall provide evidence satisfactory to the board of a current unrestricted license in another state. The board shall charge a fee of \$50 for the registration.

(13) A psychologist licensed under section 148.907 or a social worker licensed under section 148B.21 who uses or supervises the use of a penile or vaginal plethysmograph in assessing and treating individuals suspected of engaging in aberrant sexual behavior and sex offenders.

(14) Any person issued a training course certificate or credentialed by the emergency medical services regulatory board established in chapter 144E, provided the

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person confines activities within the scope of training at the certified or credentialed level.

Sec. 25. Minnesota Statutes 1998, section 148.7805, subdivision 1, is amended to read:

Subdivision 1. **CREATION; MEMBERSHIP.** The athletic trainer's advisory council is created and is composed of eight members appointed by the board. The advisory council consists of:

(1) two public members as defined in section 214.02;

(2) three members who, except for initial appointees, are registered athletic trainers, one being both a registered licensed physical therapist and registered athletic trainer as submitted by the Minnesota American Physical Therapy Association;

(3) two members who are medical physicians licensed by the state and have experience with athletic training and sports medicine; and

(4) one member who is a doctor of chiropractic licensed by the state and has experience with athletic training and sports injuries.

Sec. 26. Minnesota Statutes 1999 Supplement, section 148.96, subdivision 3, is amended to read:

Subd. 3. **REQUIREMENTS FOR REPRESENTATIONS TO THE PUBLIC.**

(a) Unless licensed under sections 148.88 to 148.98, except as provided in paragraphs (b) through (e), persons shall not represent themselves or permit themselves to be represented to the public by:

(1) using any title or description of services incorporating the words "psychology," "psychological," "psychological practitioner," or "psychologist"; or

(2) representing that the person has expert qualifications in an area of psychology.

(b) Psychologically trained individuals who are employed by an educational institution recognized by a regional accrediting organization, by a federal, state, county, or local government institution, by agencies, or by research facilities, may represent themselves by the title designated by that organization provided that the title does not indicate that the individual is credentialed by the board.

(c) A psychologically trained individual from an institution described in paragraph (b) may offer lecture services and is exempt from the provisions of this section.

(d) A person who is preparing for the practice of psychology under supervision in accordance with board statutes and rules may be designated as a "psychological intern," "psychological trainee," or by other terms clearly describing the person's training status.

(e) Former licensees who are completely retired from the practice of psychology may represent themselves using the descriptions in paragraph (a), clauses (1) and (2), but shall not represent themselves or allow themselves to be represented as current licensees of the board.

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(f) Nothing in this section shall be construed to prohibit the practice of school psychology by a person licensed in accordance with chapters 122A and 129.

Sec. 27. Minnesota Statutes 1998, section 204C.04, subdivision 2, is amended to read:

Subd. 2. **ELECTIONS COVERED.** For purposes of this section, "election" means a regularly scheduled state primary or general election, an election to fill a vacancy in the office of United States senator or United States representative, or an election to fill a vacancy in the office of state senator or state representative, ~~or a presidential primary as described in section 207A.01 unless it is conducted by mail.~~

Sec. 28. Minnesota Statutes 1999 Supplement, section 243.166, subdivision 1, is amended to read:

Subdivision 1. **REGISTRATION REQUIRED.** (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, clause (2); or

(ii) kidnapping under section 609.25; or

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; or 609.3451, subdivision 3; or

(iv) indecent exposure under section 617.23, subdivision 3; or

(2) the person was charged with or petitioned for falsely imprisoning a minor in violation of section 609.255, subdivision 2; soliciting a minor to engage in prostitution in violation of section 609.322 or 609.324; soliciting a minor to engage in sexual conduct in violation of section 609.352; using a minor in a sexual performance in violation of section 617.246; or possessing pictorial representations of minors pornographic work involving a minor in violation of section 617.247, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances; or

(3) the person was convicted of a predatory crime as defined in section 609.108, and the offender was sentenced as a patterned sex offender or the court found on its own motion or that of the prosecutor that the crime was part of a predatory pattern of behavior that had criminal sexual conduct as its goal; or

(4) the person was convicted of or adjudicated delinquent for violating a law of the United States similar to the offenses described in clause (1), (2), or (3).

(b) A person also shall register under this section if:

(1) the person was convicted of or adjudicated delinquent in another state for an offense that would be a violation of a law described in paragraph (a) if committed in this state;

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(2) the person enters the state as required in subdivision 3, paragraph (b); and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under section 253B.185 or Minnesota Statutes 1992, section 526.10, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or federal jurisdiction, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or federal jurisdiction;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or federal jurisdiction.

Sec. 29. Minnesota Statutes 1998, section 245A.04, subdivision 3, is amended to read:

Subd. 3. **BACKGROUND STUDY OF THE APPLICANT.** (a) Before the commissioner issues a license, the commissioner shall conduct a study of the individuals specified in paragraph (c), clauses (1) to (5), according to rules of the commissioner.

Beginning January 1, 1997, the commissioner shall also conduct a study of employees providing direct contact services for nonlicensed personal care provider organizations described in paragraph (c), clause (5).

The commissioner shall recover the cost of these background studies through a fee of no more than \$12 per study charged to the personal care provider organization.

Beginning August 1, 1997, the commissioner shall conduct all background studies required under this chapter for adult foster care providers who are licensed by the commissioner of human services and registered under chapter 144D. The commissioner shall conduct these background studies in accordance with this chapter. The commissioner shall initiate a pilot project to conduct up to 5,000 background studies under this chapter in programs with joint licensure as home and community-based services and adult foster care for people with developmental disabilities when the license holder does not reside in the foster care residence.

(b) Beginning July 1, 1998, the commissioner shall conduct a background study on individuals specified in paragraph (c), clauses (1) to (5), who perform direct contact services in a nursing home or a home care agency licensed under chapter 144A or a

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boarding care home licensed under sections 144.50 to 144.58, when the subject of the study resides outside Minnesota; the study must be at least as comprehensive as that of a Minnesota resident and include a search of information from the criminal justice data communications network in the state where the subject of the study resides.

(c) The applicant, license holder, the bureau of criminal apprehension, the commissioner of health and county agencies, after written notice to the individual who is the subject of the study, shall help with the study by giving the commissioner criminal conviction data and reports about the maltreatment of adults substantiated under section 626.557 and the maltreatment of minors in licensed programs substantiated under section 626.556. The individuals to be studied shall include:

- (1) the applicant;
- (2) persons over the age of 13 living in the household where the licensed program will be provided;
- (3) current employees or contractors of the applicant who will have direct contact with persons served by the facility, agency, or program;
- (4) volunteers or student volunteers who have direct contact with persons served by the program to provide program services, if the contact is not directly supervised by the individuals listed in clause (1) or (3); and
- (5) any person who, as an individual or as a member of an organization, exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, and 256B.0625, subdivision 19 19a.

The juvenile courts shall also help with the study by giving the commissioner existing juvenile court records on individuals described in clause (2) relating to delinquency proceedings held within either the five years immediately preceding the application or the five years immediately preceding the individual's 18th birthday, whichever time period is longer. The commissioner shall destroy juvenile records obtained pursuant to this subdivision when the subject of the records reaches age 23.

For purposes of this section and Minnesota Rules, part 9543.3070, a finding that a delinquency petition is proven in juvenile court shall be considered a conviction in state district court.

For purposes of this subdivision, "direct contact" means providing face-to-face care, training, supervision, counseling, consultation, or medication assistance to persons served by a program. For purposes of this subdivision, "directly supervised" means an individual listed in clause (1), (3), or (5) is within sight or hearing of a volunteer to the extent that the individual listed in clause (1), (3), or (5) is capable at all times of intervening to protect the health and safety of the persons served by the program who have direct contact with the volunteer.

A study of an individual in clauses (1) to (5) shall be conducted at least upon application for initial license and reapplication for a license. The commissioner is not required to conduct a study of an individual at the time of reapplication for a license

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or if the individual has been continuously affiliated with a foster care provider licensed by the commissioner of human services and registered under chapter 144D, other than a family day care or foster care license, if: (i) a study of the individual was conducted either at the time of initial licensure or when the individual became affiliated with the license holder; (ii) the individual has been continuously affiliated with the license holder since the last study was conducted; and (iii) the procedure described in paragraph (d) has been implemented and was in effect continuously since the last study was conducted. For the purposes of this section, a physician licensed under chapter 147 is considered to be continuously affiliated upon the license holder's receipt from the commissioner of health or human services of the physician's background study results. For individuals who are required to have background studies under clauses (1) to (5) and who have been continuously affiliated with a foster care provider that is licensed in more than one county, criminal conviction data may be shared among those counties in which the foster care programs are licensed. A county agency's receipt of criminal conviction data from another county agency shall meet the criminal data background study requirements of this section.

The commissioner may also conduct studies on individuals specified in clauses (3) and (4) when the studies are initiated by:

- (i) personnel pool agencies;
- (ii) temporary personnel agencies;
- (iii) educational programs that train persons by providing direct contact services in licensed programs; and
- (iv) professional services agencies that are not licensed and which contract with licensed programs to provide direct contact services or individuals who provide direct contact services.

Studies on individuals in items (i) to (iv) must be initiated annually by these agencies, programs, and individuals. Except for personal care provider organizations, no applicant, license holder, or individual who is the subject of the study shall pay any fees required to conduct the study.

(1) At the option of the licensed facility, rather than initiating another background study on an individual required to be studied who has indicated to the licensed facility that a background study by the commissioner was previously completed, the facility may make a request to the commissioner for documentation of the individual's background study status, provided that:

- (i) the facility makes this request using a form provided by the commissioner;
- (ii) in making the request the facility informs the commissioner that either:
 - (A) the individual has been continuously affiliated with a licensed facility since the individual's previous background study was completed, or since October 1, 1995, whichever is shorter; or

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(B) the individual is affiliated only with a personnel pool agency, a temporary personnel agency, an educational program that trains persons by providing direct contact services in licensed programs, or a professional services agency that is not licensed and which contracts with licensed programs to provide direct contact services or individuals who provide direct contact services; and

(iii) the facility provides notices to the individual as required in paragraphs (a) to (d), and that the facility is requesting written notification of the individual's background study status from the commissioner.

(2) The commissioner shall respond to each request under paragraph (1) with a written or electronic notice to the facility and the study subject. If the commissioner determines that a background study is necessary, the study shall be completed without further request from a licensed agency or notifications to the study subject.

(3) When a background study is being initiated by a licensed facility or a foster care provider that is also registered under chapter 144D, a study subject affiliated with multiple licensed facilities may attach to the background study form a cover letter indicating the additional facilities' names, addresses, and background study identification numbers. When the commissioner receives such notices, each facility identified by the background study subject shall be notified of the study results. The background study notice sent to the subsequent agencies shall satisfy those facilities' responsibilities for initiating a background study on that individual.

(d) If an individual who is affiliated with a program or facility regulated by the department of human services or department of health or who is affiliated with a nonlicensed personal care provider organization, is convicted of a crime constituting a disqualification under subdivision 3d, the probation officer or corrections agent shall notify the commissioner of the conviction. The commissioner, in consultation with the commissioner of corrections, shall develop forms and information necessary to implement this paragraph and shall provide the forms and information to the commissioner of corrections for distribution to local probation officers and corrections agents. The commissioner shall inform individuals subject to a background study that criminal convictions for disqualifying crimes will be reported to the commissioner by the corrections system. A probation officer, corrections agent, or corrections agency is not civilly or criminally liable for disclosing or failing to disclose the information required by this paragraph. Upon receipt of disqualifying information, the commissioner shall provide the notifications required in subdivision 3a, as appropriate to agencies on record as having initiated a background study or making a request for documentation of the background study status of the individual. This paragraph does not apply to family day care and child foster care programs.

(e) The individual who is the subject of the study must provide the applicant or license holder with sufficient information to ensure an accurate study including the individual's first, middle, and last name; home address, city, county, and state of residence for the past five years; zip code; sex; date of birth; and driver's license number. The applicant or license holder shall provide this information about an individual in paragraph (c), clauses (1) to (5), on forms prescribed by the commis-

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sioner. By January 1, 2000, for background studies conducted by the department of human services, the commissioner shall implement a system for the electronic transmission of: (1) background study information to the commissioner; and (2) background study results to the license holder. The commissioner may request additional information of the individual, which shall be optional for the individual to provide, such as the individual's social security number or race.

(f) Except for child foster care, adult foster care, and family day care homes, a study must include information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (i), and the commissioner's records relating to the maltreatment of minors in licensed programs, information from juvenile courts as required in paragraph (c) for persons listed in paragraph (c), clause (2), and information from the bureau of criminal apprehension. For child foster care, adult foster care, and family day care homes, the study must include information from the county agency's record of substantiated maltreatment of adults, and the maltreatment of minors, information from juvenile courts as required in paragraph (c) for persons listed in paragraph (c), clause (2), and information from the bureau of criminal apprehension. The commissioner may also review arrest and investigative information from the bureau of criminal apprehension, the commissioner of health, a county attorney, county sheriff, county agency, local chief of police, other states, the courts, or the Federal Bureau of Investigation if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual listed in paragraph (c), clauses (1) to (5). The commissioner is not required to conduct more than one review of a subject's records from the Federal Bureau of Investigation if a review of the subject's criminal history with the Federal Bureau of Investigation has already been completed by the commissioner and there has been no break in the subject's affiliation with the license holder who initiated the background studies.

When the commissioner has reasonable cause to believe that further pertinent information may exist on the subject, the subject shall provide a set of classifiable fingerprints obtained from an authorized law enforcement agency. For purposes of requiring fingerprints, the commissioner shall be considered to have reasonable cause under, but not limited to, the following circumstances:

(1) information from the bureau of criminal apprehension indicates that the subject is a multistate offender;

(2) information from the bureau of criminal apprehension indicates that multistate offender status is undetermined; or

(3) the commissioner has received a report from the subject or a third party indicating that the subject has a criminal history in a jurisdiction other than Minnesota.

(g) An applicant's or license holder's failure or refusal to cooperate with the commissioner is reasonable cause to disqualify a subject, deny a license application or immediately suspend, suspend, or revoke a license. Failure or refusal of an individual to cooperate with the study is just cause for denying or terminating employment of the individual if the individual's failure or refusal to cooperate could cause the applicant's

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application to be denied or the license holder's license to be immediately suspended, suspended, or revoked.

(h) The commissioner shall not consider an application to be complete until all of the information required to be provided under this subdivision has been received.

(i) No person in paragraph (c), clause (1), (2), (3), (4), or (5) who is disqualified as a result of this section may be retained by the agency in a position involving direct contact with persons served by the program.

(j) Termination of persons in paragraph (c), clause (1), (2), (3), (4), or (5), made in good faith reliance on a notice of disqualification provided by the commissioner shall not subject the applicant or license holder to civil liability.

(k) The commissioner may establish records to fulfill the requirements of this section.

(l) The commissioner may not disqualify an individual subject to a study under this section because that person has, or has had, a mental illness as defined in section 245.462, subdivision 20.

(m) An individual subject to disqualification under this subdivision has the applicable rights in subdivision 3a, 3b, or 3c.

Sec. 30. Minnesota Statutes 1998, section 256B.031, subdivision 2, is amended to read:

Subd. 2. **SERVICES.** State contracts for these services must assure recipients of at least the comprehensive health services defined in sections 256B.02, subdivision 8, and 256B.0625, except services defined in section 256B.0625, subdivisions 2, 5, 18, and ~~19~~ 19a, and except services defined as chemical dependency services and mental health services.

Contracts under this section must include provision for assessing pregnant women to determine their risk of poor pregnancy outcome. Contracts must also include provision for treatment of women found to be at risk of poor pregnancy outcome.

Sec. 31. Minnesota Statutes 1998, section 257.34, subdivision 1, is amended to read:

Subdivision 1. **ACKNOWLEDGMENT BY PARENTS.** The mother and father of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born may, in a writing signed by both of them before a notary public, declare and acknowledge under oath that they are the biological parents of the child. The declaration may provide that any such child born to the mother at any time before or up to ten months after the date of execution of the declaration is the biological child of the signatories. Execution of the declaration shall:

(a) have the same consequences as an acknowledgment by the signatories of parentage of the child for the purposes of sections 62A.041 and 62C.14, subdivision 5a;

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(b) be conclusive evidence that the signatories are parents of the child for the purposes of sections 176.111, 197.75, and 197.752;

(c) create a presumption that the signatory is the biological father of the child for the purposes of sections 257.51 to 257.74;

(d) when timely filed with the ~~division of vital statistics of the Minnesota~~ department of health as provided in section ~~259.51~~ 259.52, qualify as an affidavit stating the intention of the signatories to retain parental rights as provided in section ~~259.51~~ 259.52 if it contains the information required by section ~~259.51~~ 259.52 or rules promulgated thereunder;

(e) have the same consequences as a writing declaring paternity of the child for the purposes of section 524.2-109; and

(f) be conclusive evidence that the signatories are parents of the child for the purposes of chapter 573.

Sec. 32. Minnesota Statutes 1999 Supplement, section 259.47, subdivision 8, is amended to read:

Subd. 8. **FAILURE TO EXECUTE CONSENTS.** With the exception of cases where a person receives notice under section 259.24, subdivision 2a, if a birth parent whose consent is required under section 259.24 does not execute a consent by the end of the period specified in section 259.24, subdivision 2a, the agency which is supervising the placement shall notify the court and the court shall issue an order regarding continued placement of the child. The court shall order the local social services agency to determine whether to commence proceedings for termination of parental rights on grounds of abandonment as defined in section 260C.301. The court may disregard the six- and 12-month requirements of section ~~260.221~~ 260C.301, in finding abandonment if the birth parent has failed to execute a consent within the time required under this section and has made no effort to obtain custody of the child.

Sec. 33. Minnesota Statutes 1999 Supplement, section 260B.007, subdivision 20, is amended to read:

Subd. 20. **INDIAN CHILD.** "Indian child," consistent with section ~~257.755~~ 260.755, subdivision 8, means an unmarried person who is under age 18 and is:

- (1) a member of an Indian tribe; or
- (2) eligible for membership in an Indian tribe.

Sec. 34. Minnesota Statutes 1999 Supplement, section 260C.007, subdivision 19, is amended to read:

Subd. 19. **HABITUAL TRUANT.** "Habitual truant" means a child under the age of 16 years who is absent from attendance at school without lawful excuse for seven school days if the child is in elementary school or for one or more class periods on seven school days if the child is in middle school, junior high school, or high school, or a child who is 16 or 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days and who has not

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lawfully withdrawn from school under section 120A.22, subdivision 6 8.

Sec. 35. Minnesota Statutes 1999 Supplement, section 260C.163, subdivision 11, is amended to read:

Subd. 11. **PRESUMPTIONS REGARDING TRUANCY OR EDUCATIONAL NEGLECT.** A child's absence from school is presumed to be due to the parent's, guardian's, or custodian's failure to comply with compulsory instruction laws if the child is under 12 years old and the school has made appropriate efforts to resolve the child's attendance problems; this presumption may be rebutted based on a showing by clear and convincing evidence that the child is habitually truant. A child's absence from school without lawful excuse, when the child is 12 years old or older, is presumed to be due to the child's intent to be absent from school; this presumption may be rebutted based on a showing by clear and convincing evidence that the child's absence is due to the failure of the child's parent, guardian, or custodian to comply with compulsory instruction laws, sections ~~120.101~~ 120A.22 and ~~120.102~~ 120A.24.

Sec. 36. Minnesota Statutes 1999 Supplement, section 260C.176, subdivision 1, is amended to read:

Subdivision 1. **NOTICE; RELEASE.** If a child is taken into custody as provided in section 260C.175, the parent, guardian, or custodian of the child shall be notified as soon as possible. Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person. When a child is taken into custody by a peace officer under section 260C.175, subdivision 1, clause ~~(e)(2)~~ (b)(2), release from detention may be authorized by the detaining officer, the detaining officer's supervisor, or the county attorney. If the social services agency has determined that the child's health or welfare will not be endangered and the provision of appropriate and available services will eliminate the need for placement, the agency shall request authorization for the child's release from detention. The person to whom the child is released shall promise to bring the child to the court, if necessary, at the time the court may direct. If the person taking the child into custody believes it desirable, that person may request the parent, guardian, custodian, or other person designated by the court to sign a written promise to bring the child to court as provided above. The intentional violation of such a promise, whether given orally or in writing, shall be punishable as contempt of court.

The court may require the parent, guardian, custodian, or other person to whom the child is released, to post any reasonable bail or bond required by the court which shall be forfeited to the court if the child does not appear as directed. The court may also release the child on the child's own promise to appear in juvenile court.

Sec. 37. Minnesota Statutes 1999 Supplement, section 260C.176, subdivision 2, is amended to read:

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Subd. 2. **REASONS FOR DETENTION.** (a) If the child is not released as provided in subdivision 1, the person taking the child into custody shall notify the court as soon as possible of the detention of the child and the reasons for detention.

(b) No child taken into custody and placed in a shelter care facility or relative's home by a peace officer pursuant to section 260C.175, subdivision 1, clause (a) or ~~(e)(2)~~ (b)(2), may be held in custody longer than 72 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed and the judge or referee determines pursuant to section 260C.178 that the child shall remain in custody or unless the court has made a finding of domestic abuse perpetrated by a minor after a hearing under Laws 1997, chapter 239, article 10, sections 2 to 26, in which case the court may extend the period of detention for an additional seven days, within which time the social services agency shall conduct an assessment and shall provide recommendations to the court regarding voluntary services or file a child in need of protection or services petition.

Sec. 38. Minnesota Statutes 1999 Supplement, section 260C.178, subdivision 3, is amended to read:

Subd. 3. **PARENTAL VISITATION.** If a child has been taken into custody under section 260C.151, subdivision 5, or 260C.175, subdivision 1, clause ~~(e)(2)~~ (b)(2), and the court determines that the child should continue in detention, the court shall include in its order reasonable rules for supervised or unsupervised parental visitation of the child in the shelter care facility unless it finds that visitation would endanger the child's physical or emotional well-being.

Sec. 39. Minnesota Statutes 1999 Supplement, section 260C.181, subdivision 2, is amended to read:

Subd. 2. **LEAST RESTRICTIVE SETTING.** Notwithstanding the provisions of subdivision 1, if the child had been taken into custody pursuant to section 260C.175, subdivision 1, clause (a) or clause ~~(e)(2)~~ (b)(2), and is not alleged to be delinquent, the child shall be detained in the least restrictive setting consistent with the child's health and welfare and in closest proximity to the child's family as possible. Placement may be with a child's relative, a designated caregiver under chapter 257A, or in a shelter care facility. The placing officer shall comply with this section and shall document why a less restrictive setting will or will not be in the best interests of the child for placement purposes.

Sec. 40. Minnesota Statutes 1999 Supplement, section 260C.201, subdivision 11, is amended to read:

Subd. 11. **REVIEW OF COURT ORDERED PLACEMENTS; PERMANENT PLACEMENT DETERMINATION.** (a) Except for cases where the child is in placement due solely to the child's status as developmentally delayed under United States Code, title 42, section 6001(7), or emotionally handicapped under section 252.27 and where custody has not been transferred to the responsible social services agency, the court shall conduct a hearing to determine the permanent status of a child not later than 12 months after the child is placed out of the home of the parent, except

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that if the child was under eight years of age at the time the petition was filed, the hearing must be conducted no later than six months after the child is placed out of the home of the parent.

For purposes of this subdivision, the date of the child's placement out of the home of the parent is the earlier of the first court-ordered placement or 60 days after the date on which the child has been voluntarily placed out of the home.

For purposes of this subdivision, 12 months is calculated as follows:

(1) during the pendency of a petition alleging that a child is in need of protection or services, all time periods when a child is placed out of the home of the parent are cumulated;

(2) if a child has been placed out of the home of the parent within the previous five years, the lengths of all prior time periods when the child was placed out of the home within the previous five years are cumulated. If a child under this clause has been out of the home for 12 months or more, the court, if it is in the best interests of the child and for compelling reasons, may extend the total time the child may continue out of the home under the current petition up to an additional six months before making a permanency determination.

(b) Unless the responsible social services agency recommends return of the child to the custodial parent or parents, not later than 30 days prior to this hearing, the responsible social services agency shall file pleadings in juvenile court to establish the basis for the juvenile court to order permanent placement of the child according to paragraph (d). Notice of the hearing and copies of the pleadings must be provided pursuant to section 260C.152. If a termination of parental rights petition is filed before the date required for the permanency planning determination and there is a trial under section 260C.163 scheduled on that petition within 90 days of the filing of the petition, no hearing need be conducted under this subdivision.

(c) At the conclusion of the hearing, the court shall order the child returned home or order a permanent placement in the child's best interests. The "best interests of the child" means all relevant factors to be considered and evaluated.

(d) At a hearing under this subdivision, if the child was under eight years of age at the time the petition was filed alleging the child in need of protection or services, the court shall review the progress of the case and the case plan, including the provision of services. The court may order the local social services agency to show cause why it should not file a termination of parental rights petition. Cause may include, but is not limited to, the following conditions:

(1) the parents or guardians have maintained regular contact with the child, the parents are complying with the court-ordered case plan, and the child would benefit from continuing this relationship;

(2) grounds for termination under section 260C.301 do not exist; or

(3) the permanent plan for the child is transfer of permanent legal and physical custody to a relative. When the permanent plan for the child is transfer of permanent

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legal and physical custody to a relative, a petition supporting the plan shall be filed in juvenile court within 30 days of the hearing required under this subdivision and a hearing on the petition held within 30 days of the filing of the pleadings.

(e) If the child is not returned to the home, the court must order one of the following dispositions:

(1) permanent legal and physical custody to a relative in the best interests of the child. In transferring permanent legal and physical custody to a relative, the juvenile court shall follow the standards and procedures applicable under this chapter, chapter 260, or chapter 518. An order establishing permanent legal or physical custody under this subdivision must be filed with the family court. A transfer of legal and physical custody includes responsibility for the protection, education, care, and control of the child and decision making on behalf of the child. The social services agency may petition on behalf of the proposed custodian;

(2) termination of parental rights; unless the social services agency has already filed a petition for termination of parental rights under section 260C.307, the court may order such a petition filed and all the requirements of sections 260C.301 to 260C.328 remain applicable. An adoption completed subsequent to a determination under this subdivision may include an agreement for communication or contact under section 259.58; or

(3) long-term foster care; transfer of legal custody and adoption are preferred permanency options for a child who cannot return home. The court may order a child into long-term foster care only if it finds that neither an award of legal and physical custody to a relative, nor termination of parental rights nor adoption is in the child's best interests. Further, the court may only order long-term foster care for the child under this section if it finds the following:

(i) the child has reached age 12 and reasonable efforts by the responsible social services agency have failed to locate an adoptive family for the child; or

(ii) the child is a sibling of a child described in clause (i) and the siblings have a significant positive relationship and are ordered into the same long-term foster care home; or

(4) foster care for a specified period of time may be ordered only if:

(i) the sole basis for an adjudication that the child is in need of protection or services is the child's behavior; and

(ii) the court finds that foster care for a specified period of time is in the best interests of the child.

(f) In ordering a permanent placement of a child, the court must be governed by the best interests of the child, including a review of the relationship between the child and relatives and the child and other important persons with whom the child has resided or had significant contact.

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(g) Once a permanent placement determination has been made and permanent placement has been established, further court reviews and dispositional hearings are only necessary if the placement is made under paragraph (d) (e), clause (4), review is otherwise required by federal law, an adoption has not yet been finalized, or there is a disruption of the permanent or long-term placement.

(h) An order under this subdivision must include the following detailed findings:

(1) how the child's best interests are served by the order;

(2) the nature and extent of the responsible social service agency's reasonable efforts, or, in the case of an Indian child, active efforts to reunify the child with the parent or parents;

(3) the parent's or parents' efforts and ability to use services to correct the conditions which led to the out-of-home placement; and

(4) whether the conditions which led to the out-of-home placement have been corrected so that the child can return home.

(i) An order for permanent legal and physical custody of a child may be modified under sections 518.18 and 518.185. The social services agency is a party to the proceeding and must receive notice. An order for long-term foster care is reviewable upon motion and a showing by the parent of a substantial change in the parent's circumstances such that the parent could provide appropriate care for the child and that removal of the child from the child's permanent placement and the return to the parent's care would be in the best interest of the child.

(j) The court shall issue an order required under this section within 15 days of the close of the proceedings. The court may extend issuing the order an additional 15 days when necessary in the interests of justice and the best interests of the child.

Sec. 41. Minnesota Statutes 1999 Supplement, section 260C.213, subdivision 1, is amended to read:

Subdivision 1. **PROGRAM; GOALS.** (a) The commissioner of human services shall establish a program for concurrent permanency planning for child protection services.

(b) Concurrent permanency planning involves a planning process for children who are placed out of the home of their parents pursuant to a court order, or who have been voluntarily placed out of the home by the parents for 60 days or more and who are not developmentally disabled or emotionally handicapped under section ~~212C.212~~ 260C.212, subdivision 9. The local social services agency shall develop an alternative permanency plan while making reasonable efforts for reunification of the child with the family, if required by section 260.012. The goals of concurrent permanency planning are to:

(1) achieve early permanency for children;

(2) decrease children's length of stay in foster care and reduce the number of moves children experience in foster care; and

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(3) develop a group of families who will work towards reunification and also serve as permanent families for children.

Sec. 42. Minnesota Statutes 1998, section 270.101, subdivision 1, is amended to read:

Subdivision 1. **LIABILITY IMPOSED.** A person who, either singly or jointly with others, has the control of, supervision of, or responsibility for filing returns or reports, paying taxes, or collecting or withholding and remitting taxes and who fails to do so, or a person who is liable under any other law, is liable for the payment of taxes, penalties, and interest arising under chapters 295, 296A, ~~297~~ 297F, 297A, and ~~297C~~ 297G, or sections 290.92 and 297E.02.

Sec. 43. Minnesota Statutes 1998, 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.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.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 127A.48 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 126C.13, subdivision 2;
- (2) supplemental revenue under section 126C.10, subdivision 10;

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- (3) transition revenue under section 126C.10, subdivision 20; and
- (4) ~~basic transportation under section 124.226, subdivision 1; and~~
- (5) referendum revenue under section 126C.17.

(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.

(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 year most recently determined as of July 1 in the aid calculation year, divided by the number of households for the year immediately preceding the year for which the number of households has most recently been determined as of July 1. 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

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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. 44. Minnesota Statutes 1998, section 275.065, subdivision 3a, is amended to read:

Subd. 3a. **CONSTANT SPENDING LEVY AMOUNT.** (a) For purposes of this section, "constant spending levy amount" for a county, city, town, or special taxing district means the property tax levy that the taxing authority would need to levy so that the sum of (i) its levy, including its fiscal disparities distribution levy under section 276A.06, subdivision 3, clause (a), or 473F.08, subdivision 3, clause (a), plus (ii) its property tax aid amounts, would remain constant from the current year to the proposed year, taking into account the fiscal disparities distribution levy amounts and the property tax aid amounts that have been certified for the proposed year. For the purposes of this paragraph, property tax aids include homestead and agricultural credit aid under section 273.1398, subdivision 2, local government aid under section 477A.013, local performance aid under section 477A.05, county criminal justice aid under section 477A.0121, and family preservation aid under section 477A.0122.

(b) For the state determined school tax, "constant spending levy amount" is the same as the proposed tax.

(c) For the voter approved school levy, "constant spending levy amount" is the result of the following computation: (i) compute the current year's revenue per pupil in average daily membership as the ratio of the voter approved referendum and debt service levy plus aid revenue to the number of pupils in average daily membership, as estimated at the time of levy certification the previous December; (ii) compute the proposed year's levy ratio as ratio of the proposed year's levy limitation for voter approved referendum and debt service revenue to the maximum referendum and debt service levy plus aid revenue for the proposed year, at the time of proposed levy certification in September; and (iii) compute the "constant spending levy amount" as the product of the current year's revenue per pupil from clause (i) times the proposed year's levy ratio from clause (ii) times the proposed year's pupils in average daily membership.

(d) For the sum of all other school levies not included in paragraph (b) or (c), "constant spending levy amount" is the result of the following computation: (i) compute the current year's revenue per pupil in average daily membership as the ratio of the levy plus associated aid revenue to the number of pupils in average daily membership, as estimated at the time of levy certification the previous December; (ii) compute the proposed year's levy ratio as ratio of the proposed year's levy limitation to the maximum levy plus associated aid revenue for the proposed year, estimated at the time of proposed levy certification in September; and (iii) compute the "constant spending levy amount" as the product of the current year's revenue per pupil from clause (i) times the proposed year's levy ratio from clause (ii) times the proposed year's pupils in average daily membership.

(e) Each year, the commissioner of children, families, and learning must compute and report to the county auditor each school district's constant spending levy amounts

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by September 30. In no case shall a constant spending levy amount be less than \$0. For the purposes of this subdivision, school homestead and agricultural credit aid under section 273.1398, subdivision 2, shall be included in the other school levy category. For purposes of this subdivision, the school fiscal disparities distribution levy shall be apportioned proportionately among levy categories.

(f) For the tax increment financing tax, and the fiscal disparities tax, the "constant spending levy amount" is the same as the proposed tax.

Sec. 45. Minnesota Statutes 1998, section 275.16, is amended to read:

275.16 COUNTY AUDITOR TO FIX AMOUNT OF LEVY.

If any such municipality shall return to the county auditor a levy greater than permitted by chapters 123A, 123B, ~~124B~~, 126C, 136C, 136D, sections 275.124 to 275.16, and sections 275.70 to 275.74, such county auditor shall extend only such amount of taxes as the limitations herein prescribed will permit; provided, if such levy shall include any levy for the payment of bonded indebtedness or judgments, such levies for bonded indebtedness or judgments shall be extended in full, and the remainder of the levies shall be reduced so that the total thereof, including levies for bonds and judgments, shall not exceed such amount as the limitations herein prescribed will permit.

Sec. 46. Minnesota Statutes 1998, section 281.21, is amended to read:

281.21 NOTICE OF EXPIRATION OF REDEMPTION.

Notice of expiration of the time for redemption of any parcel of lands sold to an actual purchaser at any tax judgment sale hereafter held, or bid in for the state at any such sale and thereafter assigned to an actual purchaser, shall be given and served as provided by section ~~281.13~~ 281.23. Such notice may be issued and served at any time not earlier than 60 days before the expiration of the stated period of redemption of such parcel from such sale. The time for redemption of any such parcel from such sale shall expire 60 days after the service of such notice and the filing of proof thereof in the office of the county auditor.

Sec. 47. Minnesota Statutes 1998, section 281.22, is amended to read:

281.22 COUNTY AUDITOR TO GIVE NOTICE.

In case any parcel of land bid in for the state at any tax judgment sale heretofore held has not been sold or assigned to an actual purchaser by one year before the expiration of the stated period of redemption of such parcel, it shall be the duty of the county auditor thereupon forthwith to give notice of expiration of the time for redemption of such parcel, as herein provided. Subject to the provisions of section ~~281.20, so far as applicable,~~ Such notice shall be given and all other things done with respect to all such parcels, as provided by section 281.23, except that the notice shall state that the time for redemption will expire one year after service of notice and the filing of proof thereof, instead of 60 days. Otherwise, all the provisions of section 281.23 shall apply to and govern the corresponding matters under this section.

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The time for redemption of any parcel of land as to which notice of expiration has been given, as provided in this section, shall expire one year after the giving of such notice and the filing of proof thereof in the office of the county auditor, unless such parcel shall theretofore be assigned to an actual purchaser, as herein provided.

Sec. 48. Minnesota Statutes 1998, section 287.28, is amended to read:

287.28 REFUNDS OR REDEMPTION.

(a) The county treasurer may refund in whole or in part any tax which has been erroneously paid and may allow for or redeem such of the stamps, issued under the authority of sections ~~287.21~~ 287.20 to ~~287.36~~ 287.31 as may have been spoiled, destroyed, or rendered useless or unfit for the purpose intended or for which the owner may have no use or which through mistake may have been improperly or unnecessarily used. Such order shall be made only upon written application of the taxpayer.

(b) A person having paid a deed tax amount may seek a refund of the tax, or other appropriate relief, by commencing an action in tax court in the county where the tax was paid, within 60 days of the payment. The action is commenced by serving a petition for relief on the county treasurer, and filing a copy with the court. The county attorney shall defend the action. The county treasurer shall notify the treasurer of each county that has, or would receive a portion of the tax as paid, and any court ordered refund of deed tax, shall be accomplished using the refund procedures in section 287.08.

Sec. 49. Minnesota Statutes 1999 Supplement, section 287.29, subdivision 1, is amended to read:

Subdivision 1. **APPOINTMENT AND PAYMENT OF TAX PROCEEDS.** (a) The proceeds of the taxes levied and collected under sections 287.21 to ~~287.36~~ 287.39 must be apportioned, 97 percent to the general fund of the state, and three percent to the county revenue fund.

(b) On or before the 20th day of each month, the county treasurer shall determine and pay to the commissioner of revenue for deposit in the state treasury and credit to the general fund the state's portion of the receipts for deed tax from the preceding month subject to the electronic transfer requirements of section 270.771. The county treasurer shall provide any related reports requested by the commissioner of revenue.

Sec. 50. Minnesota Statutes 1999 Supplement, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. **SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether

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the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) contributions made in taxable years beginning after December 31, 1981, and before January 1, 1985, to a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income, less any amount allowed to be subtracted as a distribution under this subdivision or a predecessor provision in taxable years that began before January 1, 2000. This subtraction applies only for taxable years beginning after December 31, 1999, and before January 1, 2001;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g;

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(8) to the extent not deducted in determining federal taxable income, the amount paid for health insurance of self-employed individuals as determined under section 162(l) of the Internal Revenue Code, except that the percent limit does not apply. If the taxpayer deducted insurance payments under section 213 of the Internal Revenue Code of 1986, the subtraction under this clause must be reduced by the lesser of:

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(i) the total itemized deductions allowed under section 63(d) of the Internal Revenue Code, less state, local, and foreign income taxes deductible under section 164 of the Internal Revenue Code and the standard deduction under section 63(c) of the Internal Revenue Code; or

(ii) the lesser of (A) the amount of insurance qualifying as "medical care" under section 213(d) of the Internal Revenue Code to the extent not deducted under section 162(1) of the Internal Revenue Code or excluded from income or (B) the total amount deductible for medical care under section 213(a);

(9) the exemption amount allowed under Laws 1995, chapter 255, article 3, section 2, subdivision 3;

(10) to the extent included in federal taxable income, postservice benefits for youth community service under section 124D.42 for volunteer service under United States Code, title 42, ~~section 5011(d)~~, as amended sections 12601 to 12604;

(11) to the extent not deducted in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code over \$500; and

(12) to the extent included in federal taxable income, holocaust victims' settlement payments for any injury incurred as a result of the holocaust, if received by an individual who was persecuted for racial or religious reasons by Nazi Germany or any other Axis regime or an heir of such a person.

Sec. 51. Minnesota Statutes 1998, section 290.0802, subdivision 2, is amended to read:

Subd. 2. **SUBTRACTION.** (a) A qualified individual is allowed a subtraction from federal taxable income ~~for the greater of (1) the individual's subtraction base amount or (2) the minimum amount.~~ The excess of the subtraction base amount over the taxable net income computed without regard to the subtraction for the elderly or disabled under section 290.01, subdivision 19b, clause (5), may be used to reduce the amount of a lump sum distribution subject to tax under section 290.032.

(b)(1) The initial subtraction base amount equals

(i) \$12,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,

(ii) \$9,600 for a single taxpayer, and

(iii) \$6,000 for a married taxpayer filing a separate federal return.

(2) The qualified individual's initial subtraction base amount, then, must be reduced by the sum of nontaxable retirement and disability benefits and one-half of the amount of adjusted gross income in excess of the following thresholds:

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(i) \$18,000 for a married taxpayer filing a joint return if both spouses are qualified individuals,

(ii) \$14,500 for a single taxpayer or for a married couple filing a joint return if only one spouse is a qualified individual, and

(iii) \$9,000 for a married taxpayer filing a separate federal return.

(3) In the case of a qualified individual who is under the age of 65, the maximum amount of the subtraction base may not exceed the taxpayer's disability income.

(4) The resulting amount is the subtraction base amount.

(e) Qualified individuals who must include social security benefits above the second federal threshold in federal taxable income may claim a minimum amount equal to the lesser of

(1) the amount of social security benefits above the second federal threshold included in federal taxable income; or

(2) a minimum amount subject to an income phase-out.

For taxable years beginning after December 31, 1993, and before January 1, 1995, the minimum amount equals

(i) \$3,750 for married individuals filing a joint return if both spouses are qualified individuals,

(ii) \$3,000 for a single taxpayer or for married individuals filing a joint return if one spouse is a qualified individual, and

(iii) \$1,875 for a married individual filing a separate return.

For taxable years beginning after December 31, 1994, and before January 1, 1996, the minimum amount equals

(i) \$2,250 for married individuals filing a joint return if both spouses are qualified individuals,

(ii) \$1,800 for a single taxpayer or for married individuals filing a joint return if one spouse is a qualified individual, and

(iii) \$1,125 for married individuals filing a separate return.

For taxable years beginning after December 31, 1995, and before January 1, 1997, the minimum amount equals

(i) \$1,000 for married individuals filing a joint return if both spouses are qualified individuals,

(ii) \$800 for a single taxpayer or for married individuals filing a joint return if one spouse is a qualified individual, and

(iii) \$500 for married individuals filing a separate return.

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For taxable years beginning after December 31, 1996, the minimum amount is zero.

The minimum amount is reduced by 20 percent for each \$1,000 of adjusted gross income above an income threshold, but in no case may the minimum amount be reduced to less than zero. The income thresholds equal

(i) \$75,000 for married individuals filing a joint return if both spouses are qualified individuals,

(ii) \$60,000 for single taxpayers and for married individuals filing a joint return if only one spouse is a qualified individual, and

(iii) \$37,500 for married individuals filing a separate return.

Sec. 52, Minnesota Statutes 1998, section 299A.02, is amended to read:

299A.02 COMMISSIONERS OF PUBLIC SAFETY AND REVENUE; LIQUOR CONTROL FUNCTIONS.

Subdivision 1. **CONFLICT OF INTEREST.** No employee of the department of public safety or the department of revenue having any responsibility for the administration or enforcement of chapter ~~297C~~ 297G or 340A shall have a direct or indirect interest, except through ownership or investment in pension or mutual funds, in the manufacture, transportation or sale of intoxicating liquor or any malt or vinous beverages, intoxicating, nonintoxicating, or commercial or industrial alcohol. The commissioner of public safety or the commissioner of revenue may remove an employee in the unclassified civil service for any intentional violation of any provision of chapter ~~297C~~ 297G or 340A. Intentional violation of a provision of chapter ~~297C~~ 297G or 340A by a classified employee of one of the departments may be grounds for removal of that employee pursuant to section 43A.33.

Subd. 2. **GENERAL POWERS.** The commissioner shall administer and enforce the provisions of chapters ~~297C~~ 297G and 340A through the director of alcohol and gambling enforcement, except for those provisions thereof for which administration and enforcement are reserved to the commissioner of revenue.

Subd. 3. **REPORTS; RULES.** The commissioner shall have power to require periodic factual reports from all licensed importers, manufacturers, wholesalers and retailers of intoxicating liquors and to make all reasonable rules to effect the object of chapters ~~297C~~ 297G and 340A. The rules shall include provisions for assuring the purity of intoxicating liquors and the true statement of its contents and proper labeling thereof with regard to all forms of sale. No rule may require the use of new containers in aging whiskey. No rule may require cordials or liqueurs to contain in excess of 2-1/2 percent by weight of sugar or dextrose or both.

Subd. 4. **SUBPOENA.** In all matters relating to official duties, the commissioner shall have the powers possessed by courts of law to issue subpoenas and cause them to be served and enforced. All public officials, and their respective deputies and employees, and all individuals, partnerships, firms, corporations, incorporated and unincorporated associations, and others who manufacture, transport, or sell intoxicat-

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ing liquor, or are connected therewith in any manner, shall at all times attend and answer under oath the commissioner's lawful inquiries, produce and exhibit such books, accounts, documents and property as the commissioner may desire to inspect, and in all things aid the commissioner in the performance of the commissioner's duties.

Sec. 53. Minnesota Statutes 1998, section 319B.02, subdivision 13, is amended to read:

Subd. 13. **OWNER.** "Owner" means:

(1) with respect to a professional firm that is a corporation, except a nonprofit corporation, an owner of shares in the corporation;

(2) with respect to a professional firm that is a limited liability company, a membership interest member in the limited liability company; and

(3) with respect to a professional firm that is a limited liability partnership, a partnership interest partner in the limited liability partnership.

Sec. 54. Minnesota Statutes 1998, section 325D.33, subdivision 8, is amended to read:

Subd. 8. **PENALTIES.** (a) A retailer who sells cigarettes for less than a legal retail price may be assessed a penalty in the full amount of three times the difference between the actual selling price and a legal price under sections 325D.30 to 325D.42. This penalty may be collected under the authorities given the commissioner in chapters 270 and ~~297~~ 297F, and the penalty shall bear interest at the rate prescribed by section 270.75, subdivision 5.

(b) A wholesaler who sells cigarettes for less than a legal price may be assessed a penalty in the full amount of three times the difference between the actual selling price and the legal price under sections 325D.30 to 325D.42. This penalty may be collected under the authorities given the commissioner in chapters 270 and ~~297~~ 297F, and the penalty shall bear interest at the rate prescribed by section 270.75, subdivision 5.

(c) A retailer who engages in a plan, scheme, or device with a wholesaler to purchase cigarettes at a price which the retailer knows to be less than a legal price may be assessed a penalty in the full amount of three times the difference between the actual purchase price and the legal price under sections 325D.30 to 325D.42. A retailer that coerces or requires a wholesaler to sell cigarettes at a price which the retailer knows to be less than a legal price may be assessed a penalty in the full amount of three times the difference between the actual purchase price and the legal price. These penalties may be collected under the authorities given the commissioner in chapters 270 and ~~297~~ 297F, and the penalties shall bear interest at the rate prescribed by section 270.75, subdivision 5.

For purposes of this subdivision, a retailer is presumed to know that a purchase price is less than a legal price if any of the following have been done:

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(1) the commissioner has published the legal price in the Minnesota State Register;

(2) the commissioner has provided written notice to the retailer of the legal price;

(3) the commissioner has provided written notice to the retailer that the retailer is purchasing cigarettes for less than a legal price;

(4) the commissioner has issued a written order to the retailer to cease and desist from purchases of cigarettes for less than a legal price; or

(5) there is evidence that the retailer has knowledge of, or has participated in, efforts to disguise or misrepresent the actual purchase price as equal to or more than a legal price, when it is actually less than a legal price.

In any proceeding arising under this subdivision, the commissioner shall have the burden of providing by a reasonable preponderance of the evidence that the facts necessary to establish the presumption set forth in this section exist, or that the retailer had knowledge that a purchase price was less than the legal price.

(d) The commissioner may not assess penalties against any wholesaler, retailer, or combination of wholesaler and retailer, which are greater than three times the difference between the actual price and the legal price under sections 325D.30 to 325D.42.

Sec. 55. Minnesota Statutes 1998, section 325D.415, is amended to read:

325D.415 CIGARETTE DISTRIBUTOR FEES.

A cigarette distributor as defined in section 297F.01, subdivision 4, shall pay to the commissioner an annual fee as follows:

(1) a fee of \$2,500 is due from those distributors whose annual cigarette tax collections exceed \$2,000,000; and

(2) a fee of \$1,200 is due from those distributors whose annual cigarette tax collections are \$2,000,000 or less.

The annual fee must be paid by December 31 of each year. If the fee is not paid when due, the commissioner shall revoke or refuse to issue or renew the license under chapter ~~297~~ 297F. The annual fee must be deposited into the general fund.

Sec. 56. Minnesota Statutes 1998, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. **COVERAGE.** (a) Employees enumerated in paragraph (c), clauses (2), (3), (4), and (6) to ~~(15)~~ (14), if they are in the unclassified service of the state or metropolitan council and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified program under this chapter unless the employee gives notice to the executive director of the Minnesota state retirement system within one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee

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who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Persons referenced in paragraph (c), clauses (1) and (5), are participants in the unclassified program under this chapter unless the person is eligible to elect different coverage under section 3A.07 or 352C.011 and, after July 1, 1998, elects retirement coverage by the applicable alternative retirement plan.

(c) Enumerated employees and referenced persons are:

(1) the governor, the lieutenant governor, the secretary of state, the state auditor, the state treasurer, and the attorney general;

(2) an employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general;

(3) an employee of the state board of investment;

(4) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.0815 or 15A.083, subdivision 4;

(5) a member of the legislature;

(6) a permanent, full-time unclassified employee of the legislature or a commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system;

(7) a person who is employed in a position established under section 43A.08, subdivision 1, clause (3), or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(8) the regional administrator, or executive director of the metropolitan council, general counsel, division directors, operations managers, and other positions as designated by the council, all of which may not exceed 27 positions at the council and the chair, provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations may be made without approval of the board of directors of the Minnesota state retirement system;

(9) the executive director, associate executive director, and not to exceed nine positions of the higher education services office in the unclassified service, as designated by the higher education services office before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota state retirement system, unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(10) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota;

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(11) the chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of human services;

(12) an employee whose principal employment is at the state ceremonial house;

(13) an employee of the Minnesota educational computing corporation; and

(14) ~~an employee of the world trade center board; and~~

(15) an employee of the state lottery board who is covered by the managerial plan established under section 43A.18, subdivision 3.

Sec. 57. Minnesota Statutes 1998, section 429.091, subdivision 8, is amended to read:

Subd. 8. **FEDERAL VOLUME LIMITATION ACT WHEN BOND ALLOCATION ACT APPLIES.** Sections 474A.01 to 474A.21 apply to any issuance of obligations under this section which are subject to limitation under a federal Volume Limitation Act as defined in section 474A.02, subdivision 9, or existing federal tax law as defined in section 474A.02, subdivision 8.

Sec. 58. Minnesota Statutes 1998, section 430.12, is amended to read:

430.12 BONDS FOR IMPROVEMENTS.

The city council may issue and sell special certificates of indebtedness or special street or parkway improvement bonds as necessary to pay for making improvements and paying damages. The holders of the certificates or bonds are entitled to all amounts realized on any assessment, or, in the council's discretion, the holders of a series of two or more certificates or bonds have those rights against one assessment or against the assessments in two or more different proceedings. The principal and interest will be payable at fixed dates out of the funds collected from the assessments, including interest and penalties, and those funds are pledged for the pro rata payment of the certificates or bonds and related interest as they become due. These certificates or bonds may be made payable to the bearer, with interest coupons attached, and the city council may bind the city to make good deficiencies in the collection up to, but not exceeding, the principal and interest at the rate fixed under this section and for the time specified in section 430.06. If the city, because of this guaranty, redeems a certificate or bond, it is subrogated to the holder's rights. For the purpose of this guaranty, penalties collected must be credited upon deficiencies of principal and interest before the city is liable. These certificates or bonds must be sold at public sale or by sealed proposals at a meeting after at least two weeks' published notice, to the purchaser who will pay the par value at the lowest interest rate. The certificates or bonds must be drawn accordingly.

The rate of interest may not exceed seven percent per year, payable annually or semiannually. The city clerk shall certify to the county auditor the rate of interest determined at the first bond sale held for any improvement under this chapter, and interest must be computed on the assessments at this annual rate, in accordance with section 430.06. If the rate of interest determined at any subsequent bond sale for the

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same improvement is greater than the rate determined at the first bond sale, the difference between these rates of interest must be a general city charge.

If the proceeds of special certificates of indebtedness or special street or parkway improvement bonds are in excess of the amount actually necessary to make the improvements for which they were issued, or if the proceeds are not immediately required for the prosecution or completion of the improvement, the proceeds may meanwhile be used by the city council for other improvements authorized under this chapter, and the proceeds used must be replaced and made good as necessary from the proceeds of special certificates of indebtedness or special bonds issued for other improvements.

Sections 474A.01 to 474A.21 apply to any obligations issued under this section that are subject to limitation under a ~~federal volume limitation act~~ as defined in section 474A.02, subdivision 9, or existing federal tax law as defined in section 474A.02, subdivision 8.

Sec. 59. Minnesota Statutes 1998, section 459.35, is amended to read:

459.35 FEDERAL VOLUME LIMITATION ACT WHEN BOND ALLOCATION ACT APPLIES.

Sections 474A.01 to 474A.21 apply to any issuance of obligations under this chapter which are subject to limitation under a ~~federal Volume Limitation Act~~ as defined in section 474A.02, subdivision 9, or existing federal tax law as defined in section 474A.02, subdivision 8.

Sec. 60. Minnesota Statutes 1999 Supplement, section 465.797, subdivision 1, is amended to read:

Subdivision 1. **GENERALLY.** (a) Except as provided in paragraph (b), a local government unit may request the board of government innovation and cooperation to grant a waiver from one or more administrative rules or a temporary, limited exemption from enforcement of state procedural laws governing delivery of services by the local government unit. Two or more local government units may submit a joint application for a waiver or exemption under this section if they propose to cooperate in providing a service or program that is subject to the rule or law. Before submitting an application to the board, the governing body of the local government unit must approve, in concept, the proposed waiver or exemption at a meeting required to be public under section 471.705. A local government unit or two or more units acting jointly may apply for a waiver or exemption on behalf of a nonprofit organization providing services to clients whose costs are paid by the unit or units. A waiver or exemption granted to a nonprofit organization under this section applies to services provided to all the organization's clients.

(b) A school district that is granted a variance from rules of the commissioner of children, families, and learning under section ~~122A.164~~ 122A.163, need not apply to the board for a waiver of those rules under this section. A school district may not seek a waiver of rules under this section if the commissioner of children, families, and learning has authority to grant a variance to the rules under section ~~122A.164~~

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122A.163. This paragraph does not preclude a school district from being included in a cooperative effort with another local government unit under this section.

Sec. 61. Minnesota Statutes 1998, section 469.036, is amended to read:

469.036 FEDERAL VOLUME LIMITATION ACT WHEN BOND ALLOCATION ACT APPLIES.

Sections 474A.01 to 474A.21 apply to any issuance of obligations under sections 469.001 to 469.047 that are subject to limitation under a federal Volume Limitation Act as defined in section 474A.02, subdivision 9, or existing federal tax law as defined in section 474A.02, subdivision 8.

Sec. 62. Minnesota Statutes 1998, section 469.040, subdivision 4, is amended to read:

Subd. 4. **FACILITIES FUNDED FROM MULTIPLE SOURCES.** In the metropolitan area, as defined in section 473.121, subdivision 2, the tax treatment provided in subdivision 3 applies to that portion of any multifamily rental housing facility represented by the ratio of (1) the number of units in the facility that are subject to the requirements of Section 5 of the United States Housing Act of 1937, as the result of the implementation of a federal court order or consent decree to (2) the total number of units within the facility.

The housing and redevelopment authority for the city in which the facility is located, any public entity exercising the powers of such housing and redevelopment authority, or the county housing and redevelopment authority for the county in which the facility is located, shall annually certify to the assessor responsible for assessing the facility, at the time and in the manner required by the assessor, the number of units in the facility that are subject to the requirements of Section 5 of the United States Housing Act of 1937.

Nothing in this subdivision shall prevent that portion of the facility not subject to this subdivision from meeting the requirements of section ~~273.1317~~ 273.126, and for that purpose the total number of units in the facility must be taken into account.

Sec. 63. Minnesota Statutes 1998, section 469.063, is amended to read:

469.063 SECTIONS THAT APPLY IF FEDERAL LIMIT APPLIES WHEN BOND ALLOCATION ACT APPLIES.

Sections 474A.01 to 474A.21 apply to obligations issued under sections 469.048 to 469.068 that are limited by a federal Volume Limitation Act as defined in section 474A.02, subdivision 9, or existing federal tax law as defined in section 474A.02, subdivision 8.

Sec. 64. Minnesota Statutes 1998, section 469.116, subdivision 8, is amended to read:

Subd. 8. **FEDERAL VOLUME LIMITATION ACT WHEN BOND ALLOCATION ACT APPLIES.** Sections 474A.01 to 474A.21 apply to any issuance of obligations under this section which are subject to limitation under a federal Volume

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~~Limitation Act as defined in section 474A.02, subdivision 9, or existing federal tax law as defined in section 474A.02, subdivision 8.~~

Sec. 65. Minnesota Statutes 1998, section 469.1733, subdivision 1, is amended to read:

Subdivision 1. **DELINQUENT TAXPAYERS.** An individual or a business is not eligible for the exemptions or credits available under section 272.0212, 469.1732, or 469.1734, if the individual or business owes delinquent amounts under chapter 290, ~~296~~ 296A, 297, 297A, 297B, 297F, or ~~297C~~ 297G or if the individual or business owns property located in the city or county in which the zone is located on which the property taxes are delinquent. Delinquency is determined as of the date of the application for a certificate under section 469.1735, subdivision 1. As a condition of receiving a certificate, the individual or business must authorize the department of revenue to disclose information necessary to make the determination under this subdivision notwithstanding any provision of chapter 270B or other law to the contrary.

Sec. 66. Minnesota Statutes 1998, section 469.178, subdivision 6, is amended to read:

Subd. 6. **FEDERAL VOLUME LIMITATIONS WHEN BOND ALLOCATION ACT APPLIES.** Sections 474A.01 to 474A.21 apply to any issuance of obligations under this section that are subject to limitation under a federal Volume Limitation Act as defined in section 474A.02, subdivision 9, or existing federal tax law as defined in section 474A.02, subdivision 8.

Sec. 67. Minnesota Statutes 1998, section 469.203, subdivision 4, is amended to read:

Subd. 4. **CITY APPROVAL OF PROGRAM.** (a) Before adoption of a revitalization program under paragraph (b), the city must submit a preliminary program to the commissioner, ~~the commissioner of trade and economic development,~~ and the Minnesota housing finance agency for their comments. The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them. Comments received by the city from the state agencies within the 30-day period must be responded to in writing by the city before adoption of the program by the city.

(b) The city may adopt a revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the most widely circulated community newspaper in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing.

(c) A certification by the city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the commissioner together with a copy of the program. A copy of the program must also be provided to the Minnesota housing finance agency and the commissioner of trade and economic development.

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(d) A revitalization program for the city may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city and in the targeted neighborhood at least ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under paragraph (c), the city council shall implement the revitalization program approval and certification process of this subdivision for the proposed modification.

Sec. 68. Minnesota Statutes 1998, section 473.3994, subdivision 13, is amended to read:

Subd. 13. **DISPUTE RESOLUTION.** In the event of a dispute between any of the parties arising from the parties' respective authority and responsibility under this section or ~~section 473.3998~~, the dispute shall be submitted to the metropolitan council for final resolution by any party to the dispute. The metropolitan council shall establish by July 1, 1993, a process to ensure a prompt and speedy resolution of the dispute. This process shall allow the parties to provide evidence and testimony in support of their positions.

Sec. 69. Minnesota Statutes 1998, section 475.77, is amended to read:

475.77 OBLIGATIONS SUBJECT TO FEDERAL VOLUME LIMITATION ACT WHEN BOND ALLOCATION ACT APPLIES.

Sections 474A.01 to 474A.21 apply to any issuance of obligations which are subject to limitation under a ~~Federal Volume Limitation Act as defined in section 474A.02, subdivision 9, or existing federal tax law as defined in section 474A.02, subdivision 8.~~

Sec. 70. Minnesota Statutes 1999 Supplement, section 504B.161, subdivision 1, is amended to read:

Subdivision 1. **REQUIREMENTS.** In every lease or license of residential premises, the landlord or licensor covenants:

(1) that the premises and all common areas are fit for the use intended by the parties;

(2) to keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; and

(3) to maintain the premises in compliance with the applicable health and safety laws of the state, including the weatherstripping, caulking, storm window, and storm door energy efficiency standards for renter-occupied residences prescribed by section 216C.27, subdivisions 1 and 3, and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee.

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The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 71. Minnesota Statutes 1999 Supplement, section 504B.181, subdivision 5, is amended to read:

Subd. 5. **NOTICE TO LANDLORD.** Any residential tenant who moves from or subleases the premises without giving the landlord at least 30 days written notice shall void any provision of this section and ~~section 504B.191~~, as to that tenant.

Sec. 72. Minnesota Statutes 1999 Supplement, section 515B.1-102, is amended to read:

515B.1-102 APPLICABILITY.

(a) Except as provided in this section, this chapter, and not chapters 515 and 515A, applies to all common interest communities created within this state on and after June 1, 1994.

(b) The applicability of this chapter to common interest communities created prior to June 1, 1994, shall be as follows:

(1) This chapter shall apply to condominiums created under chapter 515A with respect to events and circumstances occurring on and after June 1, 1994; provided (i) that this chapter shall not invalidate the declarations, bylaws or condominium plats of those condominiums, and (ii) that chapter 515A, and not this chapter, shall govern all rights and obligations of a declarant of a condominium created under chapter 515A, and the rights and claims of unit owners against that declarant.

(2) The following sections in this chapter apply to condominiums created under chapter 515: 515B.1-104 (Variation by Agreement); 515B.1-105 (Separate Titles and Taxation); 515B.1-106 (Applicability of Local Ordinances, Regulations, and Building Codes); 515B.1-107 (Eminent Domain); 515B.1-108 (Supplemental General Principles of Law Applicable); 515B.1-109 (Construction Against Implicit Repeal); ~~515B.1-110 (Uniformity of Application and Construction)~~; 515B.1-111 (Severability); 515B.1-112 (Unconscionable Agreement or Term of Contract); 515B.1-113 (Obligation of Good Faith); 515B.1-114 (Remedies to be Liberally Administered); 515B.1-115 (Notice); 515B.1-116 (Recording); 515B.2-103 (Construction and Validity of Declaration and Bylaws); 515B.2-104 (Description of Units); 515B.2-108(d) (Allocation of Interests); 515B.2-109(c) (Common Elements and Limited Common Elements); 515B.2-112 (Subdivision or Conversion of Units); 515B.2-113 (Alteration of Units); 515B.2-114 (Relocation of Boundaries Between Adjoining Units); 515B.2-115 (Minor Variations in Boundaries); 515B.2-118 (Amendment of Declaration); 515B.3-102 (Powers of Unit Owners' Association); 515B.3-103(a), (b), and (g) (Board; Directors and Officers; Period of Declarant Control); 515B.3-107 (Upkeep of Common Interest Community); 515B.3-108 (Meetings); 515B.3-109 (Quorums); 515B.3-110 (Voting; Proxies); 515B.3-111 (Tort and Contract Liability); 515B.3-112 (Conveyance or Encumbrance of Common Elements); 515B.3-113 (Insurance); 515B.3-114 (Reserves; Surplus Funds); 515B.3-115 (c), (e), (f), (g), (h), and (i) (Assessments for Common Expenses); 515B.3-116 (Lien for Assessments); 515B.3-117 (Other Liens); 515B.3-

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118 (Association Records); 515B.3-119 (Association as Trustee); 515B.3-121 (Accounting Controls); 515B.4-107 (Resale of Units); 515B.4-108 (Purchaser's Right to Cancel Resale); and 515B.4-116 (Rights of Action; Attorney's Fees). Section 515B.1-103 (Definitions) shall apply to the extent necessary in construing any of the sections referenced in this section. Sections 515B.1-105, 515B.1-106, 515B.1-107, 515B.1-116, 515B.2-103, 515B.2-104, 515B.2-118, 515B.3-102, 515B.3-110, 515B.3-111, 515B.3-113, 515B.3-116, 515B.3-117, 515B.3-118, 515B.3-121, 515B.4-107, 515B.4-108, and 515B.4-116 apply only with respect to events and circumstances occurring on and after June 1, 1994. All other sections referenced in this section apply only with respect to events and circumstances occurring after May 31, 1999. A section referenced in this section does not invalidate the declarations, bylaws or condominium plats of condominiums created before August 1, 1999. But all sections referenced in this section prevail over the declarations, bylaws, CIC plats, rules and regulations under them, of condominiums created before August 1, 1999, except to the extent that this chapter defers to the declarations, bylaws, CIC plats, or rules and regulations issued under them.

(3) This chapter shall not apply to cooperatives and planned communities created prior to June 1, 1994; except by election pursuant to subsection (d), and except that sections 515B.1-116, subsections (a), (c), (d), (e), (f), and (h), 515B.4-107, and 515B.4-108, apply to all planned communities and cooperatives regardless of when they are created.

(c) This chapter shall not invalidate any amendment to the declaration, bylaws or condominium plat of any condominium created under chapter 515 or 515A if the amendment was recorded before June 1, 1994. Any amendment recorded on or after June 1, 1994, shall be adopted in conformity with the procedures and requirements specified by those instruments and by this chapter. If the amendment grants to any person any rights, powers or privileges permitted by this chapter, all correlative obligations, liabilities and restrictions contained in this chapter shall also apply to that person.

(d) Any condominium created under chapter 515, any planned community or cooperative which would be exempt from this chapter under subsection (e), or any planned community or cooperative created prior to June 1, 1994, may elect to be subject to this chapter, as follows:

(1) The election shall be accomplished by recording a declaration or amended declaration, and a new or amended CIC plat where required, and by approving bylaws or amended bylaws, which conform to the requirements of this chapter, and which, in the case of amendments, are adopted in conformity with the procedures and requirements specified by the existing declaration and bylaws of the common interest community, and by any applicable statutes.

(2) In a condominium, the preexisting condominium plat shall be the CIC plat and an amended CIC plat shall be required only if the amended declaration or bylaws contain provisions inconsistent with the preexisting condominium plat. The condominium's CIC number shall be the apartment ownership number or condominium

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number originally assigned to it by the recording officer. In a cooperative in which the unit owners' interests are characterized as real estate, a CIC plat shall be required. In a planned community, the preexisting plat recorded pursuant to chapter 505, 508, or 508A, or the part of the plat upon which the common interest community is located, shall be the CIC plat.

(3) The amendment shall conform to the requirements of section 515B.2-118(d).

(4) Except as permitted by paragraph (3), no declarant, affiliate of declarant, association, master association nor unit owner may acquire, increase, waive, reduce or revoke any previously existing warranty rights or causes of action that one of said persons has against any other of said persons by reason of exercising the right of election under this subsection.

(5) A common interest community which elects to be subject to this chapter may, as a part of the election process, change its form of ownership by complying with the requirements of section 515B.2-123.

(e) Except as otherwise provided in this subsection, this chapter shall not apply, except by election pursuant to subsection (d), to the following:

(1) a planned community or cooperative which consists of 12 or fewer units subject to the same declaration, which is not subject to any rights to add additional real estate and which will not be subject to a master association;

(2) a common interest community where the units consist solely of separate parcels of real estate designed or utilized for detached single family dwellings or agricultural purposes, and where the association has no obligation to maintain any building containing a dwelling or any agricultural building;

(3) a cooperative where, at the time of creation of the cooperative, the unit owners' interests in the dwellings as described in the declaration consist solely of proprietary leases having an unexpired term of fewer than 20 years, including renewal options;

(4) planned communities and cooperatives limited by the declaration to nonresidential use; or

(5) real estate subject only to an instrument or instruments filed primarily for the purpose of creating or modifying rights with respect to access, utilities, parking, ditches, drainage, or irrigation.

(f) Section 515B.1-106 shall apply to all common interest communities.

Sec. 73. Minnesota Statutes 1999 Supplement, section 515B.1-103, is amended to read:

515B.1-103 DEFINITIONS.

In the declaration and bylaws, unless specifically provided otherwise or the context otherwise requires, and in this chapter:

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(1) "Additional real estate" means real estate that may be added to a flexible common interest community.

(2) "Affiliate of a declarant" means any person who controls, is controlled by, or is under common control with a declarant.

(A) A person "controls" a declarant if the person (i) is a general partner, officer, director, or employer of the declarant, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the declarant, (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than 20 percent of the capital of the declarant.

(B) A person "is controlled by" a declarant if the declarant (i) is a general partner, officer, director, or employer of the person, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the person, (iii) controls in any manner the election of a majority of the directors of the person, or (iv) has contributed more than 20 percent of the capital of the person.

(C) Control does not exist if the powers described in this subsection are held solely as a security interest and have not been exercised.

(3) "Allocated interests" means the following interests allocated to each unit: (i) in a condominium, the undivided interest in the common elements, the common expense liability, and votes in the association; (ii) in a cooperative, the common expense liability and the ownership interest and votes in the association; and (iii) in a planned community, the common expense liability and votes in the association.

(4) "Association" means the unit owners' association organized under section 515B.3-101.

(5) "Board" means the body, regardless of name, designated in the articles of incorporation, bylaws or declaration to act on behalf of the association, or on behalf of a master association when so identified.

(6) "CIC plat" means a common interest community plat described in section 515B.2-110.

(7) "Common elements" means all portions of the common interest community other than the units.

(8) "Common expenses" means expenditures made or liabilities incurred by or on behalf of the association, or master association when so identified, together with any allocations to reserves.

(9) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to section 515B.2-108.

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(10) "Common interest community" or "CIC" means contiguous or noncontiguous real estate within Minnesota that is subject to an instrument which obligates persons owning a separately described parcel of the real estate, or occupying a part of the real estate pursuant to a proprietary lease, by reason of their ownership or occupancy, to pay for (i) real estate taxes levied against; (ii) insurance premiums payable with respect to; (iii) maintenance of; or (iv) construction, maintenance, repair or replacement of improvements located on one or more parcels or parts of the real estate other than the parcel or part that the person owns or occupies. Real estate subject to a master association, regardless of when the master association was formed, shall not collectively constitute a separate common interest community unless so stated in the master declaration recorded against the real estate pursuant to section 515B.2-121, subsection (f)(1).

(11) "Condominium" means a common interest community in which (i) portions of the real estate are designated as units, (ii) the remainder of the real estate is designated for common ownership solely by the owners of the units, and (iii) undivided interests in the common elements are vested in the unit owners.

(12) "Conversion property" means real estate on which is located a building that at any time within two years before creation of the common interest community was occupied as a residence wholly or partially by persons other than purchasers and persons who occupy with the consent of purchasers.

(13) "Cooperative" means a common interest community in which the real estate is owned by an association, each of whose members is entitled by virtue of the member's ownership interest in the association to a proprietary lease.

(14) "Dealer" means a person in the business of selling units for the person's own account.

(15) "Declarant" means:

(i) if the common interest community has been created, (A) any person who has executed a declaration, or an amendment to a declaration to add additional real estate, except secured parties, persons whose interests in the real estate will not be transferred to unit owners, or, in the case of a leasehold common interest community, a lessor who possesses no special declarant rights and who is not an affiliate of a declarant who possesses special declarant rights, or (B) any person who reserves, or succeeds under section 515B.3-104 to any special declarant rights; or

(ii) any person or persons acting in concert who have offered prior to creation of the common interest community to transfer their interest in a unit to be created and not previously transferred.

(16) "Declaration" means any instrument, however denominated, including any amendment to the instrument, that creates a common interest community.

(17) "Dispose" or "disposition" means a voluntary transfer to a purchaser of any legal or equitable interest in the common interest community, but the term does not include the transfer or release of a security interest.

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(18) "Flexible common interest community" means a common interest community to which additional real estate may be added.

(19) "Leasehold common interest community" means a common interest community in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the common interest community or reduce its size.

(20) "Limited common element" means a portion of the common elements allocated by the declaration or by operation of section 515B.2-102(d) or (f) for the exclusive use of one or more but fewer than all of the units.

(21) "Master association" means an entity created on or after June 1, 1994, that directly or indirectly exercises any of the powers set forth in section 515B.3-102 on behalf of one or more members described in section 515B.2-121(b), (i), (ii) or (iii), whether or not it also exercises those powers on behalf of one or more property owners associations described in section 515B.2-121(b)(iv). A person (i) hired by an association to perform maintenance, repair, accounting, bookkeeping or management services, or (ii) granted authority under an instrument recorded primarily for the purpose of creating rights or obligations with respect to utilities, access, drainage, or recreational amenities, is not, solely by reason of that relationship, a master association.

(22) "Master declaration" means a written instrument, however named, (i) recorded on or after June 1, 1994, against property subject to powers exercised by a master association and (ii) satisfying the requirements of section 515B.2-121, subsection (f)(1).

(23) "Period of declarant control" means the time period provided for in section 515B.3-103(c) during which the declarant may appoint and remove officers and directors of the association.

(24) "Person" means an individual, corporation, limited liability company, partnership, trustee under a trust, personal representative, guardian, conservator, government, governmental subdivision or agency, or other legal or commercial entity capable of holding title to real estate.

(25) "Planned community" means a common interest community that is not a condominium or a cooperative. A condominium or cooperative may be a part of a planned community.

(26) "Proprietary lease" means an agreement with a cooperative association whereby a member of the association is entitled to exclusive possession of a unit in the cooperative.

(27) "Purchaser" means a person, other than a declarant, who by means of a voluntary transfer acquires a legal or equitable interest in a unit other than (i) a leasehold interest of less than 20 years, including renewal options, or (ii) a security interest.

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(28) "Real estate" means any fee simple, leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" may include spaces with or without upper or lower boundaries, or spaces without physical boundaries.

(29) "Residential use" means use as a dwelling, whether primary, secondary or seasonal, but not transient use such as hotels or motels.

(30) "Secured party" means the person owning a security interest as defined in paragraph ~~(30)~~ (31).

(31) "Security interest" means a perfected interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a mortgagee's interest in a mortgage, a vendor's interest in a contract for deed, a lessor's interest in a lease intended as security, a holder's interest in a sheriff's certificate of sale during the period of redemption, an assignee's interest in an assignment of leases or rents intended as security, a lender's interest in a cooperative share loan, a pledgee's interest in the pledge of an ownership interest, or any other interest intended as security for an obligation under a written agreement.

(32) "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant to:

- (i) complete improvements indicated on the CIC plat;
- (ii) add additional real estate to a common interest community;
- (iii) subdivide units or convert units into common elements, limited common elements and/or units;
- (iv) maintain sales offices, management offices, signs advertising the common interest community, and models;
- (v) use easements through the common elements for the purpose of making improvements within the common interest community or any additional real estate;
- (vi) create a master association and provide for the exercise of authority by the master association over the common interest community or its unit owners;
- (vii) merge or consolidate a common interest community with another common interest community of the same form of ownership; or
- (viii) appoint or remove any officer or director of the association, or the master association where applicable, during any period of declarant control.

(33) "Time share" means a right to occupy a unit or any of several units during three or more separate time periods over a period of at least three years, including renewal options, whether or not coupled with an estate or interest in a common interest community or a specified portion thereof.

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(34) "Unit" means a physical portion of a common interest community the boundaries of which are described in the common interest community's declaration and which is intended for separate ownership or separate occupancy pursuant to a proprietary lease.

(35) "Unit identifier" means English letters or Arabic numerals, or a combination thereof, which identify only one unit in a common interest community and which meet the requirements of section 515B.2-104.

(36) "Unit owner" means a declarant or other person who owns a unit, or a lessee of a unit in a leasehold common interest community whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the common interest community, but does not include a secured party. In a common interest community, the declarant is the unit owner of a unit until that unit has been conveyed to another person.

Sec. 74. Minnesota Statutes 1999 Supplement, section 515B.2-105, is amended to read:

515B.2-105 DECLARATION CONTENTS; ALL COMMON INTEREST COMMUNITIES.

(a) The declaration shall contain:

(1) the number of the common interest community, whether the common interest community is a condominium, planned community or cooperative, and the name of the common interest community, which shall appear at the top of the first page of the declaration in the following format:

Common Interest Community No.

(Type of Common Interest Community)

(Name of Common Interest Community)

(DECLARATION)

(2) a statement as to whether the common interest community is or is not subject to a master association;

(3) the name of the association, a statement that the association has been incorporated and a reference to the statute under which it was incorporated;

(4) a legally sufficient description of the real estate included in the common interest community, a statement identifying any appurtenant easement necessary for access to a public street or highway, and a general reference to any other appurtenant easements;

(5) a description of the boundaries of each unit created by the declaration and the unit's unit identifier;

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(6) in a planned community containing common elements, a legally sufficient description of the common elements;

(7) in a cooperative, a statement as to whether the unit owners' interests in all units and their allocated interests are real estate or personal property;

(8) an allocation to each unit of the allocated interests in the manner described in section 515B.2-108;

(9) a statement of (i) the total number of units and (ii) which units will be restricted to residential use and which units will be restricted to nonresidential use;

(10) a statement of the maximum number of units which may be created by the subdivision or conversion of units owned by the declarant pursuant to section 515B.2-112;

(11) any material restrictions on use, occupancy, or alienation of the units, or on the sale price of a unit or on the amount that may be received by an owner on sale, condemnation or casualty loss to the unit or to the common interest community, or on termination of the common interest community; provided, that these requirements shall not affect the power of the association to adopt, amend or revoke rules and regulations pursuant to section 515B.3-102;

(12) a statement as to whether time shares are permitted; and

(13) all matters required by sections 515B.1-103(31), Special Declarant Rights; 515B.2-107, Leaseholds; 515B.2-109, Common Elements and Limited Common Elements; 515B.2-110, Common Interest Community Plat; 515B.3-115, Assessments for Common Expenses; and 515B.2-121, Master Associations.

(b) The declaration may contain any other matters the declarant considers appropriate.

Sec. 75. Minnesota Statutes 1999 Supplement, section 515B.3-105, is amended to read:

515B.3-105 TERMINATION OF DECLARANT'S CONTRACTS, LEASES.

If entered into prior to expiration of the period of declarant control pursuant to section 515B.3-103, (i) any management contract, employment contract, or lease of recreational facilities, units, garages or other parking facilities, (ii) any contract, lease or license binding the association to which a declarant or an affiliate of a declarant is a party, or (iii) any contract, lease or license binding the association or any unit owner other than the declarant or an affiliate of the declarant which is not bona fide or which was unconscionable to the unit owners at the time entered into under the circumstances then prevailing, may be terminated without penalty by the association at any time after the expiration of declarant control upon not less than 90 days' notice to the other party. If, during the suspension period described in subsection 2-121(e)(3) section 515B.2-121, subsection (c), paragraph (3), a contract, lease, or license of a type described in this section is entered into and is binding upon a master association, then the master association, and not any association, may terminate the contract, lease, or license under

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the procedures in this section. This section does not apply to (i) any lease the termination of which would terminate the common interest community, (ii) a proprietary lease, or (iii) in the case of a cooperative, a mortgage, or contract for deed encumbering all real estate constituting the common interest community.

Sec. 76. Minnesota Statutes 1999 Supplement, section 515B.3-115, is amended to read:

515B.3-115 ASSESSMENTS FOR COMMON EXPENSES.

(a) The obligation of a unit owner to pay common expense assessments shall be as follows:

(1) If a common expense assessment has not been levied, the declarant shall pay all accrued expenses of the common interest community.

(2) If a common expense assessment has been levied, all unit owners including the declarant shall pay the assessments allocated to their units, subject to subsection (b).

(3) Notwithstanding subsections (a)(1), (a)(2), and (b), if the association maintains the exteriors of the buildings constituting or contained within the units, that part of any assessment that is allocated to replacement reserves referred to in section 515B.3-114 shall be fully levied against a unit, including any unit owned by a declarant, on the earlier of substantial completion of the exterior of (i) the building containing the unit or (ii) any building located within the unit.

(b) Subject to subsection (a)(3), if the declaration so provides, a declarant's liability, and the assessment lien, for assessments, other than replacement reserves, on any unit owned by the declarant may be limited to 25 percent or any greater percentage of any assessment levied, until the unit or any building located in it is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in any jurisdiction that issues the certificate.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon a budget approved at least annually by the association.

(d) Except as modified by subsections (a)(1) and (2), ~~(h), (i) and (j)~~ (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

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(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) reasonable attorneys fees and costs incurred by the association in connection with (i) the collection of assessments and, (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations, against a unit owner, may be assessed against the unit owner's unit; and

(5) fees, charges, late charges, fines and interest may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner's unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days' written notice to the unit owner, declare the entire amount of the assessment immediately due and payable in full.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

Sec. 77. Minnesota Statutes 1999 Supplement, section 515B.3-116, is amended to read:

515B.3-116 LIEN FOR ASSESSMENTS.

(a) The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. Unless the declaration otherwise provides, fees, charges, late charges, fines and interest charges pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable as assessments, under this section.

(b) A lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes, or takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or, in a cooperative, any first security interest encumbering only the unit owner's interest in the unit, and (iii) liens for real estate taxes and other governmental assessments or charges against the unit. If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no owner redeems during the owner's period of redemption provided by chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the unit subject to

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a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), ~~(h)(1)~~ (e)(1) to (3), ~~(i)~~ (f), and ~~(j)~~ (i) which became due, without acceleration, during the six months immediately preceding the first day following the end of the owner's period of redemption. If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), ~~(h)(1)~~ (e)(1) to (3), ~~(i)~~ (f), and ~~(j)~~ (i) which became due, without acceleration, during the six months immediately preceding the first day following either the date of sale pursuant to section 336.9-504 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-505. This subsection shall not affect the priority of mechanics' liens.

(c) Recording of the declaration constitutes record notice and perfection of any lien under this section, and no further recordation of any notice of or claim for the lien is required.

(d) Proceedings to enforce an assessment lien shall be instituted within three years after the last installment of the assessment becomes payable, or shall be barred.

(e) The unit owner of a unit at the time an assessment is due shall be personally liable to the association for payment of the assessment levied against the unit. If there are multiple owners of the unit, they shall be jointly and severally liable.

(f) This section does not prohibit actions to recover sums for which subsection (a) creates a lien nor prohibit an association from taking a deed in lieu of foreclosure. The commencement of an action to recover the sums is not an election of remedies if it is dismissed before commencement of foreclosure of the lien provided for by this section.

(g) The association shall furnish to a unit owner or the owner's authorized agent upon written request of the unit owner or the authorized agent a statement setting forth the amount of unpaid assessments currently levied against the owner's unit. If the unit owner's interest is real estate, the statement shall be in recordable form. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

(h) The association's lien may be foreclosed as provided in this subsection.

(1) In a condominium or planned community, the association's lien may be foreclosed in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by action pursuant to chapter 581. The association shall have a power of sale to foreclose the lien pursuant to chapter 580.

(2) In a cooperative whose unit owners' interests are real estate, the association's lien shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph (1).

(3) In a cooperative whose unit owners' interests in the units are personal property, the association's lien shall be foreclosed in a like manner as a security interest under article 9 of chapter 336. In any disposition pursuant to section 336.9-504 or

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retention pursuant to section 336.9-505, the rights of the parties shall be the same as those provided by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its reasonable costs and attorney fees not exceeding the amount provided by section 582.01, subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to disposition or retention, notwithstanding the value of the unit, and (iv) the notice of sale, disposition, or retention shall contain the following statement in capital letters with the name of the association or secured party filled in:

"THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS BEFORE THEN:

(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party) AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU:

- (1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS
- (2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS
- (3) \$500 TO APPLY TO ATTORNEYS FEES ACTUALLY EXPENDED OR INCURRED; PLUS
- (4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

(b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY."

(4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall be the same as those provided by law, except (i) the period of redemption

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for unit owners shall be six months from the date of sale or a lesser period authorized by law, (ii) in a foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorneys fees authorized by the declaration or bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorneys fees as the court shall determine, and (iv) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to foreclosure, notwithstanding the value of the unit.

(i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of redemption, pays any past due or current assessments, or any other charges lienable as assessments, with respect to the unit described in the sheriff's certificate, then the amount paid shall be a part of the sum required to be paid to redeem under section 582.03.

(j) In a cooperative, following foreclosure, the association may bring an action for unlawful detainer against the unit owner and any persons in possession of the unit, and in that case section 504B.291 shall not apply.

(k) An association may assign its lien rights in the same manner as any other secured party.

Sec. 78. Minnesota Statutes 1999 Supplement, section 515B.4-106, is amended to read:

515B.4-106 PURCHASER'S RIGHT TO CANCEL.

(a) A person required to deliver a disclosure statement pursuant to section 515B.4-101(b) shall provide at least one of the purchasers of the unit with a copy of the disclosure statement and all amendments thereto before conveyance of the unit. If a purchaser is not given a disclosure statement more than ten days before execution of the purchase agreement, the purchaser may, before conveyance, cancel the purchase agreement within ten days after first receiving the disclosure statement. If a purchaser is given the disclosure statement more than ten days before execution of the purchase agreement, the purchaser may not cancel the purchase agreement pursuant to this section. Except as expressly provided in this chapter, the ten-day rescission period cannot be waived.

(b) If an amendment to the disclosure statement materially and adversely affects a purchaser, then the purchaser shall have ~~15~~ ten days after delivery of the amendment to cancel the purchase agreement in accordance with this section.

(c) If a purchaser elects to cancel a purchase agreement pursuant to this section, the purchaser may do so by giving notice thereof pursuant to section 515B.1-115. Cancellation is without penalty, and all payments made by the purchaser before cancellation shall be refunded promptly. Notwithstanding anything in this section to the contrary, the purchaser's cancellation rights under this section terminate upon the purchaser's acceptance of a conveyance of the unit.

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(d) If a declarant obligated to deliver a disclosure statement fails to deliver to the purchaser a disclosure statement which substantially complies with this chapter, the declarant shall be liable to the purchaser in the amount of \$1,000, in addition to any damages or other amounts recoverable under this chapter or otherwise. Any action brought under this subsection shall be commenced within the time period specified in section 515B.4-115, subsection (a).

Sec. 79. Minnesota Statutes 1999 Supplement, section 515B.4-107, is amended to read:

515B.4-107 RESALE OF UNITS.

(a) In the event of a resale of a unit by a unit owner other than a declarant, unless exempt under section 515B.4-101(c), the unit owner shall furnish to a purchaser, before execution of any purchase agreement for a unit or otherwise before conveyance, the following documents relating to the association or to the master association, if applicable:

(1) copies of the declaration (other than any CIC plat), the articles of incorporation and bylaws, any rules and regulations, and any amendments thereto;

(2) the organizational and operating documents relating to the master association, if any; and

(3) a resale disclosure certificate from the association dated not more than 90 days prior to the date of the purchase agreement or the date of conveyance, whichever is earlier, containing the information set forth in subsection (b).

(b) The resale disclosure certificate shall contain the following information:

(1) a statement disclosing any right of first refusal or other restraint on the free alienability of the unit contained in the declaration, articles of incorporation, bylaws, rules and regulations, or any amendment thereof;

(2) a statement setting forth:

(i) the installments of annual common expense assessments payable with respect to the unit, and the payment schedule;

(ii) the installments of special common expense assessments, if any, payable with respect to the unit, and the payment schedule; and

(iii) any plan approved by the association for levying certain common expense assessments against fewer than all the units pursuant to section 515B.3-115, subsection ~~(h)~~ (e), and the amount and payment schedule for any such common expenses payable with respect to the unit;

(3) a statement of any fees or charges other than assessments payable by unit owners;

(4) a statement of any extraordinary expenditures approved by the association, and not yet assessed, for the current and two succeeding fiscal years;

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(5) a statement of the amount of any reserves for maintenance, repair or replacement and of any portions of those reserves designated by the association for any specified projects or uses;

(6) the most recent regularly prepared balance sheet and income and expense statement of the association;

(7) the current budget of the association;

(8) a statement of any unsatisfied judgments against the association and the status of any pending suits in which the association is party;

(9) a detailed description of the insurance coverage provided for the benefit of unit owners, including a statement as to which, if any, of the items referred to in section 515B.3-113, subsection (b), are insured by the association;

(10) a statement as to whether the board has notified the unit owner (i) that any alterations or improvements to the unit or to the limited common elements assigned thereto violate any provision of the declaration or (ii) that the unit is in violation of any governmental statute, ordinance, code or regulation;

(11) a statement of the remaining term of any leasehold estate affecting the common interest community and the provisions governing any extension or renewal thereof; and

(12) any other matters affecting the unit or the unit owner's obligations with respect to the unit which the association deems material.

(c) If the association is subject to a master association to which has been delegated the association's powers under section 515B.3-102(a)(2), then the financial information required to be disclosed under subsection (b) may be disclosed on a consolidated basis.

(d) The association, within ten days after a request by a unit owner, or the unit owner's authorized representative, shall furnish the certificate required in subsection (a). The association may charge a reasonable fee for furnishing the certificate and any association documents related thereto. A unit owner providing a certificate pursuant to subsection (a) is not liable to the purchaser for any erroneous information provided by the association and included in the certificate.

(e) A purchaser is not liable for any unpaid common expense assessments, including special assessments, if any, not set forth in the certificate required in subsection (a). A purchaser is not liable for the amount by which the annual or special assessments exceed the amount of annual or special assessments stated in the certificate for assessments payable in the year in which the certificate was given, except to the extent of any increases subsequently approved in accordance with the declaration or bylaws. A unit owner is not liable to a purchaser for the failure of the association to provide the certificate, or a delay by the association in providing the certificate in a timely manner.

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Sec. 80. Minnesota Statutes 1999 Supplement, section 518.57, subdivision 3, is amended to read:

Subd. 3. **SATISFACTION OF CHILD SUPPORT OBLIGATION.** The court may conclude that an obligor has satisfied a child support obligation by providing a home, care, and support for the child while the child is living with the obligor, if the court finds that the child was integrated into the family of the obligor with the consent of the obligee and child support payments were not assigned to the public agency under section ~~256.74~~ or 256.741.

Sec. 81. Minnesota Statutes 1998, section 574.03, is amended to read:

574.03 PAYMENT OF PREMIUM.

The premiums upon the bonds of all state officers and the premiums on all fidelity insurance placed under the provisions of this section and section ~~574.02~~ shall be paid out of the appropriation for the maintenance of the department for which such bond or insurance is required and such fidelity insurance, when placed in lieu of individual bond, shall be deemed full compliance with any provision of law requiring any such official or employee to give bond to the state for the faithful discharge of duty. If schedule or position insurance is provided covering the personnel of any department or agency all individual fidelity bonds covering such officers or employees theretofore bonded shall be canceled and a proportionate part of the premiums paid therefor refunded.

Sec. 82. Minnesota Statutes 1998, section 611A.43, is amended to read:

611A.43 FUNCTIONS.

The centers shall:

- (a) provide direct crisis intervention to crime victims;
- (b) provide transportation for crime victims to assist them in obtaining necessary emergency services;
- (c) investigate the availability of insurance or other financial resources available to the crime victims;
- (d) refer crime victims to public or private agencies providing existing needed services;
- (e) encourage the development of services which are not already being provided by existing agencies;
- (f) coordinate the services which are already being provided by various agencies;
- (g) facilitate the general education of crime victims about the criminal justice process;
- (h) educate the public as to program availability;
- (i) encourage educational programs which will serve to reduce victimization and which will diminish the extent of trauma where victimization occurs; and

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(j) provide other appropriate services.

Sec. 83. Laws 1997, chapter 150, section 1, is amended to read:

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

Subdivision 1. **COST CONTAINMENT GOALS.** (a) The commissioner of health shall set annual cost containment goals for public and private spending on health care services for Minnesota residents, as provided in paragraph (b). The cost containment goals must be set at levels the commissioner determines to be realistic and achievable but that will reduce the rate of growth in health care spending by at least ten percent per year for the next five years. The commissioner shall set cost containment goals based on available data on spending and growth trends, including data from group purchasers, national data on public and private sector health care spending and cost trends, and trend information from other states.

(b) The commissioner shall set the following annual cost containment goals for public and private spending on health care services for Minnesota residents:

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

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

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

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

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

The commissioner shall adjust the cost containment goal set for calendar year 1995 to recover savings in health care spending required for the period July 1, 1993, to December 31, 1993.

(c) The commissioner shall publish:

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

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

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

Sec. 84. Laws 1999, chapter 110, section 22, is amended to read:

Sec. 22. REPEALER.

Minnesota Statutes 1998, sections 231.02; 231.03; 231.05; 231.06; 231.07; 231.10; ~~231.15~~; and 231.35, are repealed.

Sec. 85. NO EXPIRATION; SECTION 231.15.

Notwithstanding Minnesota Statutes, section 645.36, Minnesota Statutes, section 231.15, is revived retroactively to August 1, 1999.

Sec. 86. Laws 1999, chapter 139, article 4, section 3, is amended to read:

Sec. 3. REPEALER.

Minnesota Statutes 1998, sections 257.069; 257.071; 257.0711; 257.072; 257.35; 257.351; 257.352; 257.353; 257.354; 257.355; 257.356; 257.3571; 257.3572; 257.3573; 257.3574; 257.3575; 257.3576; 257.3577; 257.3578; 257.3579; 257.40; 257.41; 257.42; 257.43; 257.44; 257.45; 257.46; 257.47; 257.48; 260.011, subdivision 2; 260.013; 260.015; 260.092; 260.094; 260.096; 260.101; 260.111; 260.115; 260.121; 260.125; 260.126; 260.131; 260.132; 260.133; 260.135; 260.141; 260.145; 260.151; 260.155; 260.156; 260.157; 260.161; 260.162; 260.165; 260.171; 260.172; 260.173; 260.1735; 260.174; 260.181; 260.185; 260.191; 260.192; 260.193; 260.195; 260.211; 260.215; 260.221; 260.225; 260.231; 260.235; 260.241; 260.242; 260.245; 260.251; 260.255; 260.261; 260.271; 260.281; 260.291; 260.301; 260.315; 260.35; 260.36; 260.38; 260.39; and 260.40, are repealed.

Sec. 87. Laws 1999, chapter 159, section 2, is amended to read:

Sec. 2. Minnesota Statutes 1998, section 13.46, subdivision 2, is amended to read:

Subd. 2. **GENERAL.** (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;

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(5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names, social security numbers, income, addresses, and other data as required, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, early refund of refundable tax credits, and the income tax. "Refundable tax credits" means the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and, if the required federal waiver or waivers are granted, the federal earned income tax credit under section 32 of the Internal Revenue Code;

(9) between the department of human services and the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for reemployment insurance, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the statewide Minnesota family investment program by exchanging data on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education services office to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an

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

electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a recipient of aid to families with dependent children or Minnesota family investment program-statewide may be disclosed to law enforcement officers who provide the name of the recipient and notify the agency that:

(i) the recipient:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, social security number, and, if available, photograph of any member of a household receiving food stamps shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

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

(19) certain information regarding child support obligors who are in arrears may be made public according to section 518.575;

(20) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(21) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(22) to the department of children, families, and learning for the purpose of matching department of children, families, and learning student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; ~~to produce accurate numbers of students receiving assistance from the Minnesota family investment program as required by section 126C.06;~~ to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(23) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(24) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(25) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs; or

(26) to monitor and evaluate the Minnesota family investment program by exchanging data between the departments of human services and children, families, and learning, on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the

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

investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 88. Laws 1999, chapter 159, section 86, is amended to read:

Sec. 86. Minnesota Statutes 1998, section 256J.42, subdivision 1, is amended to read:

Subdivision 1. **TIME LIMIT.** (a) Except for the exemptions in this section and in section 256J.11, subdivision 2, an assistance unit in which any adult caregiver has received 60 months of cash assistance funded in whole or in part by the TANF block grant in this or any other state or United States territory, MFIP, the AFDC program formerly codified in sections 256.72 to 256.87, or the family general assistance program formerly codified in sections 256D.01 to 256D.23, funded in whole or in part by state appropriations, is ineligible to receive MFIP. Any cash assistance funded with TANF dollars in this or any other state or United States territory, or MFIP assistance funded in whole or in part by state appropriations, that was received by the unit on or after the date TANF was implemented, including any assistance received in states or United States territories of prior residence, counts toward the 60-month limitation. The 60-month limit applies to a minor who is the head of a household or who is married to the head of a household except under subdivision 5. The 60-month time period does not need to be consecutive months for this provision to apply.

(b) The months before July 1998 in which individuals receive received assistance as part of the field trials as an MFIP, MFIP-R, or MFIP or MFIP-R comparison group family formerly codified in sections 256.031 to 256.0361 or sections 256.047 to 256.048 are not included in the 60-month time limit.

Sec. 89. Laws 1999, chapter 159, section 154, is amended to read:

Sec. 154. **REPEALER.**

(a) Minnesota Statutes 1998, sections ~~119B.01, subdivision 1a;~~ 119B.05, subdivision 6; 126C.05, subdivision 4; 126C.06; 256.031, subdivision 1a; 256.736; 256.74, subdivision 1c; 256.9850; 256J.62, subdivision 5; 268.871, subdivision 5; and 290A.22, are repealed.

(b) Minnesota Rules, parts 9500.2000; 9500.2020; 9500.2060; 9500.2100; 9500.2140; 9500.2180; 9500.2220; 9500.2260; 9500.2300; 9500.2340; 9500.2380; 9500.2420; 9500.2440; 9500.2480; 9500.2500; 9500.2520; 9500.2560; 9500.2580; 9500.2600; 9500.2620; 9500.2640; 9500.2680; 9500.2700; 9500.2720; 9500.2722; 9500.2724; 9500.2726; 9500.2728; 9500.2730; 9500.2740; 9500.2760; 9500.2780; 9500.2800; 9500.2820; 9500.2860; and 9500.2880, are repealed.

Sec. 90. Laws 1999, chapter 205, article 1, section 1, is amended to read:

Section 1. Minnesota Statutes 1998, section 13.46, subdivision 2, is amended to read:

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

Subd. 2. **GENERAL.** (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;

(2) according to court order;

(3) according to a statute specifically authorizing access to the private data;

(4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names, social security numbers, income, addresses, and other data as required, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, early refund of refundable tax credits, and the income tax. "Refundable tax credits" means the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and, if the required federal waiver or waivers are granted, the federal earned income tax credit under section 32 of the Internal Revenue Code;

(9) between the department of human services, the department of children, families, and learning, and the department of economic security for the purpose of monitoring the eligibility of the data subject for reemployment insurance, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the Minnesota family investment program by exchanging data on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law Number 98-527 to protect the legal and human rights of

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persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education services office to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, social security number, and, if available, photograph of any member of a household receiving food stamps shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

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

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) certain information regarding child support obligors who are in arrears may be made public according to section 518.575;

(20) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(21) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(22) to the department of children, families, and learning for the purpose of matching department of children, families, and learning student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to produce accurate numbers of students receiving Minnesota family investment program assistance as required by section 126C.06; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(23) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(24) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(25) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs; or

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

(26) to monitor and evaluate the Minnesota family investment program by exchanging data between the departments of human services and children, families, and learning, on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 91. REFERENCE CHANGE.

The reference in Laws 1999, chapter 245, article 1, section 2, subdivision 8, item (j), to "Minnesota Statutes, section 15.17," is corrected to read "Minnesota Statutes, section 157.17."

Sec. 92. VALIDATION OF CERTAIN HENNEPIN COUNTY HRA NOTICE REQUIREMENTS.

Notwithstanding Minnesota Statutes, section 645.021, Laws 1997, chapter 58, section 3, amending Minnesota Statutes, section 383B.77, subdivision 2, having been approved by the Hennepin county board of commissioners, is effective retroactively to August 8, 1997, despite an apparent irregularity in the filing of the certificate of local approval. This section and Laws 1997, chapter 58, section 3, are effective without further local approval and without any filing with the secretary of state. Actions undertaken pursuant to Laws 1997, chapter 58, section 3, are validated by this section.

Sec. 93. ST. PAUL SCHOOL DISTRICT PIPEFITTERS' PENSION OPTION.

Notwithstanding Minnesota Statutes, section 645.021, Laws 1997, chapter 241, article 2, sections 1, 8, and 12, having been approved by a majority vote of the school board of independent school district No. 625, St. Paul, on July 15, 1997, are effective retroactive to May 2, 1997, despite irregularities in the filing of the certificate of local approval. This section and the sections of Laws 1997, chapter 241, referred to in this section are effective without further local approval and without any filing with the secretary of state. Actions undertaken pursuant to any of the Laws 1997, chapter 241, sections referred to in this section are validated by this section. This section does not extend the expiration date of January 1, 1998, for the authority to make the coverage exclusion election as stated in Laws 1997, chapter 241, article 2, section 12.

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

Sec. 94. NO EXPIRATION; SECTIONS 114C.20 TO 114C.28.

Laws 1999, chapter 158, section 15, is effective retroactively to June 30, 1999. Minnesota Statutes 1998, sections 114C.20; 114C.21, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 10, and 12; 114C.22; 114C.23; 114C.24; 114C.25; 114C.26; 114C.27; and 114C.28, are revived, pursuant to Minnesota Statutes, section 645.36, retroactively to June 30, 1999.

Sec. 95. EFFECTIVE DATE; SECTION 115.741, SUBDIVISION 3.

Laws 1999, chapter 66, section 5, is effective retroactively to June 30, 1999.

Sec. 96. NO EXPIRATION; SECTION 465.797, SUBDIVISION 5A.

Laws 1999, chapter 41, section 1, is effective retroactively to June 30, 1999. Minnesota Statutes 1998, section 465.797, subdivision 5a, is revived pursuant to Minnesota Statutes, section 645.36, retroactively to June 30, 1999.

Sec. 97. REPEALER.

- (a) Minnesota Statutes 1999 Supplement, section 260C.401, is repealed.
- (b) Minnesota Statutes 1998, section 281.20, is repealed.
- (c) Minnesota Statutes 1998, sections 421.11, 421.12, 421.13, and 421.14, are repealed.
- (d) Minnesota Statutes 1998, section 462A.21, subdivision 19, is repealed.
- (e) Laws 1987, chapter 186, section 11, is repealed.
- (f) Laws 1989, chapter 282, article 5, section 45, is repealed.
- (g) Laws 1991, chapter 286, section 2, is repealed.
- (h) Laws 1994, chapter 572, section 6, is repealed.
- (i) Laws 1995, chapter 207, article 4, section 21, subdivision 4, is repealed.
- (j) Laws 1996, chapter 412, article 4, section 25, is repealed.
- (k) Laws 1997, chapter 85, article 3, section 18, is repealed.
- (l) Laws 1997, chapter 85, article 4, section 20, is repealed.
- (m) Laws 1997, chapter 187, article 1, section 4, is repealed.
- (n) Laws 1997, chapter 203, article 11, section 3, is repealed.
- (o) Laws 1997, chapter 217, article 1, section 89, is repealed.
- (p) Laws 1998, chapter 407, article 6, section 9, is repealed.
- (q) Laws 1999, chapter 154, section 3, is repealed.
- (r) Laws 1999, chapter 159, section 6, is repealed.
- (s) Laws 1999, chapter 159, section 18, is repealed.
- (t) Laws 1999, chapter 159, section 49, is repealed.

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(u) Laws 1999, chapter 159, section 90, is repealed.

(v) Laws 1999, chapter 159, sections 110, 112, and 113, are repealed.

(w) Laws 1999, chapter 177, section 56, is repealed.

(x) Laws 1999, chapter 177, section 58, is repealed.

(y) Laws 1999, chapter 216, article 2, section 5, is repealed.

Presented to the governor March 10, 2000

Signed by the governor March 14, 2000, 3:45 p.m.

CHAPTER 261—H.F.No. 2642

An act relating to employment agencies; providing for waiver of bond requirement in certain circumstances; amending Minnesota Statutes 1998, section 184.30, subdivision 1.

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

Section 1. Minnesota Statutes 1998, section 184.30, subdivision 1, is amended to read:

Subdivision 1. Every application for an employment agency's license, and every annual report required to be filed under section 184.22, subdivision 2, must be accompanied by a surety bond approved by the department in the amount of \$10,000 for each location; except, that for a search firm, the bond is required only for the first five years of registration. For a search firm that was previously licensed as an employment agency, the bond is required only until the firm has met the bond requirement as an agency or as a search firm for a total of at least five years. The bond must be filed in the office of the secretary of state and conditioned that the employment agency and each member, shareholder, director, or officer of a firm, partnership, corporation, or association operating as an employment agency will comply with the provisions of sections 184.21 to 184.40 and any contract made by the employment agent in the conduct of the business. A person damaged by a breach of any condition of the bond may bring an action on the bond, and successive actions may be maintained on it.

Presented to the governor March 10, 2000

Signed by the governor March 14, 2000, 3:45 p.m.

CHAPTER 262—S.F.No. 2485

An act relating to controlled substances; delaying the effective date for classifying

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