

an improvement to residential real estate made by a person licensed, or who should be licensed, under section 326.84, a shareholder, officer, director, or agent of a corporation who is responsible for the theft shall be guilty of theft of the proceeds.

(c) The penalties and remedies provided in this section do not apply to a third party who receives a payment in the ordinary course of business.

(d) For purposes of this section, "residential real estate" has the meaning given in section 326.83.

Sec. 2. Minnesota Statutes 1998, section 514.02, is amended by adding a subdivision to read:

Subd. 1a. CIVIL ACTION. A person injured by a violation of subdivision 1 may bring a civil action and recover damages, together with costs and disbursements, including costs of investigation and reasonable attorney fees, and receive other relief as determined by the court, including, without limitation, equitable tracing. A civil action under this subdivision may be brought:

(1) against the person who committed the theft under subdivision 1; and

(2) for an improvement to residential real estate made by a person licensed, or who should be licensed, under section 326.84, against a shareholder, officer, director, or agent of a corporation who is not responsible for the theft but who knowingly receives proceeds of the payment as salary, dividend, loan repayment, capital distribution, or otherwise.

Sec. 3. Minnesota Statutes 1998, section 550.37, is amended by adding a subdivision to read:

Subd. 25. PROCEEDS FOR IMPROVEMENTS TO PROPERTY. Proceeds of payments received by a person for labor, skill, material, or machinery contributing to an improvement to real estate within the meaning of section 514.01.

Sec. 4. EFFECTIVE DATE.

Sections 1 and 2 are effective August 1, 2000, and apply to crimes committed on or after that date and civil claims for causes of action arising on or after that date.

Presented to the governor April 17, 2000

Signed by the governor April 20, 2000, 10:20 a.m.

#### CHAPTER 431—H.F.No. 2830

*An act relating to crime prevention; enhancing the penalties for pimps of juvenile prostitutes; requiring a study by the commissioner of public safety and the executive director of the POST board on training peace officers to combat juvenile prostitution; amending Minnesota Statutes 1998, section 609.322, subdivision 1.*

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

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

**Section 1. JUVENILE PROSTITUTION LAW ENFORCEMENT TRAINING STUDY.**

The commissioner of public safety and executive director of the peace officer standards and training board will study and make recommendations on training for peace officers to combat juvenile prostitution. The commissioner and executive director shall study ways to train peace officers in policies and procedures aimed at combating juvenile prostitution, including a means to provide peace officers with the knowledge and skills to recognize individuals who sexually exploit youth, techniques that can be used to increase charging and prosecution of individuals who promote and solicit prostitution, and procedures for effectively communicating with the victims of juvenile prostitution.

By September 15, 2000, the commissioner and executive director shall report to the legislature on its recommendations.

Sec. 2. Minnesota Statutes 1998, section 609.322, subdivision 1, is amended to read:

Subdivision 1. **INDIVIDUALS UNDER AGE 16 18.** Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$40,000, or both:

- (1) solicits or induces an individual under the age of 16 18 years to practice prostitution;
- (2) promotes the prostitution of an individual under the age of 16 18 years; or
- (3) receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual under the age of 16 18 years.

**Sec. 3. EFFECTIVE DATE.**

Section 1 is effective July 1, 2000. Section 2 is effective August 1, 2000, and applies to crimes committed on or after that date.

Presented to the governor April 17, 2000

Signed by the governor April 20, 2000, 10:22 a.m.

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**CHAPTER 432—S.F.No. 2456**

*An act relating to local government; authorizing Wright county to convey certain county ditches to the cities of St. Michael and Albertville.*

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

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