

registrar of titles as to the submission of or the obtaining of such written comments and recommendations. The home rule charter or statutory city, town or county shall provide the certificate or other evidence to the county recorder or registrar of titles. A city, town, or county shall file with the plat, in the office of the county recorder or registrar of titles, a certificate or other evidence showing submission of the preliminary plat to the commissioner or county highway engineer in compliance with this subdivision.

Sec. 3. Minnesota Statutes 1999 Supplement, section 505.08, subdivision 3, is amended to read:

Subd. 3. **PREMATURE REFERENCE TO PLAT; FORFEITURE.** Any person who shall dispose of, or lease, or offer to sell any land included in a plat by reference to the plat before the same is recorded, shall forfeit to the county \$100 for each lot, or part of a lot, so disposed of, or leased, or offered; and any official, land surveyor, or person whose duty it is to comply with any of the provisions of this chapter, shall forfeit not less than \$100 for each month during which compliance is delayed. All forfeitures under this chapter shall be recovered in an action brought in the name of the county. Notwithstanding any provisions of this subdivision to the contrary, this subdivision shall not apply to an offer to sell or lease a unit in a proposed common interest community as defined in chapter 515B.

Presented to the governor May 19, 2000

Signed by the governor May 30, 2000, 2:05 p.m.

CHAPTER 498—H.F.No. 3110

An act relating to education; repealing a provision relating to participation in Minnesota amateur sports commission exhibitions; repealing Minnesota Statutes 1999 Supplement, section 128C.02, subdivision 3a.

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

Section 1. **REPEALER.**

Minnesota Statutes 1999 Supplement, section 128C.02, subdivision 3a, is repealed.

Presented to the governor May 19, 2000

Signed by the governor May 30, 2000, 2:18 p.m.

CHAPTER 499—S.F.No. 3819

An act relating to legislative enactments; correcting miscellaneous oversights, inconsisten-

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cies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 1998, sections 161.32, subdivision 7, as added; 256B.501, subdivision 13, as added; 268.059; 349.163, subdivision 9, as added; 462A.201, subdivision 2; and 477A.06, subdivision 3, as amended; Minnesota Statutes 1999 Supplement, sections 123B.54, as amended; 125A.76, subdivision 1, as amended; 245.4871, subdivision 4, as amended; 256B.431, subdivision 28, as amended; 290.01, subdivision 19, as amended; and 477A.06, subdivision 1, as amended; Laws 1999, chapter 241, article 2, section 60, subdivision 14, as amended; chapter 243, article 1, section 2, as amended; and chapter 245, article 1, section 2, subdivision 8, as amended; and Laws 2000, chapter 296, section 1; chapter 429, section 1; chapter 444, article 1, section 6; chapter 461, article 17, section 14; chapter 463, section 23, subdivision 2; chapter 479, articles 1, section 2, subdivision 12; and 2, section 1; chapter 488, articles 8, section 2, subdivisions 4 and 6; and 9, section 37; chapter 489, articles 2, section 34; 5, section 28, subdivision 4; and 6, section 44, subdivision 1; and chapter 492, article 1, sections 1; 5, subdivisions 4 and 5; 12, subdivision 10; 22, subdivision 3; 23; 25; and 26, subdivision 1; Minnesota Statutes, section 58.135, as added; 2000 H.F. No. 2891, section 1, if enacted; repealing Laws 1999, chapter 241, article 1, section 64; and Laws 2000, chapter 492, article 1, section 7, subdivision 31.

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

Section 1. Minnesota Statutes 1998, section 268.059, is amended to read:

268.059 GARNISHMENT FOR DELINQUENT TAXES AND BENEFIT OVERPAYMENTS.

(a) The commissioner may give notice to any employer that an employee owes delinquent taxes, payments in lieu of taxes, or overpaid benefits, including penalties, interest, and costs, and that the obligation to the department should be withheld from the employee's wages. The commissioner may proceed only if the tax, payment in lieu of taxes, or benefit overpayment is uncontested or if the time for any appeal has expired. The commissioner shall not proceed until 30 calendar days after mailing to the debtor employee, at the debtor's last known address, a written notice of intent to garnish wages and exemption notice. That notice shall list:

- (1) the amount of taxes, payments in lieu of taxes, overpaid benefits, interest, penalties, or costs due from the debtor;
- (2) demand for immediate payment; and
- (3) the intention to serve a garnishment notice on the debtor's employer.

The notice shall expire 180 calendar days after it has been mailed to the debtor provided that the notice may be renewed by mailing a new notice that is in accordance with this section. The renewed notice shall have the effect of reinstating the priority of the original notice. The exemption notice shall be in substantially the same form as in section 571.72. The notice shall inform the debtor of the right to claim exemptions contained in section 550.37, subdivision 14. If no written claim of exemption is received by the commissioner within 30 calendar days after mailing of the notice, the commissioner may proceed with the garnishment. The notice to the debtor's employer may be served by mail and shall be in substantially the same form as in section 571.75. Upon receipt of the garnishment notice, the employer shall withhold from the earnings due or to become due to the employee, the amount shown on the notice plus accrued

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interest, subject to section 571.922. The employer shall continue to withhold each pay period the amount shown on the notice plus accrued interest until the garnishment notice is released by the commissioner. Upon receipt of notice by the employer, the claim of the commissioner shall have priority over any subsequent garnishments or wage assignments. The commissioner may arrange between the employer and employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown on the notice plus accrued interest has been withheld.

The "earnings due" any employee is as defined in section 571.921. The maximum garnishment allowed for any one pay period shall be decreased by any amounts payable pursuant to any other garnishment action served prior to the garnishment notice, and any amounts covered by any irrevocable and previously effective assignment of wages; the employer shall give notice to the commissioner of the amounts and the facts relating to the assignment within ten days after the service of the garnishment notice on the form provided by the commissioner.

(b) If the employee ceases to be employed by the employer before the full amount set forth on the garnishment notice plus accrued interest has been withheld, the employer shall immediately notify the commissioner in writing of the termination date of the employee and the total amount withheld. No employer may discharge or discipline any employee because the commissioner has proceeded under this section. If an employer discharges an employee in violation of this section, the employee shall have the same remedy as provided in section 571.927, subdivision 2.

(c) Within ten calendar days after the expiration of the pay period, the employer shall remit to the commissioner, on a form and in the manner prescribed by the commissioner, the amount withheld during each pay period.

(d) Paragraphs (a) to (c) shall apply if the employer is the state of Minnesota or any political subdivision.

(e) The commissioner shall refund to the employee any excess amounts withheld from the employee.

(f) An employer that fails or refuses to comply with this section shall be liable as provided in section 268.058, subdivision 3 2, paragraph ~~(i)~~ (j).

Sec. 2. **CORRECTION 1.** Minnesota Statutes 1998, section 349.163, subdivision 9, as added by Laws 2000, chapter 300, section 4, is amended to read:

Sec. 4. Minnesota Statutes 1998, section 349.163, is amended by adding a subdivision to read:

Subd. 9. **SALES REQUIRED.** No licensed manufacturer may refuse to sell pull-tab games to a licensed distributor unless:

- (1) a specific game sold on an exclusive basis is at issue;
- (2) the manufacturer does not sell the pull-tab games to any distributor in Minnesota;

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- (3) a Minnesota statute or rule prohibits the sale; or
- (4) the distributor is delinquent on any payment owed to the manufacturer.

Sec. 3. **CORRECTION 2.** Laws 2000, chapter 296, section 1, is amended to read:

Section 1. STUDY ON REIMBURSEMENT FOR SPECIAL TRANSPORTATION PROVIDERS.

The commissioner of human services, in consultation with special transportation providers, shall prepare a study on appropriate reimbursement for special transportation providers. The study shall include, but not be limited to, an analysis of the cost characteristics of special transportation services, including the differences in costs for services provided to:

- (1) persons who need a wheelchair lift or ramp van;
- (2) persons who need a stretcher-equipped vehicle;
- (3) persons who are ambulatory with assistance ~~multiple door~~ through multiple doors;
- (4) persons who are ambulatory without assistance;
- (5) persons residing in rural areas; and
- (6) persons residing in urban areas.

The commissioner shall make recommendations for reimbursement rates for services to persons in clauses (1) to (6), based primarily on the analysis of service cost characteristics, capital cost characteristics, and industry growth cost characteristics. The commissioner shall present the study to the legislature no later than September 15, 2000.

Sec. 4. **CORRECTION 6.** Laws 2000, chapter 444, article 1, section 6, is amended to read:

Sec. 6. 518.183 REPLACING CERTAIN ORDERS.

Upon request of both parties the court must modify an order entered under section 518.17 or 518.175 before the effective date of this section by entering a parenting plan that complies with section 518.1705, unless the court makes detailed findings that entering a parenting plan is not in the best interests of the child. If only one party makes the request, the court may modify the order by entering a parenting plan that complies with section 518.1705. The court must apply the standards in section 518.18 when considering a motion to enter a parenting plan that would change the child's primary residence. The court must apply the standards in section 518.17 when considering a motion to enter a parenting plan that would:

- (1) change decision-making responsibilities of the parents; or
- (2) change the time each parent spends with the child, but not change the child's primary residence.

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Sec. 5. **CORRECTION 7.** 2000 H.F. No. 2891, article 1, section 1, if enacted, is amended to read:

Section 1. **APPROPRIATIONS.**

The sums in the column under "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the state agencies or officials indicated, to be spent for the purposes indicated, ~~for fiscal year 2001.~~ Unless otherwise specified, the appropriations in this act are available until spent.

SUMMARY

TRANSPORTATION	\$566,551,000
METROPOLITAN COUNCIL	20,000,000
PUBLIC SAFETY	119,000
TRADE AND ECONOMIC DEVELOPMENT	750,000
FINANCE	15,100,000
TOTAL	\$602,520,000
Trunk Highway Bond Proceeds Account	100,100,000
Trunk Highway Fund	102,298,000
General Fund	400,122,000
	APPROPRIATIONS
	\$

Sec. 6. **CORRECTION 9.** Laws 1999, chapter 243, article 1, section 2, as amended by Laws 2000, chapter 490, article 3, section 1, is amended to read:

Sec. 2. **SALES TAX REBATE.**

(a) An individual who:

(1) was eligible for a credit under Laws 1997, chapter 231, article 1, section 16, as amended by Laws 1997, First Special Session chapter 5, section 35, and Laws 1997, Third Special Session chapter 3, section 11, and Laws 1998, chapter 304, and Laws 1998, chapter 389, article 1, section 3, and who filed for or received that credit on or before June 15, 1999; or

(2) was a resident of Minnesota for any part of 1997, and filed a 1997 Minnesota income tax return on or before June 15, 1999, and had a tax liability before refundable credits on that return of at least \$1 but did not file the claim for credit authorized under Laws 1997, chapter 231, article 1, section 16, as amended, and who was not allowed to be claimed as a dependent on a 1997 federal income tax return filed by another person; or

(3) had the property taxes payable on his or her homestead abated to zero under Laws 1997, chapter 231, article 2, section 64, shall receive a sales tax rebate.

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(b) The sales tax rebate for taxpayers who qualify under paragraph (a) as married filing joint or head of household must be computed according to the following schedule:

Income	Sales Tax Rebate
less than \$2,500	\$ 358
at least \$2,500 but less than \$5,000	\$ 469
at least \$5,000 but less than \$10,000	\$ 502
at least \$10,000 but less than \$15,000	\$ 549
at least \$15,000 but less than \$20,000	\$ 604
at least \$20,000 but less than \$25,000	\$ 641
at least \$25,000 but less than \$30,000	\$ 690
at least \$30,000 but less than \$35,000	\$ 762
at least \$35,000 but less than \$40,000	\$ 820
at least \$40,000 but less than \$45,000	\$ 874
at least \$45,000 but less than \$50,000	\$ 921
at least \$50,000 but less than \$60,000	\$ 969
at least \$60,000 but less than \$70,000	\$1,071
at least \$70,000 but less than \$80,000	\$1,162
at least \$80,000 but less than \$90,000	\$1,276
at least \$90,000 but less than \$100,000	\$1,417
at least \$100,000 but less than \$120,000	\$1,535
at least \$120,000 but less than \$140,000	\$1,682
at least \$140,000 but less than \$160,000	\$1,818
at least \$160,000 but less than \$180,000	\$1,946
at least \$180,000 but less than \$200,000	\$2,067
at least \$200,000 but less than \$400,000	\$2,644
at least \$400,000 but less than \$600,000	\$3,479
at least \$600,000 but less than \$800,000	\$4,175
at least \$800,000 but less than \$1,000,000	\$4,785
\$1,000,000 and over	\$5,000

(c) The sales tax rebate for individuals who qualify under paragraph (a) as single or married filing separately must be computed according to the following schedule:

Income	Sales Tax Rebate
less than \$2,500	\$ 204
at least \$2,500 but less than \$5,000	\$ 249
at least \$5,000 but less than \$10,000	\$ 299
at least \$10,000 but less than \$15,000	\$ 408
at least \$15,000 but less than \$20,000	\$ 464
at least \$20,000 but less than \$25,000	\$ 496
at least \$25,000 but less than \$30,000	\$ 515
at least \$30,000 but less than \$40,000	\$ 570
at least \$40,000 but less than \$50,000	\$ 649
at least \$50,000 but less than \$70,000	\$ 776

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at least \$70,000 but less than \$100,000	\$ 958
at least \$100,000 but less than \$140,000	\$1,154
at least \$140,000 but less than \$200,000	\$1,394
at least \$200,000 but less than \$400,000	\$1,889
at least \$400,000 but less than \$600,000	\$2,485
\$600,000 and over	\$2,500

(d) Individuals who were not residents of Minnesota for any part of 1997 and who paid more than \$10 in Minnesota sales tax on nonbusiness consumer purchases in that year qualify for a rebate under this paragraph only. Qualifying nonresidents must file a claim for rebate on a form prescribed by the commissioner before the later of June 15, 1999, or 30 days after the date of enactment of this act. The claim must include receipts showing the Minnesota sales tax paid and the date of the sale. Taxes paid on purchases allowed in the computation of federal taxable income or reimbursed by an employer are not eligible for the rebate. The commissioner shall determine the qualifying taxes paid and rebate the lesser of:

(1) 69.0 percent of that amount; or

(2) the maximum amount for which the claimant would have been eligible as determined under paragraph (b) if the taxpayer filed the 1997 federal income tax return as a married taxpayer filing jointly or head of household, or as determined under paragraph (c) for other taxpayers.

(e) "Income," for purposes of this section other than paragraph (d), is taxable income as defined in section 63 of the Internal Revenue Code of 1986, as amended through December 31, 1996, plus the sum of any additions to federal taxable income for the taxpayer under Minnesota Statutes, section 290.01, subdivision 19a, and reported on the original 1997 income tax return including subsequent adjustments to that return made within the time limits specified in paragraph (h). For an individual who was a resident of Minnesota for less than the entire year, the sales tax rebate equals the sales tax rebate calculated under paragraph (b) or (c) multiplied by the percentage determined pursuant to Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e), as calculated on the original 1997 income tax return including subsequent adjustments to that return made within the time limits specified in paragraph (h). For purposes of paragraph (d), "income" is taxable income as defined in section 63 of the Internal Revenue Code of 1986, as amended through December 31, 1996, and reported on the taxpayer's original federal tax return for the first taxable year beginning after December 31, 1996.

(f) An individual who would have been eligible for a rebate under paragraph (a), clause (1) or (2), or (d) had the individual filed a 1997 Minnesota income tax return or claim form by June 15, 1999, who files the return or claim form by June 30, 2000, is eligible for the rebate amount under (i) paragraph (b) as adjusted by paragraph (h) if the individual is was a resident of Minnesota for any part of 1997 and filed as either married filing joint or head of household and the rebate amount under, (ii) paragraph (c) as adjusted by paragraph (h) if the individual is was a resident of Minnesota for any

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part of 1997 and filed as either married filing separately separate or single, or (iii) paragraph (d) if the individual was a nonresident in 1997.

(g) For a fiscal year taxpayer, the June 15, 1999, dates in paragraphs (a) through (d) are extended one month for each month in calendar year 1997 that occurred prior to the start of the individual's 1997 fiscal tax year.

(h) Before payment, the commissioner of revenue shall adjust the rebate as follows:

(1) the rebates calculated in paragraphs (b), (c), and (d) must be proportionately reduced to account for 1997 income tax returns that are filed on or after January 1, 1999, but before July 1, 1999, so that the amount of sales tax rebates payable under paragraphs (b), (c), and (d) does not exceed \$1,250,000,000; and

(2) the commissioner of finance shall certify by July 15, 1999, preliminary fiscal year 1999 general fund net nondedicated revenues. The certification shall exclude the impact of any legislation enacted during the 1999 regular session. If certified net nondedicated revenues exceed the amount forecast in February 1999, up to \$50,000,000 of the increase shall be added to the total amount rebated. The commissioner of revenue shall adjust all rebates proportionally to reflect any increases. The total amount of the rebate shall not exceed \$1,300,000,000.

The adjustments under this paragraph are not rules subject to Minnesota Statutes, chapter 14.

(i) The commissioner of revenue may begin making sales tax rebates by August 1, 1999. Sales tax rebates not paid by October 1, 1999, bear interest at the rate specified in Minnesota Statutes, section 270.75. Sales tax rebates paid to (1) taxpayers who file their original 1997 Minnesota income tax return after June 15, 1999, and (2) qualifying nonresidents who file a claim for rebate after June 15, 1999, bear interest at the rate specified in Minnesota Statutes, section 270.75, beginning October 1, 2000.

(j) A sales tax rebate shall not be adjusted based on changes to a 1997 income tax return that are made by order of assessment after June 15, 1999, or made by the taxpayer that are filed with the commissioner of revenue after June 15, 1999.

(k) Individuals who filed a joint income tax return for 1997 shall receive a joint sales tax rebate. After the sales tax rebate has been issued, but before the check has been cashed, either joint claimant may request a separate check for one-half of the joint sales tax rebate. Notwithstanding anything in this section to the contrary, if prior to payment, the commissioner has been notified that persons who filed a joint 1997 income tax return are living at separate addresses, as indicated on their 1998 income tax return or otherwise, the commissioner may issue separate checks to each person. The amount payable to each person is one-half of the total joint rebate. If a rebate is received by the estate of a deceased individual after the probate estate has been closed, and if the original rebate check is returned to the commissioner with a copy of the decree of descent or final account of the estate, social security numbers, and addresses of the beneficiaries, the commissioner may issue separate checks in proportion to their

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share in the residuary estate in the names of the residuary beneficiaries of the estate.

(l) The sales tax rebate is a "Minnesota tax law" for purposes of Minnesota Statutes, section 270B.01, subdivision 8.

(m) The sales tax rebate is "an overpayment of any tax collected by the commissioner" for purposes of Minnesota Statutes, section 270.07, subdivision 5. For purposes of this paragraph, a joint sales tax rebate is payable to each spouse equally.

(n) If the commissioner of revenue cannot locate an individual entitled to a sales tax rebate by July 1, 2001, or if an individual to whom a sales tax rebate was issued has not cashed the check by July 1, 2001, the right to the sales tax rebate lapses and the check must be deposited in the general fund.

(o) Individuals entitled to a sales tax rebate pursuant to paragraph (a), but who did not receive one, and individuals who receive a sales tax rebate that was not correctly computed, must file a claim with the commissioner before July 1, 2000, in a form prescribed by the commissioner. Taxpayers who file their original 1997 Minnesota income tax return after June 15, 1999, and qualifying nonresidents who file a claim for rebate after June 15, 1999, and who do not receive it or who receive a sales tax rebate that was not correctly computed, must file a claim with the commissioner before July 1, 2001, in a form prescribed by the commissioner. These claims must be treated as if they are a claim for refund under Minnesota Statutes, section 289A.50, subdivisions 4 and 7.

(p) The sales tax rebate is a refund subject to revenue recapture under Minnesota Statutes, chapter 270A. The commissioner of revenue shall remit the entire refund to the claimant agency, which shall, upon the request of the spouse who does not owe the debt, refund one-half of the joint sales tax rebate to the spouse who does not owe the debt.

(q) The rebate is a reduction of fiscal year 1999 sales tax revenues. The amount necessary to make the sales tax rebates and interest provided in this section is appropriated from the general fund to the commissioner of revenue in fiscal year 1999 and is available until June 30, 2001.

(r) If a sales tax rebate check is cashed by someone other than the payee or payees of the check, and the commissioner of revenue determines that the check has been forged or improperly endorsed or the commissioner determines that a rebate was overstated or erroneously issued, the commissioner may issue an order of assessment for the amount of the check or the amount the check is overstated against the person or persons cashing it. The assessment must be made within two years after the check is cashed, but if cashing the check constitutes theft under Minnesota Statutes, section 609.52, or forgery under Minnesota Statutes, section 609.631, the assessment can be made at any time. The assessment may be appealed administratively and judicially. The commissioner may take action to collect the assessment in the same manner as provided by Minnesota Statutes, chapter 289A, for any other order of the commissioner assessing tax.

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(s) Notwithstanding Minnesota Statutes, sections 9.031, 16A.40, 16B.49, 16B.50, and any other law to the contrary, the commissioner of revenue may take whatever actions the commissioner deems necessary to pay the rebates required by this section, and may, in consultation with the commissioner of finance and the state treasurer, contract with a private vendor or vendors to process, print, and mail the rebate checks or warrants required under this section and receive and disburse state funds to pay those checks or warrants.

(t) The commissioner may pay rebates required by this section by electronic funds transfer to individuals who requested that their 1998 individual income tax refund be paid through electronic funds transfer. The commissioner may make the electronic funds transfer payments to the same financial institution and into the same account as the 1998 individual income tax refund.

Sec. 7. **CORRECTION 9A.** Minnesota Statutes 1999 Supplement, section 290.01, subdivision 19, as amended by Laws 2000, chapter 490, article 12, section 2, is amended to read:

Subd. 19. **NET INCOME.** The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply;

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code; and

(3) the deduction for dividends paid must also be applied in the amount of any undistributed capital gains which the regulated investment company elects to have treated as provided in section 852(b)(3)(D) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The net income of a designated settlement fund as defined in section 468B(d) of the Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal Revenue Code.

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The provisions of sections 1113(a), 1117, 1206(a), 1313(a), 1402(a), 1403(a), 1443, 1450, 1501(a), 1605, 1611(a), 1612, 1616, 1617, 1704(l), and 1704(m) of the Small Business Job Protection Act, Public Law Number 104-188, the provisions of Public Law Number 104-117, the provisions of sections 313(a) and (b)(1), 602(a), 913(b), 941, 961, 971, 1001(a) and (b), 1002, 1003, 1012, 1013, 1014, 1061, 1062, 1081, 1084(b), 1086, 1087, 1111(a), 1131(b) and (c), 1211(b), 1213, 1530(c)(2), 1601(f)(5) and (h), and 1604(d)(1) of the Taxpayer Relief Act of 1997, Public Law Number 105-34, the provisions of section 6010 of the Internal Revenue Service Restructuring and Reform Act of 1998, Public Law Number 105-206, and the provisions of section 4003 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law Number 105-277, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1996, shall be in effect for taxable years beginning after December 31, 1996.

The provisions of sections 202(a) and (b), 221(a), 225, 312, 313, 913(a), 934, 962, 1004, 1005, 1052, 1063, 1084(a) and (c), 1089, 1112, 1171, 1204, 1271(a) and (b), 1305(a), 1306, 1307, 1308, 1309, 1501(b), 1502(b), 1504(a), 1505, 1527, 1528, 1530, 1601(d), (e), (f), and (i) and 1602(a), (b), (c), and (e) of the Taxpayer Relief Act of 1997, Public Law Number 105-34, the provisions of sections 6004, 6005, 6012, 6013, 6015, 6016, 7002, and 7003 of the Internal Revenue Service Restructuring and Reform Act of 1998, Public Law Number 105-206, the provisions of section 3001 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law Number 105-277, and the provisions of section 3001 of the Miscellaneous Trade and Technical Corrections Act of 1999, Public Law Number 106-36, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1997, shall be in effect for taxable years beginning after December 31, 1997.

The provisions of sections 5002, 6009, 6011, and 7001 of the Internal Revenue Service Restructuring and Reform Act of 1998, Public Law Number 105-206, the provisions of section 9010 of the Transportation Equity Act for the 21st Century, Public Law Number 105-178, the provisions of sections 1004, 4002, and 5301 of the Omnibus Consolidation and Emergency Supplemental Appropriations Act, 1999, Public Law Number 105-277, the provision of section 303 of the Ricky Ray Hemophilia Relief Fund Act of 1998, Public Law Number 105-369, and the provisions of sections 532, 534, 536, 537, and 538 of the Ticket to Work and Work Incentives Improvement Act of 1999, Public Law Number ~~160-170~~ 106-170, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1998, shall be in effect for taxable years beginning after December 31, 1998.

The Internal Revenue Code of 1986, as amended through December 31, 1999, shall be in effect for taxable years beginning after December 31, 1999.

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Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to 19g mean the code in effect for purposes of determining net income for the applicable year.

Sec. 8. **CORRECTION 9B.** Minnesota Statutes 1999 Supplement, section 477A.06, subdivision 1, as amended by Laws 2000, chapter 490, article 6, section 8, is amended to read:

Subdivision 1. **ELIGIBILITY.** (a) For assessment years 1999, 2000, 2001, and 2002, for all class 4d property on which construction was begun before January 1, 1999, the assessor shall determine the difference between the actual net tax capacity and the net tax capacity that would be determined for the property if the class rates for assessment year 1997 were in effect.

(b) In calendar years 2000, 2001, 2002, and 2003, each city shall be eligible for aid equal to (i) the amount by which the sum of the differences determined in clause (a) for the corresponding assessment year exceeds two percent of the city's total taxable net tax capacity for taxes payable in 1998, multiplied by (ii) the city government's average local tax rate for taxes payable in 1998.

Sec. 9. **CORRECTION 9C.** Minnesota Statutes 1998, section 477A.06, subdivision 3, as amended by Laws 2000, chapter 490, article 6, section 9, is amended to read:

Subd. 3. **APPROPRIATION; PAYMENT.** (a) The commissioner shall pay each city its qualifying aid amount on or before July 20 of each year. An amount sufficient to pay the aid authorized under this section is appropriated to the commissioner of revenue from the property tax reform account in fiscal years year 2000 and 2001, and from the general fund in fiscal years 2001, 2002, 2003, and 2004.

(b) For fiscal years 2001 through 2004, the amount of aid appropriated under this section may not exceed \$1,500,000 each year.

(c) If the total amount of aid that would otherwise be payable under the formula in this section exceeds the maximum allowed under paragraph (b), the amount of aid for each city is reduced proportionately to equal the limit.

Sec. 10. **CORRECTION 10.** Minnesota Statutes, section 58.135, as added by Laws 2000, chapter 427, section 17, is amended by adding a subdivision to read:

Subd. 3. **APPLICATION.** This section applies to residential mortgage loans made on or after August 1, 2001.

Sec. 11. **CORRECTION 11.** Laws 2000, chapter 461, article 17, section 14, is amended to read:

Sec. 14. **EFFECTIVE DATE.**

(a) Sections 1 to 5 are effective on the day after the date on which the Minneapolis city council and the chief clerical officer of the city of Minneapolis complete, in a timely manner, their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

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(b) Section 6 is effective on the day after the date on which the Minneapolis city council and the chief clerical officer of the city of Minneapolis complete, in a timely manner, their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3. Section § 3, if approved, applies retroactively to contributions beginning after July 1, 1990.

(c) Sections 7 to 13 are effective on the day after the date on which the Minneapolis city council and the chief clerical officer of the city of Minneapolis complete, in a timely manner, their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3. Section § 10, if approved, applies retroactively to contributions beginning after July 1, 1990.

Sec. 12. **CORRECTION 12.** Laws 2000, chapter 492, article 1, section 1, is amended to read:

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums in the column under "APPROPRIATIONS" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes including, but not limited to, acquiring and bettering public land and buildings and other public improvements of a capital nature, as specified in this article. Unless otherwise specified, the appropriations in this article are available until the project is completed or abandoned.

SUMMARY

UNIVERSITY OF MINNESOTA	\$ 100,213,000
MINNESOTA STATE COLLEGES AND UNIVERSITIES	131,021,000
PERPICH CENTER FOR ARTS EDUCATION	877,000
CHILDREN, FAMILIES, AND LEARNING	80,741,000
MINNESOTA STATE ACADEMIES	3,066,000
NATURAL RESOURCES	73,177,000
OFFICE OF ENVIRONMENTAL ASSISTANCE	2,200,000
BOARD OF WATER AND SOIL RESOURCES	23,800,000
AGRICULTURE	21,700,000
ZOOLOGICAL GARDENS	1,000,000
ADMINISTRATION	81,450,000
AMATEUR SPORTS COMMISSION	1,110,000
ARTS	4,500,000
MILITARY AFFAIRS	3,625,000
VETERANS AFFAIRS	25,000
HUMAN SERVICES	12,471,000
HEALTH	7,135,000
VETERANS HOMES BOARD	11,700,000
PUBLIC SAFETY	2,844,000
CORRECTIONS	18,035,000

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TRADE AND ECONOMIC DEVELOPMENT	51,382,000
HOUSING FINANCE AGENCY	2,000,000
MINNESOTA HISTORICAL SOCIETY	5,750,000
BOND SALE EXPENSES	448,000
	<u>449,000</u>
CANCELLATIONS	(29,913,000)
TOTAL	\$ 610,357,000
	\$ <u>610,358,000</u>
Bond Proceeds Fund (General Fund Debt Service)	470,900,000
	<u>426,871,000</u>
Bond Proceeds Fund Cancellations	<u>(20,902,000)</u>
Bond Proceeds Fund (User Financed Debt Service)	71,359,000
<u>Maximum Effort School Loan Fund</u>	<u>44,030,000</u>
<u>Bond Proceeds Fund Cancellations</u>	<u>(20,902,000)</u>
General Fund	98,011,000
General Fund Cancellations	(9,011,000)
	APPROPRIATIONS
	\$

Sec. 13. **CORRECTION 12A.** Laws 2000, chapter 492, article 1, section 5, subdivision 4, is amended to read:

Subd. 4. Pine Point School 4,100,000
This appropriation is from the general fund.

For a grant to independent school district No. 25, Pine Point, to construct a new school facility serving kindergarten through grade 8.

Sec. 14. **CORRECTION 12B.** Laws 2000, chapter 492, article 1, section 5, subdivision 5, is amended to read:

Subd. 5. Maximum Effort Capital Loans 44,030,000
This appropriation is from the maximum effort school loan fund.

For capital loans to school districts as provided in Minnesota Statutes, sections 126C.60 to 126C.72. Capital loans to the recipient school districts are approved in the following amounts:

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(a) Independent School District No. 299, Caledonia	14,134,000
(b) Independent School District No. 306, La Porte	7,200,000
(c) Independent School District No. 38, Red Lake	11,166,000
(d) Independent School District No. 115, Cass Lake	7,505,000
(e) Independent School District No. 914, Ulen-Hitterdahl	4,025,000

The commissioner shall review the proposed plan and budget of the project and may reduce the amount of the loan to ensure that the project will be economical. The commissioner may recover the cost incurred by the commissioner for any professional services associated with the final review and construction by reducing the proceeds of the loan paid by the district. The commissioner shall report to the legislature any reductions to the appropriations in this subdivision by January 10, 2001.

The commissioner must study how the maximum effort loan program should be restructured to allow more school districts to qualify for capital financing under the current debt service equalization aid program without needing to turn to the maximum effort loan program. The commissioner must report to the capital investment and K-12 education finance committees of the house and the education finance committee and the K-12 education budget division of the senate. The department must not accept any applications for the maximum effort loan program until after the end of the 2001 legislative session.

Sec. 15. **CORRECTION 12C.** Laws 2000, chapter 492, article 1, section 22, subdivision 3, is amended to read:

Subd. 3. Wastewater Infrastructure Funding Program	18,319,000
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\$10,409,000 \$6,309,000 of this appropriation is from the general fund of which \$319,000 is to administer the wastewater infrastructure fund program.

To the public facilities authority for grants to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest extent practical, the authority should use the grants for projects on the 2000 intended use plan in priority order to qualified applicants that submit plans and specifications to the pollution control agency or receive a funding commitment from USDA rural development before December 1, 2001. In determining whether the penalty factor under Minnesota Rules, part 7077.0196, should be applied to a project, the pollution control agency shall, beginning with the 2001 Intended Use Plan and Project Priority list, first assess the impact of the new or expanded discharge compared to the impact of the preexisting conditions and to the impact of alternative discharge locations. If the agency determines that the new or expanded discharge is to a less environmentally sensitive area or that it is the preferable location for the discharge compared to the alternatives, the agency shall not apply the penalty factor to the project. The pollution control agency shall include as a factor in prioritizing projects whether a project is a multijurisdictional project connecting areas with failing onsite treatment systems with an existing or regional wastewater treatment system.

The authority shall set aside up to \$400,000 for the Innovative Technology Grants Program to provide 50 percent reimbursement for the cost of equipment and installation into an existing municipal wastewater

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treatment system. The project must be approved by the pollution control agency and demonstrate the application of existing technology that has not been used before in the treatment of municipal wastewater, but has the potential to improve the treatment of wastewater or make the treatment process more cost effective.

Beginning with the 2001 intended use plan, the pollution control agency shall include whether a community has a moratorium on development as a factor in prioritizing projects. The agency shall adopt rules implementing the provisions of this paragraph under Minnesota Statutes, section 14.389.

Sec. 16. **CORRECTION 12D.** Laws 2000, chapter 492, article 1, section 23, is amended to read:

Sec. 23. HOUSING FINANCE AGENCY	2,000,000
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This appropriation is from the general fund.

To the commissioner of the housing finance agency for transfer to the housing development fund to make loans for transitional housing under Minnesota Statutes, section ~~462A.202~~ 462A.201, subdivision 2.

Sec. 17. **CORRECTION 12E.** Laws 2000, chapter 492, article 1, section 25, is amended to read:

Sec. 25. BOND SALE EXPENSES	448,000
	<u>449,000</u>

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8. This appropriation is from the bond proceeds fund.

Sec. 18. **CORRECTION 12F.** Laws 2000, chapter 492, article 1, section 26, subdivision 1, is amended to read:

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Sec. 26. BOND SALE AUTHORIZATION.

Subdivision 1. **BOND PROCEEDS FUND.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to ~~\$426,870,000~~ \$498,230,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 19. **CORRECTION 12G.** Minnesota Statutes 1998, section 462A.201, subdivision 2, is amended to read:

Subd. 2. **LOW-INCOME HOUSING.** (a) The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units, including temporary and transitional housing, and homes for ownership. For purposes of this section, "transitional housing" means housing that is provided for a limited duration not exceeding 24 months, except that up to one-third of the residents may live in the housing for up to 36 months. Loans or grants for residential housing for migrant farmworkers may be made under this section. No more than 20 percent of available funds may be used for home ownership projects.

(b) A rental or limited equity cooperative permanent housing project must meet one of the following income tests:

(1) at least 75 percent of the rental and cooperative units must be rented to or cooperatively owned by persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2; or

(2) all of the units funded by the housing trust fund account must be used for the benefit of persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2.

The median family income may be adjusted for families of five or more.

(c) Homes for ownership must be owned or purchased by persons and families whose income does not exceed 50 percent of the metropolitan area median income, adjusted for family size.

(d) In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt rules for awarding grants and loans under this subdivision.

Sec. 20. **CORRECTION 13.** Minnesota Statutes 1998, section 161.32, subdivision 7, as added by Laws 2000, chapter 479, article 1, section 13, is amended to read:

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Subd. 7. **APPROVAL AND PAYMENT OF SUPPLEMENTAL AGREEMENTS.** Notwithstanding any law to the contrary, when goods or services are provided to the commissioner under an agreement supplemental to a contract for work on a trunk highway, the commissioner or designee may approve the supplemental agreement work. Payment of valid state obligations must be made within 30 days of approval of the work or submission by the contractor of an invoice indicating completion of work, whichever occurs later.

Sec. 21. **CORRECTION 14.** Laws 2000, chapter 488, article 8, section 2, subdivision 4, is amended to read:

Subd. 4. State-Operated Services
 -0- (1,495,000)

STATE-OPERATED SERVICES BASE REDUCTION. ~~The general fund base level appropriation for state operated services programs and activities shall be reduced by \$1,495,000 for fiscal year 2001.~~

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) RTC Facilities
 -0- (1,495,000)

Sec. 22. **CORRECTION 14A.** Laws 2000, chapter 488, article 8, section 2, subdivision 6, is amended to read:

Subd. 6. Economic Support Grants
 30,509,000 25,368,000

The amounts that may be spent from this appropriation for each purpose are as follows:

ASSISTANCE TO FAMILIES GRANTS TANF FORECAST ADJUSTMENT. The federal Temporary Assistance to Needy Families (TANF) block grant fund appropriated to the commissioner of human services in Laws 1999, chapter 245, article 1, section 2, subdivision 10, for MFIP cash grants are reduced by \$37,513,000 in fiscal

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year 2000 and \$30,217,000 in fiscal year 2001.

FEDERAL TANF FUNDS. (1) In addition to the Federal Temporary Assistance for Needy Families (TANF) block grant funds appropriated to the commissioner of human services in Laws 1999, chapter 245, article 1, section 2, subdivision 10, federal TANF funds are appropriated to the commissioner in amounts up to \$20,000,000 in fiscal year 2000 and ~~\$80,440,000~~ \$68,394,000 in fiscal year 2001. In addition to these funds, the commissioner may draw or transfer any other appropriations of federal TANF funds or transfers of federal TANF funds that are enacted into state law.

(2) Of the amounts in clause (1), \$19,680,000 in fiscal year 2001 is for the local intervention grants program under Minnesota Statutes, section 256J.625 and related grant programs and shall be expended as follows:

(a) \$500,000 in fiscal year 2001 is for a grant to the Southeast Asian MFIP services collaborative to replicate in a second location an existing model of an intensive intervention transitional employment training project which serves TANF-eligible recipients and which moves refugee and immigrant welfare recipients unto unsubsidized employment and leads to economic self-sufficiency. This is a one-time appropriation.

(b) \$500,000 in fiscal year 2001 is for nontraditional career assistance and training programs under Minnesota Statutes, section 256K.30, subdivision 4. This is a one-time appropriation.

(c) \$18,680,000 is for local intervention grants for self-sufficiency program under

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Minnesota Statutes, section 256J.625. For fiscal years 2002 and 2003 the commissioner of finance shall ensure that the base level funding for the local intervention grants program is \$27,180,000 each year.

(3) Of the amounts in clause (2), paragraph (c) for local intervention grants, \$7,000,000 in fiscal year 2001 shall be transferred to the commissioner of health for distribution to county boards according to the formula in Minnesota Statutes, section 256J.625, subdivision 3, to be used by county public health boards to serve families with incomes at or below 200 percent of the federal poverty guidelines, in the manner specified by Minnesota Statutes, section 145A.16, subdivision 3, clauses (2) through (6). Training, evaluation and technical assistance shall be provided in accordance with Minnesota Statutes, section 145A.16, subdivisions 5 to 7. For fiscal years 2002 and 2003 the commissioner of finance shall ensure that the base level funding for this activity is \$7,000,000 each year.

(4) Of the amounts in clause (1), \$250,000 in fiscal year 2001 is appropriated to the commissioner to contract with the board of trustees of the Minnesota state colleges and universities to provide tuition waivers to employees of health care and human services providers located in the state that are members of qualifying consortia operating under Minnesota Statutes, sections 116L.10 to 116L.15. This is a one-time appropriation.

(5) Of the amounts in clause (1), \$320,000 in fiscal year 2001 is for training job counselors about the MFIP program. For fiscal years 2002 and 2003 the commissioner of finance shall ensure that the base level funding for employment services in-

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cludes \$320,000 each year for this activity. The appropriations in this clause shall not become part of the base for the 2004-2005 biennium.

(6) Of the amounts in clause (1), \$1,000,000 in fiscal year 2001 is for out-of-wedlock pregnancy prevention funds to serve children in TANF-eligible families under Minnesota Statutes, section 256K.35. For fiscal years 2002 and 2003 the commissioner of finance shall ensure that the base level funding for this program is \$1,000,000 each year. The appropriations in this clause shall not become part of the base for the 2004-2005 biennium.

(7) Of the amounts in clause (1), \$1,000,000 in fiscal year 2001 is to provide services to TANF-eligible families who are participating in the supportive housing and managed care pilot project under Minnesota Statutes, section 256K.25. For fiscal years 2002 and 2003 the commissioner of finance shall ensure that the base level funding for this project is \$1,000,000 each year. The appropriations in this clause shall not become part of the base for this project for the 2004-2005 biennium.

TANF TRANSFER TO CHILD CARE BLOCK GRANT. \$651,000 in fiscal year 2001 is transferred from the state's federal TANF block grant to the state's federal child care development fund block grant, and is appropriated to the commissioner of children, families, and learning for the purposes of Minnesota Statutes, section 119B.05.

TANF TRANSFER TO SOCIAL SERVICES. \$7,500,000 is transferred from the state's federal TANF block grant is appropriated to the commissioner of human services for transfer to the state's federal Title

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XX block grant in fiscal year 2001 and in fiscal year 2002, for purposes of increasing services for families with children whose incomes are at or below 200 percent of the federal poverty guidelines. Notwithstanding section 6, this paragraph expires June 30, 2002.

TANF MOE. (a) In order to meet the basic maintenance of effort (MOE) requirements of the TANF block grant specified under United States Code, title 42, section 609(a)(7), the commissioner may only report nonfederal money expended for allowable activities listed in the following clauses as TANF MOE expenditures:

(1) MFIP cash and food assistance benefits under Minnesota Statutes, chapter 256J;

(2) the child care assistance programs under Minnesota Statutes, sections 119B.03 and 119B.05, and county child care administrative costs under Minnesota Statutes, section 119B.15;

(3) state and county MFIP administrative costs under Minnesota Statutes, chapters 256J and 256K;

(4) state, county, and tribal MFIP employment services under Minnesota Statutes, chapters 256J and 256K; and

(5) expenditures made on behalf of noncitizen MFIP recipients who qualify for the medical assistance without federal financial participation program under Minnesota Statutes, section 256B.06, subdivision 4, paragraphs (d), (e), and (j).

(b) The commissioner shall ensure that sufficient qualified nonfederal expenditures are made each year to meet the state's TANF MOE requirements. For the activi-

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ties listed in paragraph (a), clauses (2) to (6), the commissioner may only report expenditures that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31. If nonfederal expenditures for the programs and purposes listed in paragraph (a) are insufficient to meet the state's TANF MOE requirements, the commissioner shall recommend additional allowable sources of nonfederal expenditures to the legislature, if the legislature is or will be in session to take action to specify additional sources of nonfederal expenditures for TANF MOE before a federal penalty is imposed. The commissioner shall otherwise provide notice to the legislative commission on planning and fiscal policy under paragraph (d).

(c) If the commissioner uses authority granted under Laws 1999, chapter 245, article 1, section 10, or similar authority granted by a subsequent legislature, to meet the state's TANF MOE requirements in a reporting period, the commissioner shall inform the chairs of the appropriate legislative committees about all transfers made under that authority for this purpose.

(d) If the commissioner determines that nonfederal expenditures for the programs under Minnesota Statutes, section 256J.025, are insufficient to meet TANF MOE expenditure requirements, and if the legislature is not or will not be in session to take timely action to avoid a federal penalty, the commissioner may report nonfederal expenditures from other allowable sources as TANF MOE expenditures after the requirements of this paragraph are met.

The commissioner may report nonfederal expenditures in addition to those specified under paragraph (a) as nonfederal TANF MOE expenditures, but only ten days after

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the commissioner of finance has first submitted the commissioner's recommendations for additional allowable sources of nonfederal TANF MOE expenditures to the members of the legislative commission on planning and fiscal policy for their review.

(e) The commissioner of finance shall not incorporate any changes in federal TANF expenditures or nonfederal expenditures for TANF MOE that may result from reporting additional allowable sources of nonfederal TANF MOE expenditures under the interim procedures in paragraph (d) into the February or November forecasts required under Minnesota Statutes, section 16A.103, unless the commissioner of finance has approved the additional sources of expenditures under paragraph (d).

(f) The provisions of paragraphs (a) to (e) supersede any contrary provisions in Laws 1999, chapter 245, article 1, section 2, subdivision 10.

(g) The provisions of Minnesota Statutes, section 256.011, subdivision 3, which require that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law do not apply if the grants or aids are federal TANF funds.

(h) Notwithstanding section 6 of this article, paragraphs (a) to (g) expire June 30, 2003.

(i) Paragraphs (a) to (h) are effective the day following final enactment.

(a) Assistance to Families Grants	9,628,000	(2,305,000)
(b) Work Grants	-0-	(250,000)
(c) AFDC and Other Assistance	20,000,000	30,734,000

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TRANSFERS TO MINNESOTA HOUSING FINANCE AGENCY. (a) By June 30, 2001, the commissioner shall transfer \$50,000,000 of the general funds appropriated under this paragraph to the Minnesota housing finance agency for transfer to the housing development fund. The program funded by this transfer shall be known as the "Bruce F. Vento Year 2000 Affordable Housing Program." Up to \$15,000,000 \$20,000,000 may be transferred in fiscal year 2000.

(b) Of the funds transferred in paragraph (a), \$5,000,000 in fiscal year 2001 and \$15,000,000 in fiscal year 2002 is for a loan to Habitat for Humanity of Minnesota, Inc. The loan shall be an interest-free deferred loan. The loan shall become due and payable in the event and to the extent that Habitat for Humanity of Minnesota, Inc. does not invest repayments and prepayment of mortgage loans financed with this appropriation in new mortgages for additional homebuyers through Habitat for Humanity of Minnesota, Inc. To the extent practicable, funding must be allocated to Habitat for Humanity chapters on the basis of the number of MFIP households residing within a chapter's service area compared to the statewide total of MFIP households and on the basis of a chapter's capacity.

(c) Of the funds transferred in paragraph (a), \$15,000,000 in fiscal year 2001 and \$15,000,000 in fiscal year 2002 is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b. To the extent practicable, the number of units financed with the appropriation under this paragraph within a city, county, or region shall reflect the number of MFIP households residing

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within the city, county, or region compared to the statewide total of MFIP households. This appropriation must be used to finance rental housing units that serve families:

(1) receiving MFIP benefits under Minnesota Statutes, section 256J.01, or its successor program; and

(2) who have lost eligibility for MFIP due to increased income from employment or due to the collection of child or spousal support under part D of title IV of the Social Security Act.

Units produced with this appropriation must remain affordable for a 30-year period.

In order to coordinate the availability of housing developed with the appropriation under this paragraph with MFIP families in need of affordable housing, the commissioner of the Minnesota housing finance agency, with the assistance of the commissioner of human services, shall establish cooperative relationships with county agencies as defined in Minnesota Statutes, section 256J.08, local employment and training service providers as defined in Minnesota Statutes, section 256J.49, local social service agencies, or other organizations that provide assistance to MFIP households.

The commissioner of the Minnesota housing finance agency shall develop strategies to promote occupancy of the units financed by the appropriation under this paragraph by households most in need of subsidized housing. The strategies shall include provisions that encourage households to move into homeownership or unsubsidized housing as the household secures stable employment and achieves self-sufficiency.

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The commissioner of the Minnesota housing finance agency shall consult with interested parties in developing these strategies.

(d) The commissioner of the Minnesota housing finance agency and the commissioner of human services shall jointly prepare and submit a report to the governor and the legislature on the results of the funding provided under this section. The report shall include:

(1) information on the number of units produced;

(2) the household size and income of the occupants of the units at initial occupancy; and

(3) to the extent the information is available, measures related to the occupants' attachment to the workforce and public assistance usage, and number of occupant moves.

The report must be submitted annually beginning January 15, 2003.

(e) Section 6, sunset of uncodified language, does not apply to paragraphs (a) to (d). Paragraphs (a) to (d) are effective the day following final enactment.

WORKING FAMILY CREDIT. (a) On a regular basis, the commissioner of revenue, with the assistance of the commissioner of human services, shall calculate the value of the refundable portion of the Minnesota working family credits provided under Minnesota Statutes, section 290.0671, that qualifies for federal reimbursement from the temporary assistance to needy families block grant. The commissioner of revenue shall provide the commissioner of human services with such expenditure records and

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information as are necessary to support draws of federal funds. The commissioner of human services shall reimburse the commissioner of revenue for the costs of providing the information required by this paragraph.

(b) Federal TANF funds, as specified in this paragraph, are appropriated to the commissioner of human services based on calculations under paragraph (a) of working family tax credit expenditures that qualify for reimbursement from the TANF block grant for income tax refunds payable in federal fiscal years beginning October 1, 1999. The draws of federal TANF funds shall be made on a regular basis based on calculations of credit expenditures by the commissioner of revenue. Up to the following amounts of federal TANF draws are appropriated to the commissioner of human services to deposit into the general fund: in fiscal year 2000, ~~\$30,957,000~~ \$20,000,000; and in fiscal year 2001, ~~\$33,895,000~~ \$40,449,000.

(d) General Assistance

557,000 (3,134,000)

(e) Minnesota Supplemental Aid

324,000 323,000

Sec. 23. **CORRECTION 14B.** Minnesota Statutes 1999 Supplement, section 256B.431, subdivision 28, as amended by Laws 2000, chapter 488, article 9, section 19, is amended to read:

Subd. 28. **NURSING FACILITY RATE INCREASES BEGINNING JULY 1, 1999, AND JULY 1, 2000.** (a) For the rate years beginning July 1, 1999, and July 1, 2000, the commissioner shall make available to each nursing facility reimbursed under this section or section 256B.434 an adjustment to the total operating payment rate. For nursing facilities reimbursed under this section or section 256B.434, the July 1, 2000, operating payment rate increases provided in this subdivision shall be applied to each facility's June 30, 2000, operating payment rate. For each facility, total operating costs shall be separated into costs that are compensation related and all other costs. Compensation-related costs include salaries, payroll taxes, and fringe benefits for all employees except management fees, the administrator, and central office staff.

(b) For the rate year beginning July 1, 1999, the commissioner shall make available a rate increase for compensation-related costs of 4.843 percent and a rate

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increase for all other operating costs of 3.446 percent.

(c) For the rate year beginning July 1, 2000, the commissioner shall make available:

(1) a rate increase for compensation-related costs of 3.632 percent;

(2) an additional rate increase for each case mix payment rate which must be used to increase the per-hour pay rate of all employees except management fees, the administrator, and central office staff by an equal dollar amount and to pay associated costs for FICA, the Medicare tax, workers' compensation premiums, and federal and state unemployment insurance, to be calculated according to clauses (i) to (iii):

(i) the commissioner shall calculate the arithmetic mean of the eleven June 30, 2000, operating rates for each facility;

(ii) the commissioner shall construct an array of nursing facilities from highest to lowest, according to the arithmetic mean calculated in clause (i). A numerical rank shall be assigned to each facility in the array. The facility with the highest mean shall be assigned a numerical rank of one. The facility with the lowest mean shall be assigned a numerical rank equal to the total number of nursing facilities in the array. All other facilities shall be assigned a numerical rank in accordance with their position in the array;

(iii) the amount of the additional rate increase shall be \$1 plus an amount equal to \$3.13 multiplied by the ratio of the facility's numeric rank divided by the number of facilities in the array; and

(3) a rate increase for all other operating costs of 2.585 percent.

Money received by a facility as a result of the additional rate increase provided under clause (2) shall be used only for wage increases implemented on or after July 1, 2000, and shall not be used for wage increases implemented prior to that date.

(d) The payment rate adjustment for each nursing facility must be determined under clause (1) or (2):

(1) for each nursing facility that reports salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the commissioner shall determine the payment rate adjustment using the categories specified in paragraph (a) multiplied by the rate increases specified in paragraph (b) or (c), and then dividing the resulting amount by the nursing facility's actual resident days. In determining the amount of a payment rate adjustment for a nursing facility reimbursed under section 256B.434, the commissioner shall determine the proportions of the facility's rates that are compensation-related costs and all other operating costs based on the facility's most recent cost report; and

(2) for each nursing facility that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the payment rate adjustment shall be computed using the facility's total operating costs, separated into the categories specified in paragraph (a) in proportion to the weighted average of all

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facilities determined under clause (1), multiplied by the rate increases specified in paragraph (b) or (c), and then dividing the resulting amount by the nursing facility's actual resident days.

(e) A nursing facility may apply for the compensation-related payment rate adjustment calculated under this subdivision. The application must be made to the commissioner and contain a plan by which the nursing facility will distribute the compensation-related portion of the payment rate adjustment to employees of the nursing facility. For nursing facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative constitutes the plan. For the second rate year, a negotiated agreement constitutes the plan only if the agreement is finalized after the date of enactment of all rate increases for the second rate year. The commissioner shall review the plan to ensure that the payment rate adjustment per diem is used as provided in paragraphs (a) to (c). To be eligible, a facility must submit its plan for the compensation distribution by December 31 each year. A facility may amend its plan for the second rate year by submitting a revised plan by December 31, 2000. If a facility's plan for compensation distribution is effective for its employees after July 1 of the year that the funds are available, the payment rate adjustment per diem shall be effective the same date as its plan.

(f) A copy of the approved distribution plan must be made available to all employees. This must be done by giving each employee a copy or by posting it in an area of the nursing facility to which all employees have access. If an employee does not receive the compensation adjustment described in their facility's approved plan and is unable to resolve the problem with the facility's management or through the employee's union representative, the employee may contact the commissioner at an address or phone number provided by the commissioner and included in the approved plan.

(g) If the reimbursement system under section 256B.435 is not implemented until July 1, 2001, the salary adjustment per diem authorized in subdivision 2i, paragraph (c), shall continue until June 30, 2001.

(h) For the rate year beginning July 1, 1999, the following nursing facilities shall be allowed a rate increase equal to 67 percent of the rate increase that would be allowed if subdivision 26, paragraph (a), was not applied:

(1) a nursing facility in Carver county licensed for 33 nursing home beds and four boarding care beds;

(2) a nursing facility in Faribault county licensed for 159 nursing home beds on September 30, 1998; and

(3) a nursing facility in Houston county licensed for 68 nursing home beds on September 30, 1998.

(i) For the rate year beginning July 1, 1999, the following nursing facilities shall be allowed a rate increase equal to 67 percent of the rate increase that would be allowed if subdivision 26, paragraphs (a) and (b), were not applied:

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(1) a nursing facility in Chisago county licensed for 135 nursing home beds on September 30, 1998; and

(2) a nursing facility in Murray county licensed for 62 nursing home beds on September 30, 1998.

(j) For the rate year beginning July 1, 1999, a nursing facility in Hennepin county licensed for 134 beds on September 30, 1998, shall:

(1) have the prior year's allowable care-related per diem increased by \$3.93 and the prior year's other operating cost per diem increased by \$1.69 before adding the inflation in subdivision 26, paragraph (d), clause (2); and

(2) be allowed a rate increase equal to 67 percent of the rate increase that would be allowed if subdivision 26, paragraphs (a) and (b), were not applied.

The increases provided in paragraphs (h), (i), and (j) shall be included in the facility's total payment rates for the purposes of determining future rates under this section or any other section.

Sec. 24. **CORRECTION 14C.** Minnesota Statutes 1998, section 256B.501, subdivision 13, as added by Laws 2000, chapter 488, article 9, section 23, is amended to read:

Subd. 13. **ICF/MR RATE INCREASES BEGINNING OCTOBER 1, 1999, AND OCTOBER 1, 2000.** (a) For the rate years beginning October 1, 1999, and October 1, 2000, the commissioner shall make available to each facility reimbursed under this section, section 256B.5011, and Laws 1993, First Special Session chapter 1, article 4, section 11, an adjustment to the total operating payment rate. For each facility, total operating costs shall be separated into costs that are compensation related and all other costs. "Compensation-related costs" means the facility's allowable program operating cost category employee training expenses and the facility's allowable salaries, payroll taxes, and fringe benefits. The term does not include these same salary-related costs for both administrative or central office employees.

For the purpose of determining the adjustment to be granted under this subdivision, the commissioner must use the most recent cost report that has been subject to desk audit.

(b) For the rate year beginning October 1, 1999, the commissioner shall make available a rate increase for compensation-related costs of 4.6 percent and a rate increase for all other operating costs of 3.2 percent.

(c) For the rate year beginning October 1, 2000, the commissioner shall make available:

(1) a rate increase for compensation related costs of ~~6.5~~ 6.6 percent, 45 percent of which shall be used to increase the per-hour pay rate of all employees except administrative and central office employees by an equal dollar amount and to pay associated costs for FICA, the Medicare tax, workers' compensation premiums, and federal and state unemployment insurance provided that this portion of the

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compensation-related increase shall be used only for wage increases implemented on or after October 1, 2000, and shall not be used for wage increases implemented prior to that date; and

(2) a rate increase for all other operating costs of two percent.

(d) For each facility, the commissioner shall determine the payment rate adjustment using the categories specified in paragraph (a) multiplied by the rate increases specified in paragraph (b) or (c), and then dividing the resulting amount by the facility's actual resident days.

(e) Any facility whose payment rates are governed by closure agreements, receivership agreements, or Minnesota Rules, part 9553.0075, are not eligible for an adjustment otherwise granted under this subdivision.

(f) A facility may apply for the compensation-related payment rate adjustment calculated under this subdivision. The application must be made to the commissioner and contain a plan by which the facility will distribute the compensation-related portion of the payment rate adjustment to employees of the facility. For facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative constitutes the plan. For the second rate year, a negotiated agreement may constitute the plan only if the agreement is finalized after the date of enactment of all rate increases for the second rate year. The commissioner shall review the plan to ensure that the payment rate adjustment per diem is used as provided in this subdivision. To be eligible, a facility must submit its plan for the compensation distribution by December 31 each year. A facility may amend its plan for the second rate year by submitting a revised plan by December 31, 2000. If a facility's plan for compensation distribution is effective for its employees after October 1 of the year that the funds are available, the payment rate adjustment per diem shall be effective the same date as its plan.

(g) A copy of the approved distribution plan must be made available to all employees. This must be done by giving each employee a copy or by posting it in an area of the facility to which all employees have access. If an employee does not receive the compensation adjustment described in their facility's approved plan and is unable to resolve the problem with the facility's management or through the employee's union representative, the employee may contact the commissioner at an address or telephone number provided by the commissioner and included in the approved plan.

Sec. 25. **CORRECTION 14D.** Laws 1999, chapter 245, article 1, section 2, subdivision 8, as amended by Laws 2000, chapter 488, article 9, section 29, is amended to read:

Subd. 8. Continuing Care and Community Support Grants

General	1,174,195,000	1,259,767,000
Lottery Prize	1,158,000	1,158,000

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The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Community Social Services Block Grants

42,597,000	43,498,000
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CSSA TRADITIONAL APPROPRIATION. Notwithstanding Minnesota Statutes, section 256E.06, subdivisions 1 and 2, the appropriations available under that section in fiscal years 2000 and 2001 must be distributed to each county proportionately to the aid received by the county in calendar year 1998. The commissioner, in consultation with counties, shall study the formula limitations in subdivision 2 of that section, and report findings and any recommendations for revision of the CSSA formula and its formula limitation provisions to the legislature by January 15, 2000.

(b) Consumer Support Grants

1,123,000	1,123,000
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(c) Aging Adult Service Grants

7,965,000	7,765,000
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LIVING-AT-HOME/BLOCK NURSE PROGRAM. Of the general fund appropriation, \$120,000 in fiscal year 2000 and \$120,000 in fiscal year 2001 is for the commissioner to provide funding to six additional living-at-home/block nurse programs. This appropriation shall become part of the base for the 2002-2003 biennium.

MINNESOTA SENIOR SERVICE CORPS. Of this appropriation, \$160,000 for the biennium is from the general fund to the commissioner for the following purposes:

(a) \$40,000 in fiscal year 2000 and \$40,000

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in fiscal year 2001 is to increase the hourly stipend by ten cents per hour in the foster grandparent program, the retired and senior volunteer program, and the senior companion program.

(b) \$40,000 in fiscal year 2000 and \$40,000 in fiscal year 2001 is for a grant to the tri-valley opportunity council in Crookston to expand services in the ten-county area of northwestern Minnesota.

(c) This appropriation shall become part of the base for the 2002-2003 biennium.

HEALTH INSURANCE COUNSELING. Of this appropriation, \$100,000 in fiscal year 2000 and \$100,000 in fiscal year 2001 is from the general fund to the commissioner to transfer to the board on aging for the purpose of awarding health insurance counseling and assistance grants to the area agencies on aging providing state-funded health insurance counseling services. Access to health insurance counseling programs shall be provided by the senior linkage line service of the board on aging and the area agencies on aging. The board on aging shall explore opportunities for obtaining alternative funding from non-state sources, including contributions from individuals seeking health insurance counseling services. This is a one-time appropriation and shall not become part of base level funding for this activity for the 2002-2003 biennium.

(d) Deaf and Hard-of-Hearing Services Grants

1,859,000	1,760,000
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SERVICES TO DEAF PERSONS WITH MENTAL ILLNESS. Of this appropriation, \$100,000 each year is to the commissioner for a grant to a nonprofit

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agency that currently serves deaf and hard-of-hearing adults with mental illness through residential programs and supported housing outreach. The grant must be used to operate a community support program for persons with mental illness that is communicatively accessible for persons who are deaf or hard-of-hearing. This is a one-time appropriation and shall not become part of base level funding for this activity for the 2002-2003 biennium.

DEAF-BLIND ORIENTATION AND MOBILITY SERVICES. Of this appropriation, \$120,000 for the biennium is to the commissioner for a grant to DeafBlind Services Minnesota to hire an orientation, mobility, and deaf-blind specialist to work with deaf-blind people and for related costs. The specialist will provide services to deaf-blind Minnesotans, and training to teachers and rehabilitation counselors, on a statewide basis. This appropriation shall become part of base level funding for this activity for the 2002-2003 biennium only and shall not be part of the base for the 2004-2005 biennium. Notwithstanding section 13, this paragraph expires on June 30, 2003.

(e) Mental Health Grants

General	45,169,000	46,528,000
Lottery Prize	1,158,000	1,158,000

CRISIS HOUSING. Of the general fund appropriation, \$126,000 in fiscal year 2000 and \$150,000 in fiscal year 2001 is to the commissioner for the adult mental illness crisis housing assistance program under Minnesota Statutes, section 245.99. This appropriation shall become part of the base for the 2002-2003 biennium.

ADOLESCENT COMPULSIVE GAMBLING GRANT. \$150,000 in fiscal year

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2000 and \$150,000 in fiscal year 2001 is appropriated from the lottery prize fund created under Minnesota Statutes, section 349A.10, subdivision 2, to the commissioner for the purposes of a grant to a compulsive gambling council located in St. Louis county for a statewide compulsive gambling prevention and education project for adolescents.

(f) Developmental Disabilities Community Support Grants

9,323,000	10,958,000
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CRISIS INTERVENTION PROJECT.

Of this appropriation, \$40,000 in fiscal year 2000 is to the commissioner for the action, support, and prevention project of southeastern Minnesota.

SILS FUNDING. Of this appropriation, \$1,000,000 each year is for semi-independent living services under Minnesota Statutes, section 252.275. This appropriation must be added to the base level funding for this activity for the 2002-2003 biennium. Unexpended funds for fiscal year 2000 do not cancel but are available to the commissioner for this purpose in fiscal year 2001.

FAMILY SUPPORT GRANTS. Of this appropriation, \$1,000,000 in fiscal year 2000 and \$2,500,000 in fiscal year 2001 is to increase the availability of family support grants under Minnesota Statutes, section 252.32. This appropriation must be added to the base level funding for this activity for the 2002-2003 biennium. Unexpended funds for fiscal year 2000 do not cancel but are available to the commissioner for this purpose in fiscal year 2001.

(g) Medical Assistance Long-Term Care Waivers and Home Care

349,052,000	414,240,000
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PROVIDER RATE INCREASES. (a)

The commissioner shall increase reimbursement rates by four percent the first year of the biennium and by ~~5.9~~ six percent the second year for the providers listed in paragraph (b). The increases shall be effective for services rendered on or after July 1 of each year.

(b) The rate increases described in this section shall be provided to home and community-based waived services for persons with mental retardation or related conditions under Minnesota Statutes, section 256B.501; home and community-based waived services for the elderly under Minnesota Statutes, section 256B.0915; waived services under community alternatives for disabled individuals under Minnesota Statutes, section 256B.49; community alternative care waived services under Minnesota Statutes, section 256B.49; traumatic brain injury waived services under Minnesota Statutes, section 256B.49; nursing services and home health services under Minnesota Statutes, section 256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under Minnesota Statutes, section 256B.0625, subdivision 19a; private-duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7; day training and habilitation services for adults with mental retardation or related conditions under Minnesota Statutes, sections 252.40 to 252.46; alternative care services under Minnesota Statutes, section 256B.0913; adult residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support grants under Minnesota Rules, parts 9535.1700 to 9535.1760; semi-independent living services under

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

Minnesota Statutes, section 252.275, including SILS funding under county social services grants formerly funded under Minnesota Statutes, chapter 256I; and community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication.

(c) The commissioner shall increase reimbursement rates by two percent for the group residential housing supplementary service rate under Minnesota Statutes, section 256I.05, subdivision 1a, for services rendered on or after January 1, 2000.

(d) Providers that receive a rate increase under this section shall use at least 80 percent of the additional revenue the first year to increase the compensation paid to employees other than the administrator and central office staff. In the second year, providers must use the additional revenue as follows:

(1) at least ~~41~~ 40 percent to increase the compensation paid to employees other than the administrator and central office staff;

(2) at least ~~49~~ 50 percent to increase the per-hour pay rate of all employees other than the administrator and central office staff by an equal dollar amount and to pay associated costs for FICA, the Medicare tax, workers' compensation premiums, and federal and state unemployment insurance. For public employees, the portion of this increase reserved to increase the per-hour pay rate for certain staff by an equal dollar amount shall be available and pay rates shall be increased only to the extent that they comply with laws governing public employees collective bargaining. Money received by a provider as a result of the additional rate increase described in this

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clause shall be used only for wage increases implemented on or after July 1, 2000, and shall not be used for wage increases implemented prior to that date; and

(3) up to ten percent for other purposes.

(e) A copy of the provider's plan for complying with paragraph (d) must be made available to all employees. This must be done by giving each employee a copy or by posting it in an area of the provider's operation to which all employees have access. If an employee does not receive the salary adjustment described in the plan and is unable to resolve the problem with the provider, the employee may contact the employee's union representative. If the employee is not covered by a collective bargaining agreement, the employee may contact the commissioner at a phone number provided by the commissioner and included in the provider's plan.

(f) Section 13, sunset of uncodified language, does not apply to this provision.

DEVELOPMENTAL DISABILITIES WAIVER SLOTS. Of this appropriation, \$1,746,000 in fiscal year 2000 and \$4,683,000 in fiscal year 2001 is to increase the availability of home and community-based waiver services for persons with mental retardation or related conditions.

(h) Medical Assistance Long-Term Care Facilities

546,228,000	558,349,000
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MORATORIUM EXCEPTIONS. Of this appropriation, \$250,000 in fiscal year 2000 and \$250,000 in fiscal year 2001 is from the general fund to the commissioner for

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the medical assistance costs of moratorium exceptions approved by the commissioner of health under Minnesota Statutes, section 144A.073. Unexpended money appropriated for fiscal year 2000 shall not cancel but shall be available for fiscal year 2001.

NURSING FACILITY OPERATED BY THE RED LAKE BAND OF CHIPPEWA INDIANS. (1) The medical assistance payment rates for the 47-bed nursing facility operated by the Red Lake Band of Chippewa Indians must be calculated according to allowable reimbursement costs under the medical assistance program, as specified in Minnesota Statutes, section 246.50, and are subject to the facility-specific Medicare upper limits.

(2) In addition, the commissioner shall make available an operating payment rate adjustment effective July 1, 1999, and July 1, 2000, that is equal to the adjustment provided under Minnesota Statutes, section 256B.431, subdivision 28. The commissioner must use the facility's final 1998 and 1999 Medicare cost reports, respectively, to calculate the adjustment. The adjustment shall be available based on a plan submitted and approved according to Minnesota Statutes, section 256B.431, subdivision 28. Section 13, sunset of uncodified language, does not apply to this paragraph.

COSTS RELATED TO FACILITY CERTIFICATION. Of this appropriation, \$168,000 is for the costs of providing one-half the state share of medical assistance reimbursement for residential and day habilitation services under article 3, section 39. This amount is available the day following final enactment.

(i) Alternative Care Grants

General	60,873,000	59,981,000
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ALTERNATIVE CARE TRANSFER.

Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but shall be transferred to the medical assistance account.

PREADMISSION SCREENING

AMOUNT. The preadmission screening payment to all counties shall continue at the payment amount in effect for fiscal year 1999.

ALTERNATIVE CARE APPROPRIA-

TION. The commissioner may expend the money appropriated for the alternative care program for that purpose in either year of the biennium.

(j) Group Residential Housing

General	66,477,000	70,390,000
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GROUP RESIDENTIAL FACILITY FOR WOMEN IN RAMSEY COUNTY.

(a) Notwithstanding Minnesota Statutes 1998, section 256L.05, subdivision 1d, the new 23-bed group residential facility for women in Ramsey county, with approval by the county agency, may negotiate a supplementary service rate in addition to the board and lodging rate for facilities licensed and registered by the Minnesota department of health under Minnesota Statutes, section 15.17. The supplementary service rate shall not exceed \$564 per person per month and the total rate may not exceed \$1,177 per person per month.

(b) Of the general fund appropriation, \$19,000 in fiscal year 2000 and \$38,000 in fiscal year 2001 is to the commissioner for the costs associated with paragraph (a). This appropriation shall become part of the base for the 2002-2003 biennium.

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(k) Chemical Dependency Entitlement Grants

General	36,751,000	38,847,000
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(l) Chemical Dependency Nonentitlement Grants

General	6,778,000	6,328,000
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CHEMICAL DEPENDENCY SERVICES. Of this appropriation, \$450,000 in fiscal year 2000 is to the commissioner for chemical dependency services to persons who qualify under Minnesota Statutes, section 254B.04, subdivision 1, paragraph (b).

Sec. 26. **CORRECTION 14E.** Laws 2000, chapter 488, article 9, section 37, is amended to read:

Sec. 37. **INCONSISTENT AMENDMENTS.**

The amendments to Minnesota Statutes, section 256B.501, subdivision 13, in section 10 23 prevail over the amendments to that section in 2000 H.F. No. 3557, if enacted.

Sec. 27. **CORRECTION 15.** Laws 2000, chapter 463, section 23, subdivision 2, is amended to read:

Subd. 2. **GAME AND FISH FUND.** (a) \$3,591,000 in fiscal year 2001 is appropriated from the game and fish fund to the commissioner of natural resources for fish and wildlife management. At least 87 percent of this appropriation must be allocated for field operations.

(b) \$825,000 in fiscal year 2001 is appropriated from the game and fish fund is to the commissioner of natural resources for enforcement of natural resources laws.

(c) \$12,304,000 in fiscal year 2001 is appropriated from the heritage enhancement account in the game and fish fund to the commissioner of natural resources for game and fish projects on public and private lands. This is a one-time appropriation and is from the revenue deposited to the game and fish fund under Minnesota Statutes, section 297A.44, subdivision 1, paragraph (e), clause (1), and is subject to the restrictions contained in paragraph (e).

Sec. 28. **CORRECTION 16.** Laws 2000, chapter 489, article 2, section 34, is amended to read:

Sec. 34. **TRAINING AND EXPERIENCE REPLACEMENT REVENUE.**

(a) For fiscal year 2001 only, a school district's training and experience replacement revenue equals the sum of the following:

(1) ~~the ratio~~ of the amount of training and experience revenue the district would have received for fiscal year 1999 calculated using the training and experience index

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in Minnesota Statutes 1996, section 124A.04, to its resident pupil units for that year, times the district's adjusted marginal cost pupil units for fiscal year 2001, times .06 .056; plus

(2) the difference between .47 times the training and experience revenue the district would have received for fiscal year 1999, calculated using the training and experience index in Minnesota Statutes 1996, section 124A.04, and the amount calculated in Minnesota Statutes, section 126C.10, subdivision 5, for fiscal year 2001, but not less than zero.

(b) This revenue is paid entirely in fiscal year 2001.

Sec. 29. **CORRECTION 16A.** Minnesota Statutes 1999 Supplement, section 123B.54, as amended by Laws 2000, chapter 489, article 5, section 4, is amended to read:

123B.54 DEBT SERVICE APPROPRIATION.

(a) \$33,141,000 in fiscal year 2000, \$29,400,000 in fiscal year 2001, \$26,934,000 in fiscal year 2002, and ~~\$25,540,000~~ \$24,540,000 in fiscal year 2003 and each year thereafter is appropriated from the general fund to the commissioner of children, families, and learning for payment of debt service equalization aid under section 123B.53.

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 30. **CORRECTION 16B.** Laws 1999, chapter 241, article 2, section 60, subdivision 14, as amended by Laws 2000, chapter 489, article 3, section 21, is amended to read:

Subd. 14. **SPECIAL EDUCATION EXCESS COST AID.** For excess cost aid:

\$66,032,000	2000
\$89,072,000	<u>\$89,137,000</u> 2001

The 2000 appropriation includes \$4,693,000 for 1999 and \$61,339,000 for 2000.

The 2001 appropriation includes \$6,815,000 for 2000 and ~~\$82,257,000~~ \$82,322,000 for 2001.

Sec. 31. **CORRECTION 16C.** Laws 2000, chapter 489, article 5, section 28, subdivision 4, is amended to read:

Subd. 4. **ONE-TIME DEFERRED MAINTENANCE AID.** For one-time deferred maintenance aid:

\$23,260,000	<u>\$23,360,000</u> 2001
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This is a one-time appropriation.

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Sec. 32. **CORRECTION 16D.** Minnesota Statutes 1999 Supplement, section 125A.76, subdivision 1, as amended by Laws 2000, chapter 489, article 3, section 11, is amended to read:

Subdivision 1. **DEFINITIONS.** For the purposes of this section, the definitions in this subdivision apply.

(a) "Base year" for fiscal year 1998 and later fiscal years means the second fiscal year preceding the fiscal year for which aid will be paid.

(b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the purposes of computing basic revenue pursuant to this section, each child with a disability shall be counted as prescribed in section 126C.05, subdivision 1.

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

(d) "Average daily membership" has the meaning given it in section 126C.05.

(e) "Program growth factor" means 1.08 for fiscal year 2002, and ~~1.047~~ 1.046 for fiscal year 2003 and later.

Sec. 33. **CORRECTION 17.** Minnesota Statutes 1999 Supplement, section 245.4871, subdivision 4, as amended by Laws 2000, chapter 474, section 4, is amended to read:

Subd. 4. **CASE MANAGEMENT SERVICE PROVIDER.** (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in subdivision 3 for the child with severe emotional disturbance and the child's family.

(b) A case manager must:

(1) have experience and training in working with children;

(2) have at least a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university or meet the requirements of paragraph (d);

(3) have experience and training in identifying and assessing a wide range of children's needs;

(4) be knowledgeable about local community resources and how to use those resources for the benefit of children and their families; and

(5) meets the supervision and continuing education requirements of paragraphs (e), (f), and (g), as applicable.

(c) A case manager may be a member of any professional discipline that is part of the local system of care for children established by the county board.

(d) A case manager without a bachelor's degree must meet one of the requirements in clauses (1) to (3):

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

(1) have three or four years of experience as a case manager associate;

(2) be a registered nurse without a bachelor's degree who has a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; or

(3) be a person who qualified as a case manager under the 1998 department of human services waiver provision and meets the continuing education, supervision, and mentoring requirements in this section.

(e) A case manager with at least 2,000 hours of supervised experience in the delivery of mental health services to children must receive regular ongoing supervision and clinical supervision totaling 38 hours per year, of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The other 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours.

(f) A case manager without 2,000 hours of supervised experience in the delivery of mental health services to children with emotional disturbance must:

(1) begin 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of children with severe emotional disturbance before beginning to provide case management services; and

(2) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour each week until the requirement of 2,000 hours of experience is met:

(g) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in severe emotional disturbance and mental health services annually.

(h) Clinical supervision must be documented in the child's record. When the case manager is not a mental health professional, the county board must provide or contract for needed clinical supervision.

(i) The county board must ensure that the case manager has the freedom to access and coordinate the services within the local system of care that are needed by the child.

(j) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

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

(ii) be a registered nurse without a bachelor's degree;

(iii) have three years of life experience as a primary caregiver to a child with serious emotional disturbance as defined in section 245.4871, subdivision 6, within the previous ten years;

(iv) have 6,000 hours work experience as a nondegreed state hospital technician;
or

(v) be a mental health practitioner as defined in ~~section 245.462~~, subdivision 26, clause (2).

Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (v) may qualify as a case manager after three years of supervised experience as a case manager associate.

(k) Case manager associates must meet the following supervision, mentoring, and continuing education requirements;

(1) have 40 hours of preservice training described under paragraph (f), clause (1);

(2) receive at least 40 hours of continuing education in severe emotional disturbance and mental health service annually; and

(3) receive at least five hours of mentoring per week from a case management mentor. A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.

(l) A case management supervisor must meet the criteria for a mental health professional as specified in section 245.4871, subdivision 27.

(m) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to child immigrants with severe emotional disturbance of the same ethnic group as the immigrant if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or related fields at an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.

Sec. 34. **CORRECTION 18.**

Laws 2000, chapter 492, article 1, section 7, subdivision 31, is repealed.

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

Sec. 35. **CORRECTION 19.** Laws 2000, chapter 429, section 1, is amended to read:

Section 1. INCOME EXCLUSION OR DISREGARD.

(a) The earned income that a temporary census employee for the 2000 census receives from the United States Census Bureau is excluded from income under Minnesota Statutes, sections 256B.056, subdivision 4 1a; 256D.03, subdivision 3; 256J.21, subdivision 2; and 256L.01, subdivision 5, and disregarded as income under Minnesota Statutes, sections 256D.06, subdivision 1; and 256D.435, subdivision 5.

(b) An income exclusion or disregard under paragraph (a) applies to a person receiving benefits on or before March 1, 2000, under Minnesota Statutes, chapter 256B, 256J, or 256L, or sections 256D.03, subdivision 3, 256D.06, or 256D.33 to 256D.54.

Sec. 36. **CORRECTION 21.** Laws 2000, chapter 489, article 6, section 44, subdivision 1, is amended to read:

Subdivision 1. **LABOR DAY START.** Notwithstanding Minnesota Statutes, section 120A.40, paragraph (a), for the 2000-2001 school year only, a district must not begin the elementary or secondary school year prior to Labor Day.

Sec. 37. **CORRECTION 24.** Laws 2000, chapter 492, article 1, section 12, subdivision 10, is amended to read:

Subd. 10. Capitol Building Predesign 300,000

To predesign the phased restoration of remaining areas in the capitol building.

The commissioner of administration shall appoint a restoration advisory committee, which must include any members or employees of the senate named by the chair of the committee on rules and administration, and any members or employees of the house named by the speaker of the house, to advise the commissioner on the expenditure of this appropriation.

Sec. 38. CORRECTION 25. REPEALER.

Laws 1999, chapter 241, article 1, section 64, is repealed effective the day following final enactment.

Sec. 39. **CORRECTION 26.** Laws 2000, chapter 488, article 8, section 2, subdivision 6, is amended to read:

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Subd. 6. Economic Support Grants

30,509,000	25,368,000
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The amounts that may be spent from this appropriation for each purpose are as follows:

ASSISTANCE TO FAMILIES GRANTS TANF FORECAST ADJUSTMENT. The federal Temporary Assistance to Needy Families (TANF) block grant fund appropriated to the commissioner of human services in Laws 1999, chapter 245, article 1, section 2, subdivision 10, for MFIP cash grants are reduced by \$37,513,000 in fiscal year 2000 and \$30,217,000 in fiscal year 2001.

FEDERAL TANF FUNDS. (1) In addition to the Federal Temporary Assistance for Needy Families (TANF) block grant funds appropriated to the commissioner of human services in Laws 1999, chapter 245, article 1, section 2, subdivision 10, federal TANF funds are appropriated to the commissioner in amounts up to \$20,000,000 in fiscal year 2000 and \$80,440,000 in fiscal year 2001. In addition to these funds, the commissioner may draw or transfer any other appropriations of federal TANF funds or transfers of federal TANF funds that are enacted into state law.

(2) Of the amounts in clause (1), \$19,680,000 in fiscal year 2001 is for the local intervention grants program under Minnesota Statutes, section 256J.625 and related grant programs and shall be expended as follows:

(a) \$500,000 in fiscal year 2001 is for a grant to the Southeast Asian MFIP services collaborative to replicate in a second location an existing model of an intensive intervention transitional employment train-

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ing project which serves TANF-eligible recipients and which moves refugee and immigrant welfare recipients onto unsubsidized employment and leads to economic self-sufficiency. This is a one-time appropriation.

(b) \$500,000 in fiscal year 2001 is for nontraditional career assistance and training programs under Minnesota Statutes, section 256K.30, subdivision 4. This is a one-time appropriation.

(c) \$18,680,000 is for local intervention grants for self-sufficiency program under Minnesota Statutes, section 256J.625. For fiscal years 2002 and 2003 the commissioner of finance shall ensure that the base level funding for the local intervention grants program is \$27,180,000 each year.

(3) Of the amounts in clause (2), paragraph (c) for local intervention grants, \$7,000,000 in fiscal year 2001 shall be transferred to the commissioner of health for distribution to county boards according to the formula in Minnesota Statutes, section 256J.625, subdivision 3, to be used by county public health boards to serve families with incomes at or below 200 percent of the federal poverty guidelines, in the manner specified by Minnesota Statutes, section 145A.16, subdivision 3, clauses (2) through (6). Training, evaluation and technical assistance shall be provided in accordance with Minnesota Statutes, section 145A.16, subdivisions 5 to 7. For fiscal years 2002 and 2003 the commissioner of finance shall ensure that the base level funding for this activity is \$7,000,000 each year.

(4) Of the amounts in clause (1), \$250,000 in fiscal year 2001 is appropriated to the commissioner to contract with the board of

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trustees of the Minnesota state colleges and universities to provide tuition waivers to employees of health care and human services providers located in the state that are members of qualifying consortia operating under Minnesota Statutes, sections 116L.10 to 116L.15.

(5) Of the amounts in clause (1), \$320,000 in fiscal year 2001 is for training job counselors about the MFIP program. For fiscal years 2002 and 2003 the commissioner of finance shall ensure that the base level funding for employment services includes \$320,000 each year for this activity. The appropriations in this clause shall not become part of the base for the 2004-2005 biennium.

(6) Of the amounts in clause (1), \$1,000,000 in fiscal year 2001 is for out-of-wedlock pregnancy prevention funds to serve children in TANF-eligible families under Minnesota Statutes, section 256K.35. For fiscal years 2002 and 2003 the commissioner of finance shall ensure that the base level funding for this program is \$1,000,000 each year. The appropriations in this clause shall not become part of the base for the 2004-2005 biennium.

(7) Of the amounts in clause (1), \$1,000,000 in fiscal year 2001 is to provide services to TANF-eligible families who are participating in the supportive housing and managed care pilot project under Minnesota Statutes, section 256K.25. For fiscal years 2002 and 2003 the commissioner of finance shall ensure that the base level funding for this project is \$1,000,000 each year. The appropriations in this clause shall not become part of the base for this project for the 2004-2005 biennium.

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TANF TRANSFER TO SOCIAL SERVICES. \$7,500,000 is transferred from the state's federal TANF block grant to the state's federal Title XX block grant in fiscal year 2001 and in fiscal year 2002, for purposes of increasing services for families with children whose incomes are at or below 200 percent of the federal poverty guidelines. Notwithstanding section 6, this paragraph expires June 30, 2002.

TANF MOE. (a) In order to meet the basic maintenance of effort (MOE) requirements of the TANF block grant specified under United States Code, title 42, section 609(a)(7), the commissioner may only report nonfederal money expended for allowable activities listed in the following clauses as TANF MOE expenditures:

(1) MFIP cash and food assistance benefits under Minnesota Statutes, chapter 256J;

(2) the child care assistance programs under Minnesota Statutes, sections 119B.03 and 119B.05, and county child care administrative costs under Minnesota Statutes, section 119B.15;

(3) state and county MFIP administrative costs under Minnesota Statutes, chapters 256J and 256K;

(4) state, county, and tribal MFIP employment services under Minnesota Statutes, chapters 256J and 256K; and

(5) expenditures made on behalf of noncitizen MFIP recipients who qualify for the medical assistance without federal financial participation program under Minnesota Statutes, section 256B.06, subdivision 4, paragraphs (d), (e), and (j).

(b) The commissioner shall ensure that sufficient qualified nonfederal expenditures

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are made each year to meet the state's TANF MOE requirements. For the activities listed in paragraph (a), clauses (2) to (6), the commissioner may only report expenditures that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31. If nonfederal expenditures for the programs and purposes listed in paragraph (a) are insufficient to meet the state's TANF MOE requirements, the commissioner shall recommend additional allowable sources of nonfederal expenditures to the legislature, if the legislature is or will be in session to take action to specify additional sources of nonfederal expenditures for TANF MOE before a federal penalty is imposed. The commissioner shall otherwise provide notice to the legislative commission on planning and fiscal policy under paragraph (d).

(c) If the commissioner uses authority granted under Laws 1999, chapter 245, article 1, section 10, or similar authority granted by a subsequent legislature, to meet the state's TANF MOE requirements in a reporting period, the commissioner shall inform the chairs of the appropriate legislative committees about all transfers made under that authority for this purpose.

(d) If the commissioner determines that nonfederal expenditures for the programs under Minnesota Statutes, section 256J.025, are insufficient to meet TANF MOE expenditure requirements, and if the legislature is not or will not be in session to take timely action to avoid a federal penalty, the commissioner may report nonfederal expenditures from other allowable sources as TANF MOE expenditures after the requirements of this paragraph are met.

The commissioner may report nonfederal expenditures in addition to those specified

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under paragraph (a) as nonfederal TANF MOE expenditures, but only ten days after the commissioner of finance has first submitted the commissioner's recommendations for additional allowable sources of nonfederal TANF MOE expenditures to the members of the legislative commission on planning and fiscal policy for their review.

(e) The commissioner of finance shall not incorporate any changes in federal TANF expenditures or nonfederal expenditures for TANF MOE that may result from reporting additional allowable sources of nonfederal TANF MOE expenditures under the interim procedures in paragraph (d) into the February or November forecasts required under Minnesota Statutes, section 16A.103, unless the commissioner of finance has approved the additional sources of expenditures under paragraph (d).

(f) The provisions of paragraphs (a) to (e) supersede any contrary provisions in Laws 1999, chapter 245, article 1, section 2, subdivision 10.

(g) The provisions of Minnesota Statutes, section 256.011, subdivision 3, which require that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law do not apply if the grants or aids are federal TANF funds.

(h) Notwithstanding section 6 of this article, paragraphs (a) to (g) expire June 30, 2003.

(i) Paragraphs (a) to (h) are effective the day following final enactment.

(a) Assistance to Families Grants		
	9,628,000	(2,305,000)
(b) Work Grants		
	-0-	(250,000)

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(c) AFDC and Other Assistance

20,000,000	30,734,000
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TRANSFERS TO MINNESOTA HOUSING FINANCE AGENCY. (a) By June 30, 2001, the commissioner shall transfer \$50,000,000 of the general funds appropriated under this paragraph to the Minnesota housing finance agency for transfer to the housing development fund. The program funded by this transfer shall be known as the "Bruce F. Vento Year 2000 Affordable Housing Program." Up to \$15,000,000 may be transferred in fiscal year 2000.

(b) Of the funds transferred in paragraph (a), \$5,000,000 in fiscal year 2001 and \$15,000,000 in fiscal year 2002 is for a loan to Habitat for Humanity of Minnesota, Inc. The loan shall be an interest-free deferred loan. The loan shall become due and payable in the event and to the extent that Habitat for Humanity of Minnesota, Inc. does not invest repayments and prepayment of mortgage loans financed with this appropriation in new mortgages for additional homebuyers through Habitat for Humanity of Minnesota, Inc. To the extent practicable, funding must be allocated to Habitat for Humanity chapters on the basis of the number of MFIP households residing within a chapter's service area compared to the statewide total of MFIP households and on the basis of a chapter's capacity.

(c) Of the funds transferred in paragraph (a), \$15,000,000 in fiscal year 2001 and \$15,000,000 in fiscal year 2002 is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b. To the extent practicable, the number of units financed with the appropriation under this paragraph within a city, county, or region shall reflect the number of MFIP households residing

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within the city, county, or region compared to the statewide total of MFIP households. This appropriation must be used to finance rental housing units that serve families:

(1) receiving MFIP benefits under Minnesota Statutes, section 256J.01, or its successor program; and or

(2) who have lost eligibility for MFIP due to increased income from employment or due to the collection of child or spousal support under part D of title IV of the Social Security Act.

Units produced with this appropriation must remain affordable for a 30-year period.

In order to coordinate the availability of housing developed with the appropriation under this paragraph with MFIP families in need of affordable housing, the commissioner of the Minnesota housing finance agency, with the assistance of the commissioner of human services, shall establish cooperative relationships with county agencies as defined in Minnesota Statutes, section 256J.08, local employment and training service providers as defined in Minnesota Statutes, section 256J.49, local social service agencies, or other organizations that provide assistance to MFIP households.

The commissioner of the Minnesota housing finance agency shall develop strategies to promote occupancy of the units financed by the appropriation under this paragraph by households most in need of subsidized housing. The strategies shall include provisions that encourage households to move into homeownership or unsubsidized housing as the household secures stable employment and achieves self-sufficiency.

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The commissioner of the Minnesota housing finance agency shall consult with interested parties in developing these strategies.

(d) The commissioner of the Minnesota housing finance agency and the commissioner of human services shall jointly prepare and submit a report to the governor and the legislature on the results of the funding provided under this section. The report shall include:

(1) information on the number of units produced;

(2) the household size and income of the occupants of the units at initial occupancy; and

(3) to the extent the information is available, measures related to the occupants' attachment to the workforce and public assistance usage, and number of occupant moves.

The report must be submitted annually beginning January 15, 2003.

(e) Section 6, sunset of uncodified language, does not apply to paragraphs (a) to (d). Paragraphs (a) to (d) are effective the day following final enactment.

WORKING FAMILY CREDIT. (a) On a regular basis, the commissioner of revenue, with the assistance of the commissioner of human services, shall calculate the value of the refundable portion of the Minnesota working family credits provided under Minnesota Statutes, section 290.0671, that qualifies for federal reimbursement from the temporary assistance to needy families block grant. The commissioner of revenue shall provide the commissioner of human services with such expenditure records and

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information as are necessary to support draws of federal funds. The commissioner of human services shall reimburse the commissioner of revenue for the costs of providing the information required by this paragraph.

(b) Federal TANF funds, as specified in this paragraph, are appropriated to the commissioner of human services based on calculations under paragraph (a) of working family tax credit expenditures that qualify for reimbursement from the TANF block grant for income tax refunds payable in federal fiscal years beginning October 1, 1999. The draws of federal TANF funds shall be made on a regular basis based on calculations of credit expenditures by the commissioner of revenue. Up to the following amounts of federal TANF draws are appropriated to the commissioner of human services to deposit into the general fund: in fiscal year 2000, \$30,957,000; and in fiscal year 2001, \$33,895,000.

(d) General Assistance

557,000 (3,134,000)

(e) Minnesota Supplemental Aid

324,000 323,000

Sec. 40. **CORRECTION 27.** Laws 2000, chapter 479, article 1, section 2, subdivision 12, is amended to read:

Subd. 12. Sales Tax 4,800,000

For payment of sales tax that may not be paid from the trunk highway fund. This appropriation is one-time only.

Sec. 41. **CORRECTION 27A.** Laws 2000, chapter 479, article 2, section 1, is amended to read:

Section 1. **PROHIBITION AGAINST APPROPRIATIONS FROM TRUNK HIGHWAY FUND.**

To ensure compliance with the Minnesota Constitution, article XIV, sections 2, 5, and 6, the commissioner of finance, agency directors, and legislative commission

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personnel may not include in the biennial budget for fiscal years 2002 and 2003, or in any budget thereafter, expenditures from the trunk highway fund for a nonhighway purpose as jointly determined by the commissioner of finance and the attorney general. For purposes of this section, an expenditure for a nonhighway purpose is any expenditure not for construction, improvement, or maintenance of highways. At the time of submission of the biennial budget proposal to the legislature, the commissioner of finance and the attorney general shall report to the senate and house of representatives transportation committees concerning any expenditure that is proposed to be appropriated from the trunk highway fund, if that expenditure is similar to those reduced or eliminated in sections 5 to 20. The report must explain the highway purpose of, and recommend a fund to be charged for, the proposed expenditure.

Sec. 42. CORRECTION 27B. CLARIFICATION OF CERTAIN APPROPRIATIONS FROM THE TRUNK HIGHWAY FUND TO THE GENERAL FUND.

Subject to the findings of the report required in Laws 2000, chapter 479, article 2, section 1, the appropriations changed in sections 7, 10, 13, 14, 15, 17, and 20, from the trunk highway fund to the general fund are one-time only.

Sec. 43. EFFECTIVE DATE.

Unless provided otherwise, each section of this act takes effect at the time the provision being corrected takes effect.

Presented to the governor May 19, 2000

Signed by the governor May 30, 2000, 2:19 p.m.

CHAPTER 500—S.F.No. 3286

An act relating to education; balancing statewide accountability and district autonomy under the profile of learning; amending grading criteria and recordkeeping practices; amending Minnesota Statutes 1998, sections 120A.41; and 120B.03, by adding subdivisions; Minnesota Statutes 1999 Supplement, sections 120B.02; 120B.30, subdivision 1; and 120B.35; repealing Minnesota Statutes 1998, sections 120B.03, subdivisions 1, 2, and 3; and 120B.04; Minnesota Rules, parts 3501.0330, subpart 2, item A; 3501.0330, subpart 7, item B; 3501.0360; 3501.0370, subparts 1, 2, and 4; 3501.0420, subpart 1, item D, and subpart 4; and 3501.0430.

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

Section 1. Minnesota Statutes 1998, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; DAYS OF INSTRUCTION.

A school board's annual school calendar must include at least three additional days of student instruction or staff development training related to implementing section 120B.03, subdivision 1a, paragraph (f), beyond the number of days of student

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