

**Sec. 4. EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment.

Presented to the governor May 15, 2002

Vetoed by the governor May 18, 7:12 p.m.

Reconsidered and approved by the legislature after the governor's veto May 18, 2002

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**CHAPTER 379—H.F.No. 3163**

*An act relating to legislation; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; reenacting certain legislation; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 2000, sections 13.04, subdivision 2; 13.461, subdivision 7; 13.4963, subdivision 2; 13.4967, subdivision 3; 13.741, subdivision 1; 13.7411, subdivision 5; 13D.05, subdivision 2; 15A.086; 16D.11, subdivision 6; 17A.04, subdivision 1; 31.51, subdivision 3; 32.073; 41A.09, subdivision 8; 41B.045, subdivision 2; 41B.046, subdivision 5; 41B.047, subdivision 4; 48.24, subdivision 5; 115A.06, subdivision 5a; 115A.59; 115A.9157, subdivision 6; 115B.20, subdivisions 1, 2, 5; 115B.25, subdivision 2; 115B.26; 115B.28, as amended; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.31, subdivisions 1, 2, 4; 115B.32; 115B.33; 115B.34; 115B.35, subdivisions 2, 3, 4, 8, 9; 115B.36; 115B.37; 115C.08, subdivisions 4, 5; 116J.615; 116J.616; 119A.11, subdivision 3; 119A.20, subdivision 1; 119A.37, subdivision 3; 119A.46, subdivision 6; 122A.20, subdivision 1; 123B.61; 123B.62; 126C.10, subdivision 26; 144E.43, subdivision 1; 148.71, subdivision 3; 219.98; 221.185, subdivision 5a; 222.631, subdivision 1; 260B.171, subdivision 5; 270.708, subdivision 1; 270B.15; 297B.035, subdivision 3; 297I.05, subdivision 12; 297I.30, subdivisions 1, 5; 299F.11, subdivision 2; 349.163, subdivision 6; 349A.10, subdivision 5; 352D.02, subdivision 1; 383C.19; 401.05, subdivision 3; 437.08; 437.09; 437.10; 458D.02, subdivisions 2, 3; 458D.23; 469.110, subdivision 2; 469.116, subdivision 7; 469.118, subdivisions 1, 2, 4; 469.119, subdivision 1; 469.122; 469.154, subdivision 5; 471.415, subdivision 2; 501B.61, as amended; 514.94; 524.2-301; 524.2-604; 524.2-609; 583.24, subdivision 4; 609.26, subdivision 5; 609.341, subdivision 17; Minnesota Statutes 2001 Supplement, sections 16A.151, by adding subdivisions; 17B.15, subdivision 1; 60K.31, subdivision 1; 60K.32; 60K.34, subdivision 1; 60K.39, subdivisions 5, 6; 60K.48; 60K.51, subdivision 6; 60K.52, subdivision 1; 61B.23, subdivision 15; 119A.22; 125A.09, subdivision 3; 126C.10, subdivision 4; 136G.03, subdivision 20; 144.057, subdivision 4; 169.073; 214.01, subdivision 3; 216B.098, subdivision 2; 216B.2424, subdivision 5; 216B.2425, subdivision 3; 268.052, subdivision 1; 270.07, subdivision 3a; 275.28, subdivision 1; 275.70, subdivision 5; 290A.03, subdivision 13; 297A.668, subdivision 3; 336.9-334; 356.62; 376.08, subdivision 2; 501B.60, subdivision 3; 514.661, subdivision 5; 626.556, subdivision 11; Laws 1995, chapter 220, sections 141, 142, as amended; Laws 1997, chapter 202, article 2, section 61, as amended; Laws 2000, chapter 399, article 1, section 139; Laws 2001, chapter 171, section 12; proposing coding for new law in Minnesota Statutes, chapter 89A; repealing Minnesota Statutes 2000, sections 89A.01; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07; 89A.08; 89A.09; 89A.10; 89A.11; 115B.27; 115B.35, subdivisions 1, 5, 6; 116.19; 221.0315; 437.11; 462A.072; 557.11; Minnesota Statutes 2001 Supplement, sections 16A.1286, subdivisions 4, 5; Laws 1997, chapter 85, article 4, section*

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28; Laws 1999, chapter 159, section 79; Laws 1999, chapter 231, section 180; Laws 2001, chapter 161, section 4; Laws 2001, chapter 162, section 4; Laws 2001, First Special Session chapter 2, section 103; Laws 2001, First Special Session chapter 8, article 7, section 1; Minnesota Rules, parts 5300.0360; 7021.0001, subparts 2, 4; 7190.0002; 7190.0003; 7190.0004; 7190.0008, subparts 1, 2; 7190.0015, subparts 1, 2; 7190.0100, subpart 2; 7190.1000, subpart 1.

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

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## ARTICLE 1

### GENERAL

Section 1. Minnesota Statutes 2000, section 13.04, subdivision 2, is amended to read:

Subd. 2. **INFORMATION REQUIRED TO BE GIVEN INDIVIDUAL.** An individual asked to supply private or confidential data concerning the individual shall be informed of: (a) the purpose and intended use of the requested data within the collecting state agency, political subdivision, or statewide system; (b) whether the individual may refuse or is legally required to supply the requested data; (c) any known consequence arising from supplying or refusing to supply private or confidential data; and (d) the identity of other persons or entities authorized by state or federal law to receive the data. This requirement shall not apply when an individual is asked to supply investigative data, pursuant to section 13.82, subdivision 5 7, to a law enforcement officer.

Sec. 2. Minnesota Statutes 2000, section 13.461, subdivision 7, is amended to read:

Subd. 7. **APPLICATION PROCEDURES.** Tribal licensing agency access to criminal history data is governed by section 245A.04, subdivision 3, paragraph ~~(h)~~ (u).

Sec. 3. Minnesota Statutes 2000, section 13.4963, subdivision 2, is amended to read:

Subd. 2. **GENERALLY.** Classification and disclosure of tax data created, collected, or maintained by the department of revenue under chapter 115B (except taxes imposed under sections 115B.21 to 115B.24), 289A (except for taxes imposed under sections 298.01, 298.015, and 298.24), 290, 290A, 291, or 297A, or 297H, and sections 295.50 to 295.59 or any similar Indian tribal tax administered by the commissioner according to a tax agreement between the state and an Indian tribal government are governed by chapter 270B.

Sec. 4. Minnesota Statutes 2000, section 13.4967, subdivision 3, is amended to read:

Subd. 3. **GROSS EARNINGS TAXES HOSPITAL AND HEALTH CARE PROVIDER TAX.** Certain patient data provided to the department of revenue under ~~chapter 295~~ sections 295.50 to 295.59 are classified under section 295.57, subdivision 2.

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Sec. 5. Minnesota Statutes 2000, section 13D.05, subdivision 2, is amended to read:

Subd. 2. **WHEN MEETING MUST BE CLOSED.** (a) Any portion of a meeting must be closed if expressly required by other law or if the following types of data are discussed:

(1) data that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults;

(2) active investigative data as defined in section 13.82, subdivision 5 7, or internal affairs data relating to allegations of law enforcement personnel misconduct collected or created by a state agency, statewide system, or political subdivision; or

(3) educational data, health data, medical data, welfare data, or mental health data that are not public data under section 13.32, 13.3805, subdivision 1, 13.384, or 13.46, subdivision 2 or 7.

(b) A public body shall close one or more meetings for preliminary consideration of allegations or charges against an individual subject to its authority. If the members conclude that discipline of any nature may be warranted as a result of those specific charges or allegations, further meetings or hearings relating to those specific charges or allegations held after that conclusion is reached must be open. A meeting must also be open at the request of the individual who is the subject of the meeting.

Sec. 6. Minnesota Statutes 2000, section 15A.086, is amended to read:

**15A.086 LIMITS ON BONUS PAYMENTS.**

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

Sec. 7. Minnesota Statutes 2001 Supplement, section 16A.151, is amended by adding a subdivision to read:

Subd. 4. SUPERSEDE. This section supersedes section 8.31, subdivision 2c.

Sec. 8. Minnesota Statutes 2001 Supplement, section 16A.151, is amended by adding a subdivision to read:

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Subd. 5. EXPIRATION. This section expires June 30, 2004.

Sec. 9. Minnesota Statutes 2000, section 16D.11, subdivision 6, is amended to read:

Subd. 6. **CHARGE TO REFERRING AGENCY.** If collection costs are canceled under subdivision 3, an amount equal to the ~~penalty costs~~ is retained by the commissioner from the debt collected, and is accounted for and subject to the same provisions of this chapter as if the ~~penalty costs~~ had been collected from the debtor.

Sec. 10. Minnesota Statutes 2000, section 17A.04, subdivision 1, is amended to read:

Subdivision 1. **LICENSING PROVISIONS.** Licenses shall be issued to livestock market agencies and public stockyards annually and shall expire on December 31 each year, renewable annually thereafter. A separate license must be obtained for each separate geographical location even though operated under the same management or same person, partnership, firm, corporation, or livestock market. The license issued to a livestock market agency and public stockyard shall be conspicuously posted at the licensee's place of business. Licenses shall be required for livestock dealers and their agents for the period beginning July 1 each year and ending June 30. The license issued to a livestock dealer or the agent of a livestock dealer shall be carried by the person so licensed. The livestock dealer shall be responsible for the acts of the dealer's agents. Licensed livestock market agencies, public stockyards, and livestock dealers shall be responsible for the faithful performance of duty of the public livestock weighers at their places of business. The license issued to a livestock market agency, public stockyard or livestock dealer or agent of a livestock dealer is not transferable. The operation of livestock market agencies, livestock dealers, agents and packers at a public stockyard are exempt from sections 17A.01 to ~~17A.09~~, 17A.09 and 17A.12 to 17A.17.

Sec. 11. Minnesota Statutes 2001 Supplement, section 17B.15, subdivision 1, is amended to read:

Subdivision 1. **ADMINISTRATION; APPROPRIATION.** The fees for inspection and weighing shall be fixed by the commissioner and be a lien upon the grain. The commissioner shall set fees for all inspection and weighing in an amount adequate to pay the expenses of carrying out and enforcing the purposes of sections 17B.01 to 17B.22, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months. The commissioner shall review the fee schedule twice each year. Fee adjustments are not subject to chapter 14. Payment shall be required for services rendered.

All fees collected and all fines and penalties for violation of any provision of this chapter shall be deposited in the grain inspection and weighing account, which is created in the agricultural fund for carrying out the purpose of sections 17B.01 to ~~17B.23~~ 17B.22. The money in the account, including interest earned on the account, is annually appropriated to the commissioner of agriculture to administer the provisions of sections 17B.01 to ~~17B.23~~ 17B.22. When money from any other account is used to

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administer sections 17B.01 to ~~17B.23~~ 17B.22, the commissioner shall notify the chairs of the agriculture, environment and natural resources finance, and ways and means committees of the house of representatives; the agriculture and rural development and finance committees of the senate; and the finance division of the environment and natural resources committee of the senate.

Sec. 12. Minnesota Statutes 2000, section 31.51, subdivision 3, is amended to read:

Subd. 3. **RETAIL MEAT MARKET; WHOLESALE MEAT PROCESSING ESTABLISHMENT.** "Retail meat market" or "wholesale meat processing establishment" means an establishment with or without slaughtering facilities, where animal carcasses or edible products derived therefrom are cured, salted, processed, packaged, or otherwise prepared for sale as food intended for human consumption; provided, however, that retail meat market or wholesale meat processing establishment does not include: (1) a purveyor of meals, or (2) a frozen food processing plant licensed under section ~~31.185~~ and in which no slaughtering operations are conducted.

Sec. 13. Minnesota Statutes 2000, section 32.073, is amended to read:

**32.073 LICENSES; EXAMINATIONS, QUALIFICATIONS.**

A grading and testing license shall be issued by the commissioner to a person making application therefor, after the commissioner has determined that the applicant is competent and qualified to grade and test milk and cream, and that the applicant understands and is familiar with the provisions of sections 32.01 to ~~32.532~~ 32.486. Any conviction for violating sections 32.01 to ~~32.532~~ 32.486 or the standards, grades, and rules adopted by the commissioner shall be taken into consideration in determining whether or not the applicant is competent and qualified.

Sec. 14. Minnesota Statutes 2000, section 41A.09, subdivision 8, is amended to read:

Subd. 8. **PROMOTIONAL AND EDUCATIONAL MATERIALS; DESCRIPTION OF MULTIPLE SOURCES OF ETHANOL REQUIRED.** Promotional or educational efforts related to ethanol that are financed wholly or partially with state funds and that promote or identify a particular crop or commodity used to produce ethanol must also include a description of the other potential sources of ethanol listed in subdivision ~~2~~ 2a.

Sec. 15. Minnesota Statutes 2000, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **LOAN PARTICIPATION.** The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$400,000 in 1999 and an amount in subsequent years which is adjusted for inflation by multiplying \$400,000 by the cumulative inflation rate as determined by the

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United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan or \$250,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan. ~~Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.~~

Sec. 16. Minnesota Statutes 2000, section 41B.046, subdivision 5, is amended to read:

Subd. 5. **LOANS.** (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or \$24,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

(b) No more than 95 percent of the purchase price of the stock may be financed under this program.

(c) ~~Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.~~

(d) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.

(e) (d) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the value-added agricultural product revolving fund.

(f) (e) Stock loans under this program will be made using money in the value-added agricultural product revolving fund established under subdivision 3.

(g) (f) The authority may not grant stock loans in a cumulative amount exceeding \$2,000,000 for the financing of stock purchases in any one cooperative.

Sec. 17. Minnesota Statutes 2000, section 41B.047, subdivision 4, is amended to read:

Subd. 4. **LOANS.** (a) The authority may participate in a disaster recovery loan with an eligible lender to a farmer who is eligible under subdivision 3. Participation is limited to 45 percent of the principal amount of the loan or \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed four percent.

(b) Standards for loan amortization shall be set by the rural finance authority not to exceed ten years.

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(c) Loans under this program must not be included in the lifetime limitation calculated under section ~~41B.03~~, subdivision 1.

(d) Security for the disaster recovery loans must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.

(e) (d) The authority may impose a reasonable nonrefundable application fee for a disaster recovery loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the disaster recovery revolving fund.

(f) (e) Disaster recovery loans under this program will be made using money in the disaster recovery revolving fund established under subdivision 2.

Sec. 18. Minnesota Statutes 2000, section 48.24, subdivision 5, is amended to read:

Subd. 5. Loans or obligations shall not be subject under this section to any limitation based upon such capital and surplus to the extent that they are secured or covered by guarantees, or by commitments or agreements to take over or to purchase the same, made by:

- (1) the commissioner of agriculture on the purchase of agricultural land;
- (2) any Federal Reserve bank;
- (3) the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States;
- (4) the Minnesota energy trade and economic development authority department;
- (5) the Minnesota export finance authority; or
- (6) a municipality or political subdivision within Minnesota to the extent that the guarantee or collateral is a valid and enforceable general obligation of that political body.

Sec. 19. Minnesota Statutes 2001 Supplement, section 60K.31, subdivision 1, is amended to read:

Subdivision 1. **SCOPE.** For purposes of sections ~~60K.31~~ 60K.30 to ~~60K.57~~ 60K.56, the terms in subdivisions 2 to 18 have the meanings given them. The definitions in section 60A.02 are applicable to terms not defined in this section, unless the language or context clearly indicates that a different meaning is intended.

Sec. 20. Minnesota Statutes 2001 Supplement, section 60K.32, is amended to read:

**60K.32 LICENSE REQUIRED.**

A person shall not sell, solicit, or negotiate insurance in this state for any class or classes of insurance unless the person is licensed for that line of authority under

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sections ~~60K.31~~ 60K.30 to ~~60K.57~~ 60K.56. The license itself does not create any authority, actual, apparent, or inherent, in the holder to represent or commit an insurance carrier.

Sec. 21. Minnesota Statutes 2001 Supplement, section 60K.34, subdivision 1, is amended to read:

Subdivision 1. **LICENSE NOT REQUIRED.** Nothing in sections ~~60K.31~~ 60K.30 to ~~60K.57~~ 60K.56 requires an insurer to obtain an insurance producer license. In this section, the term "insurer" does not include an insurer's officers, directors, employees, subsidiaries, or affiliates.

Sec. 22. Minnesota Statutes 2001 Supplement, section 60K.39, subdivision 5, is amended to read:

Subd. 5. **SURPLUS LINES PRODUCERS.** (a) Notwithstanding any other provision of sections ~~60K.31~~ 60K.30 to ~~60K.57~~ 60K.56, a person licensed as a surplus lines producer in the person's home state shall receive a nonresident surplus lines producer license under subdivision 1. Except as to subdivision 1, nothing in this section otherwise amends or supersedes any provision of sections 60A.195 to 60A.209.

(b) No surplus lines agent or broker licensed under sections 60A.195 to 60A.209 may do business in this state unless the agent or broker has complied with the requirements set forth in section 60A.198, subdivision 3, paragraphs (b) to (d).

Sec. 23. Minnesota Statutes 2001 Supplement, section 60K.39, subdivision 6, is amended to read:

Subd. 6. **LIMITED LINES PRODUCER.** Notwithstanding any other provision of sections ~~60K.31~~ 60K.30 to ~~60K.57~~ 60K.56, a person licensed as a limited line credit insurance or other type of limited lines producer in the person's home state shall receive a nonresident limited lines producer license, under subdivision 1, granting the same scope of authority as granted under the license issued by the producer's home state. For the purposes of this subdivision, limited line insurance is any authority granted by the home state that restricts the authority of the license to less than the total authority prescribed in the associated major lines pursuant to section 60K.38, subdivision 1, clauses (1) to (6).

Sec. 24. Minnesota Statutes 2001 Supplement, section 60K.48, is amended to read:

#### **60K.48 COMMISSIONS.**

Subdivision 1. **PAYMENT PROHIBITED.** An insurance company or insurance producer shall not pay a commission, service fee, brokerage, or other valuable consideration to a person for selling, soliciting, or negotiating insurance in this state if that person is required to be licensed under sections ~~60K.31~~ 60K.30 to ~~60K.57~~ 60K.56 and is not so licensed.

Subd. 2. **ACCEPTANCE PROHIBITED.** A person shall not accept a commission, service fee, brokerage, or other valuable consideration for selling, soliciting, or

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negotiating insurance in this state if that person is required to be licensed under sections ~~60K.31~~ 60K.30 to ~~60K.57~~ 60K.56 and is not so licensed.

Subd. 3. **EXCEPTIONS.** (a) Renewal or other deferred commissions may be paid to a person for selling, soliciting, or negotiating insurance in this state if the person was required to be licensed under sections ~~60K.31~~ 60K.30 to ~~60K.57~~ 60K.56 at the time of the sale, solicitation, or negotiation and was so licensed at that time.

(b) An insurer or insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in this state, unless the payment would constitute an illegal rebate or otherwise violate section 72A.20, subdivision 10. A duly licensed producer may pay commissions or assign or direct that commissions be paid to a partnership of which the producer is a member, employee, or agent, or to a corporation of which the agent is an officer, employee, or agent.

Sec. 25. Minnesota Statutes 2001 Supplement, section 60K.51, subdivision 6, is amended to read:

Subd. 6. **CLASSIFICATION OF INVESTIGATIVE DATA.** Any documents, materials, or other information in the control or possession of the department of commerce that is furnished by an insurer, producer, or an employee or agent of an insurer or producer acting on behalf of the insurer or producer, or obtained by the commissioner in an investigation pursuant to this section is classified as confidential data pursuant to section 13.41, subdivision 4, or private data pursuant to section 13.41, subdivision 2.

Sec. 26. Minnesota Statutes 2001 Supplement, section 60K.52, subdivision 1, is amended to read:

Subdivision 1. **COMMISSIONER'S AUTHORITY.** In order to assist in the performance of the commissioner's duties under sections ~~60K.31~~ 60K.30 to ~~60K.57~~ 60K.56, the commissioner:

(1) may share licensing data or any active or inactive investigative data with other state, federal, and international regulatory agencies, with the National Association of Insurance Commissioners, its affiliates or subsidiaries, and with state, federal, and international law enforcement authorities if the recipient agrees to maintain the data in a manner consistent with its data classification;

(2) may receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the National Association of Insurance Commissioners, its affiliates or subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and

(3) may enter into agreements governing sharing and use of information consistent with this subdivision.

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No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information occurs as a result of disclosure to the commissioner under this section or as a result of sharing as authorized in this subdivision.

Nothing in sections ~~60K.34~~ 60K.30 to ~~60K.57~~ 60K.56 prohibits the commissioner from releasing information concerning final, adjudicated actions, including for-cause terminations, to a database or other clearinghouse service maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries of the National Association of Insurance Commissioners.

Sec. 27. Minnesota Statutes 2001 Supplement, section 61B.23, subdivision 15, is amended to read:

Subd. 15. **VENUE; APPEAL BOND.** Except as otherwise provided in section 61B.24, subdivision 10, or 61B.26, paragraph (c), venue in a suit against the association arising under sections ~~62B.18 to 62B.32~~ 61B.18 to 61B.32 shall be in Ramsey county. The association shall not be required to give an appeal bond in an appeal that relates to a cause of action arising under sections 61B.18 to 61B.32.

Sec. 28. **[89A.11] REPEALER.**

Sections 89A.01; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07; 89A.08; 89A.09; 89A.10; and 89A.11, are repealed June 30, 2007.

Sec. 29. Minnesota Statutes 2000, section 115A.06, subdivision 5a, is amended to read:

Subd. 5a. **ACQUISITION OF EASEMENTS.** If the office determines that any activity deemed necessary to accomplish its purposes under subdivision 5 constitutes a substantial interference with the possession, enjoyment, or value of the property where the activity will take place, the office may acquire a temporary easement interest in the property that permits the office to carry out the activity and other activities incidental to the accomplishment of the same purposes. The office may acquire temporary easement interests under this subdivision by purchase, gift, or condemnation. The right of the office to acquire a temporary easement is subject to the same requirements and may be exercised with the same authority as provided for acquisition of property interests by the commissioner of administration under Minnesota Statutes 1994, section 115A.06, subdivision 4.

Sec. 30. Minnesota Statutes 2000, section 115A.59, is amended to read:

**115A.59 BOND AUTHORIZATION AND APPROPRIATION OF PROCEEDS.**

The commissioner of finance is authorized, upon request of the director, to sell state bonds in the amount of up to \$8,800,000 for the purpose of the waste processing facility capital assistance program under section 115A.54, and in the amount of up to \$6,200,000 for the purpose of acquiring real property and interests in real property for hazardous waste facility sites and buffer areas as authorized by section ~~115A.06, subdivision 4.~~ The bonds shall be sold in the manner and upon the conditions prescribed in sections ~~16A.631 to 16A.675,~~ and in the Minnesota Constitution, article

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XI, sections 4 to 7. The amount of bonds issued pursuant to this authorization shall not exceed at any time the amount needed to produce a balance in the waste management account equal to the aggregate amount of the loans and grants then approved and not previously disbursed, plus the amount of the loans and grants to be approved in the current and the following fiscal year, as estimated by the director.

Sec. 31. Minnesota Statutes 2000, section 115A.9157, subdivision 6, is amended to read:

Subd. 6. **LIST OF PARTICIPANTS.** A manufacturer or its representative organization shall inform the ~~legislative commission on waste management committees listed in subdivision 5~~ when they begin participating in the projects and programs and immediately if they withdraw participation. ~~The list of participants shall be available to retailers, distributors, governmental agencies, and other interested persons who provide a self-addressed stamped envelope to the commission.~~

Sec. 32. Minnesota Statutes 2000, section 115B.20, subdivision 1, is amended to read:

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

(b) The commissioner of finance shall administer a response account for the agency and the commissioner of agriculture to take removal, response, and other actions authorized under subdivision 2, clauses (1) to (4) and ~~(10) to (12)~~ (9) to (11). The commissioner of finance shall transfer money from the response account to the agency and the commissioner of agriculture to take actions required under subdivision 2, clauses (1) to (4) and ~~(10) to (12)~~ (9) to (11).

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

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

(e) All money recovered by the state under section 115B.04 or any other law for injury to, destruction of, or loss of natural resources resulting from the release of a hazardous substance, or a pollutant or contaminant, must be credited to the environmental response, compensation, and compliance account in the environmental fund and is appropriated to the commissioner of natural resources for purposes of subdivision 2, clause (5), consistent with any applicable term of judgments, consent decrees, consent orders, or other administrative actions requiring payments to the state for such purposes. Before making an expenditure of money appropriated under this paragraph, the commissioner of natural resources shall provide written notice of the proposed expenditure to the chairs of the senate committee on finance, the house of representatives committee on ways and means, the finance division of the senate

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committee on environment and natural resources, and the house of representatives committee on environment and natural resources finance.

Sec. 33. Minnesota Statutes 2000, section 115B.20, subdivision 2, is amended to read:

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

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

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

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

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

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

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

(7) grants by the agency or the office of environmental assistance to demonstrate alternatives to land disposal of hazardous waste including reduction, separation,

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pretreatment, processing and resource recovery, for education of persons involved in regulating and handling hazardous waste;

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

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

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

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

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

Sec. 34. Minnesota Statutes 2000, section 115B.20, subdivision 5, is amended to read:

Subd. 5. **RECOMMENDATION.** ~~The legislative commission on waste management and the commissioner of agriculture shall make recommendations to the standing legislative committees on finance and appropriations regarding appropriations from the account.~~

Sec. 35. Minnesota Statutes 2000, section 116J.615, is amended to read:

**116J.615 OFFICE OF TOURISM.**

Subdivision 1. **DUTIES OF DIRECTOR DEPUTY COMMISSIONER.** ~~The director deputy commissioner of the office of tourism shall:~~

(1) publish, disseminate, and distribute informational and promotional literature;

(2) promote and encourage the expansion and development of international tourism marketing;

(3) advertise and disseminate information about travel opportunities in the state of Minnesota;

(4) aid various local communities to improve their tourism marketing programs;

(5) coordinate and implement a comprehensive state tourism marketing program that takes into consideration all public and private businesses and attractions;

(6) conduct market research and analysis to improve marketing techniques in the area of tourism;

(7) investigate and study conditions affecting Minnesota's tourism industry, collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the ~~director~~ deputy commissioner in

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promoting and developing Minnesota's tourism industry, both within and outside the state;

(8) apply for, accept, receive, and expend any funds for the promotion of tourism in Minnesota. All money received by the ~~director~~ deputy commissioner under this subdivision shall be deposited in the state treasury and is appropriated to the ~~director~~ deputy commissioner for the purposes for which the money has been received. The ~~director~~ deputy commissioner may enter into interagency agreements and may agree to share net revenues with the contributing agencies. The money does not cancel and is available until expended; and

(9) plan and conduct information and publicity programs to attract tourists, visitors, and other interested persons from outside the state to this state; encourage and coordinate efforts of other public and private organizations or groups of citizens to publicize facilities and attractions in this state; and work with representatives of the hospitality and tourism industry to carry out its programs.

Sec. 36. Minnesota Statutes 2000, section 116J.616, is amended to read:

**116J.616 SPECIFIC AGREEMENTS PROHIBITED.**

The commissioner or ~~director~~ deputy commissioner of the office of tourism may not enter into an agreement which would obligate the state to pay any part of a debt incurred by a public or private facility, organization, or attraction.

Sec. 37. Minnesota Statutes 2000, section 119A.11, subdivision 3, is amended to read:

Subd. 3. **ADVISORY COUNCIL.** "Advisory council" means the advisory council established under section ~~119A.13~~ 119A.35.

Sec. 38. Minnesota Statutes 2000, section 119A.20, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** For the purposes of sections 119A.20 to ~~119A.23~~ 119A.22, the following terms have the meanings given.

Sec. 39. Minnesota Statutes 2001 Supplement, section 119A.22, is amended to read:

**119A.22 DUTIES OF COMMISSIONER.**

The commissioner shall:

(1) review applications and award grants to programs pursuant to section 119A.21;

(2) design a uniform method of collecting data to be used to monitor and assure compliance of the programs funded under section 119A.21;

(3) provide technical assistance to applicants in the development of grant requests and to grantees in meeting the data collection requirements established by the commissioner; and

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(4) adopt, under chapter 14, all rules necessary to implement the provisions of sections 119A.20 to ~~119A.23~~ 119A.22.

Sec. 40. Minnesota Statutes 2000, section 119A.37, subdivision 3, is amended to read:

Subd. 3. **FUNDING.** The commissioner may award grants to create or maintain parenting time centers.

In awarding grants to maintain a parenting time center, the commissioner may award a grant to a center that can demonstrate a ~~35~~ 25 percent local match, provided the center is diligently exploring and pursuing all available funding options in an effort to become self-sustaining, and those efforts are reported to the commissioner.

In awarding grants to create a parenting time center, the commissioner shall give priority to:

- (1) areas of the state where no other parenting time center or similar facility exists;
- (2) applicants who demonstrate that private funding for the center is available and will continue; and
- (3) facilities that are adapted for use to care for children, such as day care centers, religious institutions, community centers, schools, technical colleges, parenting resource centers, and child care referral services.

In awarding grants to create or maintain a parenting time center, the commissioner shall require the proposed center to meet standards developed by the commissioner to ensure the safety of the custodial parent and children.

Sec. 41. Minnesota Statutes 2000, section 119A.46, subdivision 6, is amended to read:

Subd. 6. **ON-THE-JOB TRAINING COMPONENT.** (a) Programs established under this section must provide on-the-job training for swab team workers. ~~Training methods must follow procedures established under section 144.9506.~~

(b) Swab team workers must receive monetary compensation equal to the prevailing wage as defined in section 177.42, subdivision 6, for comparable jobs in the licensed contractor's principal business.

Sec. 42. Minnesota Statutes 2000, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. **GROUNDS FOR REVOCATION, SUSPENSION, OR DENIAL.** (a) ~~The board of teaching or the commissioner, with the advice from an advisory task force of supervisory personnel established under section 15.014~~ board of school administrators, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

- (1) Immoral character or conduct;

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- (2) Failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) Gross inefficiency or willful neglect of duty; or
- (4) Failure to meet licensure requirements; or
- (5) Fraud or misrepresentation in obtaining a license.

The written complaint must specify the nature and character of the charges.

(b) ~~The board of teaching or the commissioner of children, families, and learning board of school administrators~~ whichever has jurisdiction over a teacher's licensure, shall refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a conviction showing that the teacher has been convicted of child abuse, as defined in section 609.185, or sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, or under a similar law of another state or the United States. The board shall send notice of this licensing action to the district in which the teacher is currently employed.

(c) A person whose license to teach has been revoked, not issued, or not renewed under paragraph (b), may petition the board to reconsider the licensing action if the person's conviction for child abuse or sexual abuse is reversed by a final decision of the court of appeals or the supreme court or if the person has received a pardon for the offense. The petitioner shall attach a certified copy of the appellate court's final decision or the pardon to the petition. Upon receiving the petition and its attachment, the board shall schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified from teaching under paragraph (a), clause (1), the board shall affirm its previous licensing action. If the board finds that the petitioner is not disqualified from teaching under paragraph (a), clause (1), it shall reverse its previous licensing action.

(d) For purposes of this subdivision, the board of teaching is delegated the authority to suspend or revoke coaching licenses.

Sec. 43. Minnesota Statutes 2000, section 123B.61, is amended to read:

#### **123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

The board of a district may issue general obligation certificates of indebtedness or capital notes subject to the district debt limits to: (a) purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes; (b) purchase computer hardware and software, without regard to its expected useful life, whether bundled with machinery or equipment or unbundled, together with application development services and training related to the use of the computer; and (c) prepay special assessments. The certificates or notes must be payable in not more than five years and must be issued on

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the terms and in the manner determined by the board, except that certificates or notes issued to prepay special assessments must be payable in not more than 20 years. The certificates or notes may be issued by resolution and without the requirement for an election. The certificates or notes are general obligation bonds for purposes of section 126C.55. A tax levy must be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum of the tax levies under this section and section 123B.62 for each year must not exceed the lesser of the amount of the district's total operating capital revenue or the sum of the district's levy in the general and community service funds excluding the adjustments under this section for the year preceding the year the initial debt service levies are certified. The district's general ~~education~~ fund levy for each year must be reduced by the sum of (1) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the certificates or notes issued under this section as required by section 475.61, (2) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on bonds issued under section 123B.62, and (2) (3) any excess amount in the debt redemption fund used to retire bonds, certificates, or notes issued under this section or section 123B.62 after April 1, 1997, other than amounts used to pay capitalized interest. If the district's general fund levy is less than the amount of the reduction, the balance shall be deducted first from the district's community service fund levy, and next from the district's general fund or community service fund levies for the following year. A district using an excess amount in the debt redemption fund to retire the certificates or notes shall report the amount used for this purpose to the commissioner by July 15 of the following fiscal year. A district having an outstanding capital loan under section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an excess amount in the debt redemption fund to retire the certificates or notes.

Sec. 44. Minnesota Statutes 2000, section 123B.62, is amended to read:

**123B.62 BONDS FOR CERTAIN CAPITAL FACILITIES.**

(a) In addition to other bonding authority, with approval of the commissioner, a district may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including:

- (1) under section 126C.10, subdivision 14, total operating capital revenue uses specified in clauses (4), (6), (7), (8), (9), and (10);
- (2) the cost of energy modifications;
- (3) improving handicap accessibility to school buildings; and
- (4) bringing school buildings into compliance with life and safety codes and fire codes.

(b) Before a district issues bonds under this subdivision, it must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

(c) A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the

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registered voters of the district is filed with the school board within 30 days of the board's adoption of a resolution stating the board's intention to issue bonds. The percentage is to be determined with reference to the number of registered voters in the district on the last day before the petition is filed with the board. The petition must call for a referendum on the question of whether to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.

(d) The bonds must be paid off within ten years of issuance. The bonds must be issued in compliance with chapter 475, except as otherwise provided in this section. A tax levy must be made for the payment of principal and interest on the bonds in accordance with section 475.61. The sum of the tax levies under this section and section 123B.61 for each year must not exceed the amount of the district's total operating capital revenue for the year the initial debt service levies are certified limit specified in section 123B.61. The district's general education levy for each year must be reduced by the sum of (1) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the bonds, and (2) any excess amount in the debt redemption fund used to retire bonds issued after April 1, 1997, other than amounts used to pay capitalized interest as provided in section 123B.61. A district using an excess amount in the debt redemption fund to retire the bonds shall report the amount used for this purpose to the commissioner by July 15 of the following fiscal year. A district having an outstanding capital loan under section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an excess amount in the debt redemption fund to retire the bonds.

(e) Notwithstanding paragraph (d), bonds issued by a district within the first five years following voter approval of a combination according to section 123A.37, subdivision 2, must be paid off within 20 years of issuance. All the other provisions and limitation of paragraph (d) apply.

Sec. 45. Minnesota Statutes 2001 Supplement, section 125A.09, subdivision 3, is amended to read:

Subd. 3. **INITIAL ACTION; PARENT CONSENT.** (a) The district must not proceed with the initial ~~formal assessment~~ evaluation of a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent to an initial evaluation or reevaluation may be overridden by the decision in a hearing held pursuant to subdivision 6 at the district's initiative.

(b) A parent, after consulting with health care, education, or other professional providers, may agree or disagree to provide the parent's child with sympathomimetic medications unless section 144.344 applies.

Sec. 46. Minnesota Statutes 2001 Supplement, section 126C.10, subdivision 4, is amended to read:

Subd. 4. **BASIC SKILLS REVENUE.** (a) For fiscal year 2002, a school district's basic skills revenue equals the sum of:

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- (1) compensatory revenue under subdivision 3; plus
- (2) limited English proficiency revenue according to section 124D.65, subdivision 5; plus
- (3) \$190 times the limited English proficiency pupil units according to section 126C.05, subdivision 17; plus
- (4) \$22.50 times the number of adjusted marginal cost pupil units in kindergarten to grade 8.

(b) For fiscal year 2003 and later, a school district's basic skills revenue equals the sum of:

- (1) compensatory revenue under subdivision 3; plus
- (2) limited English proficiency revenue under section 124D.65, subdivision 5; plus
- (3) \$190 times the limited English proficiency pupil units under section 126C.05, subdivision 17.

Sec. 47. Minnesota Statutes 2000, section 126C.10, subdivision 26, is amended to read:

Subd. 26. **DISTRICT EQUITY GAP.** A district's equity gap equals the greater of zero or the difference between the district's adjusted general revenue and the value of the school district at or immediately above the regional 90<sup>th</sup> 95<sup>th</sup> percentile of adjusted general revenue per adjusted marginal cost pupil unit.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2002.

Sec. 48. Minnesota Statutes 2001 Supplement, section 136G.03, subdivision 20, is amended to read:

Subd. 20. **MAXIMUM ACCOUNT BALANCE LIMIT.** "Maximum account balance limit" means the amount established by the office under section ~~136.2441~~ 136G.09, subdivision 8, paragraph (d).

Sec. 49. Minnesota Statutes 2001 Supplement, section 144.057, subdivision 4, is amended to read:

Subd. 4. **RESPONSIBILITIES OF FACILITIES AND AGENCIES.** Facilities and agencies described in subdivision 1 shall be responsible for cooperating with the departments in implementing the provisions of this section. The responsibilities imposed on applicants and licensees under chapter 245A shall apply to these facilities and supplemental nursing services agencies. The provision of section 245A.04, subdivision 3, paragraph ~~(e)~~ (n), shall apply to applicants, licensees, registrants, or an individual's refusal to cooperate with the completion of the background studies. Supplemental nursing services agencies subject to the registration requirements in section 144A.71 must maintain records verifying compliance with the background study requirements under this section.

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Sec. 50. Minnesota Statutes 2000, section 144E.43, subdivision 1, is amended to read:

Subdivision 1. **AWARD PAYMENTS.** (a) The emergency medical services regulatory board or the board's designee under section 144E.40, subdivision 2, shall pay ambulance service personnel longevity awards to qualified ambulance service personnel determined to be entitled to an award under section 144E.46 by the board based on the submissions by the various ambulance services. Amounts necessary to pay the ambulance service personnel longevity award are appropriated from the ambulance service personnel longevity award and incentive trust account to the board.

(b) If the state of Minnesota is unable to meet its financial obligations as they become due, the ~~commissioner of health~~ board shall undertake all necessary steps to discontinue paying ambulance service personnel longevity awards until the state of Minnesota is again able to meet its financial obligations as they become due.

Sec. 51. Minnesota Statutes 2000, section 148.71, subdivision 3, is amended to read:

Subd. 3. **FOREIGN-TRAINED PHYSICAL THERAPISTS; TEMPORARY PERMITS.** (a) The board of ~~medical practice~~ physical therapy may issue a temporary permit to a foreign-trained physical therapist who:

(1) is enrolled in a supervised physical therapy traineeship that meets the requirements under paragraph (b);

(2) has completed a physical therapy education program equivalent to that under section 148.705 and Minnesota Rules, part 5601.0800, subpart 2;

(3) has achieved a score of at least 550 on the test of English as a foreign language or a score of at least 85 on the Minnesota battery test; and

(4) has paid a nonrefundable fee set by the board.

A foreign-trained physical therapist must have the temporary permit before beginning a traineeship.

(b) A supervised physical therapy traineeship must:

(1) be at least six months;

(2) be at a board-approved facility;

(3) provide a broad base of clinical experience to the foreign-trained physical therapist including a variety of physical agents, therapeutic exercises, evaluation procedures, and patient diagnoses;

(4) be supervised by a physical therapist who has at least three years of clinical experience and is licensed under subdivision 1; and

(5) be approved by the board before the foreign-trained physical therapist begins the traineeship.

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(c) A temporary permit is effective on the first day of a traineeship and expires 90 days after the next examination for licensing given by the board following successful completion of the traineeship or on the date on which the board, after examination of the applicant, grants or denies the applicant a license to practice, whichever occurs first.

(d) A foreign-trained physical therapist must successfully complete a traineeship to be licensed as a physical therapist under subdivision 1. The traineeship may be waived for a foreign-trained physical therapist who is licensed or otherwise registered in good standing in another state and has successfully practiced physical therapy in that state under the supervision of a licensed or registered physical therapist for at least six months at a facility that meets the requirements under paragraph (b), clauses (2) and (3).

(e) A temporary permit will not be issued to a foreign-trained applicant who has been issued a temporary permit for longer than six months in any other state.

Sec. 52. Minnesota Statutes 2001 Supplement, section 169.073, is amended to read:

**169.073 PROHIBITED LIGHT OR SIGNAL.**

(a) No person or corporation shall place, maintain or display any red light or red sign, signal, or lighting device or maintain it in view of any highway or any line of railroad on or over which trains are operated in such a way as to interfere with the effectiveness or efficiency of any highway traffic-control device or signals or devices used in the operation of a railroad. Upon written notice from the commissioner of transportation, a person or corporation maintaining or owning or displaying a prohibited light shall promptly remove it, or change the color of it to some other color than red. Where a prohibited light or sign interferes with the effectiveness or efficiency of the signals or devices used in the operation of a railroad, the department of transportation may cause the removal of it and the department may issue notices and orders for its removal. The department shall proceed as provided in sections 216.13, 216.14, 216.15, 216.16, and 216.17, with a right of appeal to the aggrieved party in accordance with chapter 14.

(b) No person or corporation shall maintain or display any light after written notice from the commissioner of transportation or ~~the department of public service~~ that the light constitutes a traffic hazard and that it the commissioner has ordered the removal thereof.

Sec. 53. Minnesota Statutes 2001 Supplement, section 214.01, subdivision 3, is amended to read:

Subd. 3. **NON-HEALTH-RELATED LICENSING BOARD.** "Non-health-related licensing board" means the board of teaching established pursuant to section 122A.07, the board of barber examiners established pursuant to section 154.22, the board of assessors established pursuant to section 270.41, the board of architecture, engineering, land surveying, landscape architecture, geoscience, and interior design established pursuant to section 326.04, the board of electricity established pursuant to

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section 326.241, the private detective and protective agent licensing board established pursuant to section 326.33, the board of accountancy established pursuant to section 326A.02, the board of boxing established pursuant to section 341.01, and the peace officer standards and training board established pursuant to section 626.841.

Sec. 54. Minnesota Statutes 2001 Supplement, section 216B.098, subdivision 2, is amended to read:

Subd. 2. **BUDGET BILLING PLANS.** A utility shall offer a customer a budget billing plan for payment of charges for service, including adequate notice to customers prior to changing budget payment amounts. Municipal utilities having 3,000 or fewer customers are exempt from this requirement. Municipal utilities having more than 3,000 customers shall implement this requirement within two years of the effective date of this chapter before July 1, 2003.

Sec. 55. Minnesota Statutes 2001 Supplement, section 216B.2424, subdivision 5, is amended to read:

Subd. 5. **MANDATE.** (a) A public utility, as defined in section 216B.02, subdivision 4, that operates a nuclear-powered electric generating plant within this state must construct and operate, purchase, or contract to construct and operate (1) by December 31, 1998, 50 megawatts of electric energy installed capacity generated by farm-grown closed-loop biomass scheduled to be operational by December 31, 2001; and (2) by December 31, 1998, an additional 75 megawatts of installed capacity so generated scheduled to be operational by December 31, 2002.

(b) Of the 125 megawatts of biomass electricity installed capacity required under this subdivision, no more than 50 megawatts of this capacity may be provided by a facility that uses poultry litter as its primary fuel source and any such facility:

(1) need not use biomass that complies with the definition in subdivision 1;

(2) must enter into a contract with the public utility for such capacity, that has an average purchase price per megawatt hour over the life of the contract that is equal to or less than the average purchase price per megawatt hour over the life of the contract in contracts approved by the public utilities commission before April 1, 2000, to satisfy the mandate of this section, and file that contract with the public utilities commission prior to September 1, 2000; and

(3) must schedule such capacity ~~must be scheduled~~ to be operational by December 31, 2002.

(c) Of the total 125 megawatts of biomass electric energy installed capacity required under this section, no more than 75 megawatts may be provided by a single project.

(d) Of the 75 megawatts of biomass electric energy installed capacity required under paragraph (a), clause (2), no more than 25 megawatts of this capacity may be provided by a St. Paul district heating and cooling system cogeneration facility utilizing waste wood as a primary fuel source. The St. Paul district heating and cooling

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system cogeneration facility need not use biomass that complies with the definition in subdivision 1.

(e) The public utility must accept and consider on an equal basis with other biomass proposals:

(1) a proposal to satisfy the requirements of this section that includes a project that exceeds the megawatt capacity requirements of either paragraph (a), clause (1) or (2), and that proposes to sell the excess capacity to the public utility or to other purchasers; and

(2) a proposal for a new facility to satisfy more than ten but not more than 20 megawatts of the electrical generation requirements by a small business-sponsored independent power producer facility to be located within the northern quarter of the state, which means the area located north of Constitutional Route No. 8 as described in section 161.114, subdivision 2, and that utilizes biomass residue wood, sawdust, bark, chipped wood, or brush to generate electricity. A facility described in this clause is not required to utilize biomass complying with the definition in subdivision 1, but must have the capacity required by this clause operational by December 31, 2002.

(f) If a public utility files a contract with the commission for electric energy installed capacity that uses poultry litter as its primary fuel source, the commission must do a preliminary review of the contract to determine if it meets the purchase price criteria provided in paragraph (b), clause (2), of this subdivision. The commission shall perform its review and advise the parties of its determination within 30 days of filing of such a contract by a public utility. A public utility may submit by September 1, 2000, a revised contract to address the commission's preliminary determination.

(g) The commission shall finally approve, modify, or disapprove no later than July 1, 2001, all contracts submitted by a public utility as of September 1, 2000, to meet the mandate set forth in this subdivision.

(h) If a public utility subject to this section exercises an option to increase the generating capacity of a project in a contract approved by the commission prior to April 25, 2000, to satisfy the mandate in this subdivision, the public utility must notify the commission by September 1, 2000, that it has exercised the option and include in the notice the amount of additional megawatts to be generated under the option exercised. Any review by the commission of the project after exercise of such an option shall be based on the same criteria used to review the existing contract.

(i) A facility specified in this subdivision qualifies for exemption from property taxation under section 272.02, subdivision 43.

Sec. 56. Minnesota Statutes 2001 Supplement, section 216B.2425, subdivision 3, is amended to read:

Subd. 3. **COMMISSION APPROVAL.** By June 1 of each even-numbered year, the commission shall adopt a state transmission project list and shall certify, certify as modified, or deny certification of the projects proposed under subdivision 2. The commission may only certify a project that is a high-voltage transmission line as

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defined in section 216B.2421, subdivision 2, that the commission finds is:

(1) necessary to maintain or enhance the reliability of electric service to Minnesota consumers;

(2) needed, applying the criteria in section ~~216B.241~~ 216B.243, subdivision 3; and

(3) in the public interest, taking into account electric energy system needs and economic, environmental, and social interests affected by the project.

Sec. 57. Minnesota Statutes 2000, section 219.98, is amended to read:

**219.98 FEES FOR APPLYING FOR ORDER.**

A person other than the state, a state agency, or a political subdivision, who applies for an order of the commissioner of transportation relating to clearances under section 219.47, permitting the abandonment or removal of track under section ~~219.741~~, or permitting abandonment of a station or discontinuance or reduction of agency service under section ~~219.85~~, shall pay, at the time the application is filed, into the state treasury a fee of \$100. A person other than the state, a state agency, or a political subdivision, applying for an order of the commissioner under any other provision of this chapter shall pay, at the time the application is filed, into the state treasury a fee of \$50.

Sec. 58. Minnesota Statutes 2000, section 221.185, subdivision 5a, is amended to read:

Subd. 5a. **REINSTATEMENT AFTER CANCELLATION.** A motor carrier whose permit or certificate is canceled for failure to comply with sections 221.141 and 221.296 relating to bonds and insurance may ask the ~~board~~ commissioner to review the cancellation. Upon review, the ~~board~~ commissioner shall rescind the cancellation if: (1) the motor carrier presents evidence showing that before the effective date of the notice of cancellation issued under subdivision 5, the motor carrier had obtained and paid for the insurance required by sections 221.141 and 221.296, and the rules of the commissioner, and (2) the commissioner ~~informs the board~~ is satisfied that the motor carrier has complied with the requirements of sections ~~221.141~~ and 221.296 and the rules of the commissioner.

Sec. 59. Minnesota Statutes 2000, section 222.631, subdivision 1, is amended to read:

Subdivision 1. **TERMS.** For purposes of sections ~~222.631 to 222.633~~ and 222.632, the following terms have the meanings given them.

Sec. 60. Minnesota Statutes 2000, section 260B.171, subdivision 5, is amended to read:

Subd. 5. **PEACE OFFICER RECORDS OF CHILDREN.** (a) Except for records relating to an offense where proceedings are public under section 260B.163, subdivision 1, peace officers' records of children who are or may be delinquent or who may be engaged in criminal acts shall be kept separate from records of persons 18 years

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of age or older and are private data but shall be disseminated: (1) by order of the juvenile court, (2) as required by section 121A.28, (3) as authorized under section 13.82, subdivision 2, (4) to the child or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, (5) to the Minnesota crime victims reparations board as required by section 611A.56, subdivision 2, clause (f), for the purpose of processing claims for crime victims reparations, or (6) as otherwise provided in this subdivision. Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169A.20. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 4 6, and ~~10~~ 17. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary for law enforcement purposes.

(c) A photograph may be taken of a child taken into custody pursuant to section 260B.175, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes, case supervision by parole agents, and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, and accident reports required under section 169.09 may be released under section 169.09, subdivision 13, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not an adult court traffic offense under section 260B.225.

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

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

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

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

(f) In any county in which the county attorney operates or authorizes the operation of a juvenile prepetition or pretrial diversion program, a law enforcement agency or county attorney's office may provide the juvenile diversion program with data concerning a juvenile who is a participant in or is being considered for participation in the program.

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

(h) Upon written request, the prosecuting authority shall release investigative data collected by a law enforcement agency to the victim of a criminal act or alleged criminal act or to the victim's legal representative, except as otherwise provided by this paragraph. Data shall not be released if:

(1) the release to the individual subject of the data would be prohibited under section 13.821; or

(2) the prosecuting authority reasonably believes:

(i) that the release of that data will interfere with the investigation; or

(ii) that the request is prompted by a desire on the part of the requester to engage in unlawful activities.

Sec. 61. Minnesota Statutes 2001 Supplement, section 268.052, subdivision 1, is amended to read:

Subdivision 1. **PAYMENTS.** In lieu of taxes payable on a quarterly basis, the state of Minnesota or its political subdivisions shall pay into the fund the amount of

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unemployment benefits charged to its reimbursable account under section 268.047. Payments in the amount of unemployment benefits charged to the reimbursable account during a calendar quarter shall be made on or before the last day of the month following the month that the notice of unemployment benefits paid is sent pursuant to section 268.047, subdivision 6 5. Past due payments in lieu of taxes shall be subject to the same interest charges and collection procedures that apply to past due taxes.

Sec. 62. Minnesota Statutes 2001 Supplement, section 270.07, subdivision 3a, is amended to read:

Subd. 3a. **APPROPRIATION.** An amount sufficient for the reissuance of rebate warrants authorized under ~~this section~~ subdivision 3, paragraph (f), is appropriated to the commissioner from the general fund.

Sec. 63. Minnesota Statutes 2000, section 270.708, subdivision 1, is amended to read:

Subdivision 1. **COLLECTION OF LIABILITY.** Any money realized by proceedings under this chapter, whether by seizure, by surrender under section 270.70 (~~except pursuant to subdivision 9 thereof~~), by sale of seized property, by sale of property redeemed by the state of Minnesota (if the interest of the state of Minnesota in the property was a lien arising under the provisions of section 270.69), or by agreement, arrangement, or any other means shall be applied as follows:

(a) First, against the expenses of the proceedings; then

(b) If the property seized and sold is subject to a tax administered by the commissioner of revenue which has not been paid, the amount remaining after applying clause (a) shall next be applied against the tax liability (and, if the tax was not previously assessed, it shall then be assessed); and

(c) The amount, if any, remaining after applying clauses (a) and (b) shall be applied against the tax liability in respect of which the levy was made or the sale was conducted.

Sec. 64. Minnesota Statutes 2000, section 270B.15, is amended to read:

**270B.15 DISCLOSURE TO LEGISLATIVE AUDITOR.**

Returns and return information must be disclosed to the legislative auditor to the extent necessary for the legislative auditor to carry out sections 3.97 to ~~3.98~~ 3.979.

Sec. 65. Minnesota Statutes 2001 Supplement, section 275.28, subdivision 1, is amended to read:

Subdivision 1. **AUDITOR TO MAKE.** The county auditor shall make out the tax lists according to the prescribed form, and to correspond with the assessment districts. The rate percent necessary to raise the required amount of the various taxes shall be calculated on the net tax capacity of property as determined by the state board of equalization, but, in calculating such rates, no rate shall be used resulting in a fraction other than a decimal fraction, or less than a gross local tax rate of .01 percent or a net local tax rate of .01 percent; and, in extending any tax, whenever it amounts to the

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fractional part of a cent, it shall be made one cent. The tax lists shall also be made out to correspond with the assessment books in reference to ownership and description of property, with columns for the valuation and for the various items of tax included in the total amount of all taxes set down opposite each description. The auditor shall enter both the state tax determined under sections 275.02 and 275.025, and the local taxes tax determined under ~~sections~~ section 275.08 and 275.083, on the tax lists. The total ad valorem property tax for each description of property before credits is the sum of the amounts of the various local taxes that apply to the parcel plus the amount of any applicable state tax. Opposite each description which has been sold for taxes, and which is subject to redemption, but not redeemed, shall be placed the words "sold for taxes." The amount of all special taxes shall be entered in the proper columns, but the general taxes may be shown by entering the rate percent of each tax at the head of the proper columns, without extending the same, in which case a schedule of the rates percent of such taxes shall be made on the first page of each tax list. If the auditor fails to enter on any such list before its delivery to the treasurer any tax levied, the tax may be subsequently entered. The tax lists shall be deemed completed, and all taxes extended thereon, as of January 1 annually.

Sec. 66. Minnesota Statutes 2001 Supplement, section 275.70, subdivision 5, is amended to read:

Subd. 5. **SPECIAL LEVIES.** "Special levies" means those portions of ad valorem taxes levied by a local governmental unit for the following purposes or in the following manner:

(1) to pay the costs of the principal and interest on bonded indebtedness or to reimburse for the amount of liquor store revenues used to pay the principal and interest due on municipal liquor store bonds in the year preceding the year for which the levy limit is calculated;

(2) to pay the costs of principal and interest on certificates of indebtedness issued for any corporate purpose except for the following:

(i) tax anticipation or aid anticipation certificates of indebtedness;

(ii) certificates of indebtedness issued under sections 298.28 and 298.282;

(iii) certificates of indebtedness used to fund current expenses or to pay the costs of extraordinary expenditures that result from a public emergency; or

(iv) certificates of indebtedness used to fund an insufficiency in tax receipts or an insufficiency in other revenue sources;

(3) to provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(4) to fund payments made to the Minnesota state armory building commission under section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(5) property taxes approved by voters which are levied against the referendum market value as provided under section 275.61;

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(6) to fund matching requirements needed to qualify for federal or state grants or programs to the extent that either (i) the matching requirement exceeds the matching requirement in calendar year 2001, or (ii) it is a new matching requirement that didn't exist prior to 2002;

(7) to pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes, in accordance with standards formulated by the emergency services division of the state department of public safety, as allowed by the commissioner of revenue under section 275.74, paragraph (b) subdivision 2;

(8) pay amounts required to correct an error in the levy certified to the county auditor by a city or county in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.70 to 275.74 in the preceding levy year;

(9) to pay an abatement under section 469.1815;

(10) to pay any costs attributable to increases in the employer contribution rates under chapter 353 that are effective after June 30, 2001;

(11) to pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (5), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the department of corrections, or to pay the operating or maintenance costs of a regional jail as authorized in section 641.262. For purposes of this clause, a district court order is not a rule, minimum requirement, minimum standard, or directive of the department of corrections. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71, shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(12) to pay for operation of a lake improvement district, as authorized under section 103B.555. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71 shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(13) to repay a state or federal loan used to fund the direct or indirect required spending by the local government due to a state or federal transportation project or other state or federal capital project. This authority may only be used if the project is not a local government initiative;

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(14) for counties only, to pay the costs reasonably expected to be incurred in 2002 related to the redistricting of election districts and establishment of election precincts under sections 204B.135 and 204B.14, the notice required by section 204B.14, subdivision 4, and the reassignment of voters in the statewide registration system, not to exceed \$1 per capita, provided that the county shall distribute a portion of the amount levied under this clause equal to 25 cents times the population of the city to all cities in the county with a population of 30,000 or more; and

(15) to pay for court administration costs as required under section 273.1398, subdivision 4b; however, for taxes levied to pay for these costs in the year in which the court financing is transferred to the state, the amount under this section is limited to one-third of the aid reduction under section 273.1398, subdivision 4a.

Sec. 67. Minnesota Statutes 2001 Supplement, section 290A.03, subdivision 13, is amended to read:

Subd. 13. **PROPERTY TAXES PAYABLE.** "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead after deductions made under sections 273.135, ~~273.1382~~ 273.1384, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year, and after any refund claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the year that the property tax is payable. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 273.125, subdivision 8, and for homesteads which are park trailers taxed as manufactured homes under section 168.012, subdivision 9, "property taxes payable" shall also include 19 percent of the gross rent paid in the preceding year for the site on which the homestead is located. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.124, on or before December 15 of the assessment year to which the "property taxes payable" relate; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made on or before December 15 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

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Sec. 68. Minnesota Statutes 2001 Supplement, section 297A.668, subdivision 3, is amended to read:

Subd. 3. **DEFINITION OF TERMS.** For purposes of this section, the terms "receive" and "receipt" mean taking possession of tangible personal property, making first use of services, or taking possession of or making first use of digital goods, whichever occurs first. The terms receive and receipt do not include possession by a carrier for hire on behalf of the purchaser.

Sec. 69. Minnesota Statutes 2000, section 297B.035, subdivision 3, is amended to read:

Subd. 3. **SALE IN VIOLATION OF LICENSING REQUIREMENT.** Motor vehicles sold by a new motor vehicle dealer in contravention of section 168.27, subdivision 10, paragraph (a), clause (1)(ii), shall not be considered to have been acquired or purchased for resale in the ordinary or regular course of business for the purposes of this chapter, and the dealer shall be required to pay the excise tax due on the purchase of those vehicles. The sale by a lessor of a new motor vehicle under lease within 120 days of the commencement of the lease is deemed a sale in contravention of section 168.27, subdivision 10, paragraph (a), clause (1)(ii), unless the lessor holds a valid contract or franchise with the manufacturer or distributor of the vehicle. Notwithstanding section 297B.11, the rights of a dealer to appeal any amounts owed by the dealer under this subdivision are governed exclusively by the hearing procedure under section 168.27, subdivision 13.

Sec. 70. Minnesota Statutes 2000, section 297I.05, subdivision 12, is amended to read:

Subd. 12. **OTHER ENTITIES.** (a) A tax is imposed equal to two percent of:

(1) gross premiums less return premiums written for risks resident or located in Minnesota by a risk retention group;

(2) gross premiums less return premiums received by an attorney in fact acting in accordance with chapter 71A;

(3) gross premiums less return premiums received pursuant to assigned risk policies and contracts of coverage under chapter 79;

(4) the direct funded premium received by the reinsurance association under section 79.34 from self-insurers approved under section 176.181 and political subdivisions that self-insure;

(5) gross premiums less return premiums received by a nonprofit health service plan corporation authorized under chapter 62C; and

(6) gross premiums less return premiums paid to an insurer other than a licensed insurance company or a surplus lines licensee for coverage of risks resident or located in Minnesota by a purchasing group or any members of the purchasing group to a broker or agent for the purchasing group.

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(b) A tax is imposed on the state fund mutual insurance company established under chapter 176A. The tax must be computed in the same manner as mutual insurance companies under subdivisions 1, 3, and 4.

(e) A tax is imposed on a joint self-insurance plan operating under chapter 60F. The rate of tax is equal to two percent of the total amount of claims paid during the fund year, with no deduction for claims wholly or partially reimbursed through stop-loss insurance.

(d) (c) A tax is imposed on a joint self-insurance plan operating under chapter 62H. The rate of tax is equal to two percent of the total amount of claims paid during the fund's fiscal year, with no deduction for claims wholly or partially reimbursed through stop-loss insurance.

(e) (d) A tax is imposed equal to the tax imposed under section 297I.05, subdivision 5, on the gross premiums less return premiums on all coverages received by an accountable provider network or agents of an accountable provider network in Minnesota, in cash or otherwise, during the year.

Sec. 71. Minnesota Statutes 2000, section 297I.30, subdivision 1, is amended to read:

Subdivision 1. **GENERAL RULE.** On or before March 1, every insurer subject to taxation under section 297I.05, subdivisions 1 to 6, and 12, paragraphs (a), clauses (1) to (5), and (b), and (e); shall file an annual return for the preceding calendar year setting forth such information as the commissioner may reasonably require on forms prescribed by the commissioner.

Sec. 72. Minnesota Statutes 2000, section 297I.30, subdivision 5, is amended to read:

Subd. 5. **JOINT SELF-INSURANCE PLANS.** On or before 60 days following the conclusion of their fiscal year, a plan subject to tax under section 297I.05, subdivision 12, paragraph (e) (b) or (d) (c), shall file a return with the commissioner for the preceding fiscal year setting forth any information the commissioner reasonably requires on forms prescribed by the commissioner.

Sec. 73. Minnesota Statutes 2000, section 299F.11, subdivision 2, is amended to read:

Subd. 2. **AUCTION FOR SALVAGE MATERIAL.** In all cases where the order of the court has not been complied with and the state fire marshal is authorized to proceed with the demolition of any building or structure, the state fire marshal shall sell and dispose of the salvage materials therefrom at public auction upon three days' posted notice and all expenses incurred by the state fire marshal shall be paid out of the moneys received from the auction of salvage material; and any deficit remaining unpaid thereafter may be paid out of the funds created by and provided for in section 299F.21. Should any surplus remain of the amount received for salvage material, after deducting the expenses incurred by the state fire marshal, this surplus shall be paid to

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the treasurer of the county where the property was situated to be distributed by the treasurer as provided by law.

Sec. 74. Minnesota Statutes 2001 Supplement, section 336.9-334, is amended to read:

**336.9-334 PRIORITY OF SECURITY INTERESTS IN FIXTURES AND CROPS.**

(a) **SECURITY INTEREST IN FIXTURES UNDER THIS ARTICLE.** A security interest under this article may be created in goods that are fixtures or may continue in goods that become fixtures. A security interest does not exist under this article in ordinary building materials incorporated into an improvement on land.

(b) **SECURITY INTEREST IN FIXTURES UNDER REAL PROPERTY LAW.** This article does not prevent creation of an encumbrance upon fixtures under real property law.

(c) **GENERAL RULE: SUBORDINATION OF SECURITY INTEREST IN FIXTURES.** In cases not governed by subsections (d) through (h), a security interest in fixtures is subordinate to a conflicting interest of an encumbrancer or owner of the related real property other than the debtor.

(d) **FIXTURES PURCHASE-MONEY PRIORITY.** Except as otherwise provided in subsection (h), a perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in or is in possession of the real property and:

(1) the security interest is a purchase-money security interest;

(2) the interest of the encumbrancer or owner arises before the goods become fixtures; and

(3) the security interest is perfected by a fixture filing before the goods become fixtures or within 20 days thereafter.

(e) **PRIORITY OF SECURITY INTEREST IN FIXTURES OVER INTERESTS IN REAL PROPERTY.** A perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if:

(1) the debtor has an interest of record in the real property or is in possession of the real property and the security interest:

(A) is perfected by a fixture filing before the interest of the encumbrancer or owner is of record; and

(B) has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner;

(2) before the goods become fixtures, the security interest is perfected by any method permitted by this article and the fixtures are readily removable:

(A) factory or office machines;

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(B) equipment that is not primarily used or leased for use in the operation of the real property; or

(C) replacements of domestic appliances that are consumer goods;

(3) the conflicting interest is a lien on the real property obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by this article; or

(4) the security interest is:

(A) created in a manufactured home in a manufactured home transaction; and

(B) perfected pursuant to a statute described in section 336.9-311(a)(2).

**(f) PRIORITY BASED ON CONSENT, DISCLAIMER, OR RIGHT TO REMOVE.** A security interest in fixtures, whether or not perfected, has priority over a conflicting interest of an encumbrancer or owner of the real property if:

(1) the encumbrancer or owner has, in an authenticated record, consented to the security interest or disclaimed an interest in the goods as fixtures; or

(2) the debtor has a right to remove the goods as against the encumbrancer or owner.

**(g) CONTINUATION OF PARAGRAPH (F)(2) PRIORITY.** The priority of the security interest under paragraph (f)(2) continues for a reasonable time if the debtor's right to remove the goods as against the encumbrancer or owner terminates.

**(h) PRIORITY OF CONSTRUCTION MORTGAGE.** A mortgage is a construction mortgage to the extent that it secures an obligation incurred for the construction of an improvement on land, including the acquisition cost of the land, if a recorded record of the mortgage so indicates. Except as otherwise provided in subsections (e) and (f), a security interest in fixtures is subordinate to a construction mortgage if a record of the mortgage is recorded before the goods become fixtures and the goods become fixtures before the completion of the construction. A mortgage has this priority to the same extent as a construction mortgage to the extent that it is given to refinance a construction mortgage.

**(i) PRIORITY OF SECURITY INTEREST IN CROPS.** A perfected security interest in crops growing on real property has priority over a conflicting interest of an encumbrancer or owner of the real property except a perfected landlord's lien if the debtor has an interest of record in or is in possession of the real property.

**(j) SUBSECTION (I) PREVAILS.** Subsection (i) prevails over any inconsistent provisions of ~~the following statutes:~~

~~(1) section 557.12; and~~

~~(2) section 559.2091.~~

Sec. 75. Minnesota Statutes 2000, section 349.163, subdivision 6, is amended to read:

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Subd. 6. **SAMPLES OF GAMBLING EQUIPMENT.** The board shall require each licensed manufacturer to submit to the board one or more samples of each item of gambling equipment the manufacturer manufactures for use or resale in this state. The board shall inspect and test all the equipment it deems necessary to determine the equipment's compliance with law and board rules. Samples required under this subdivision must be approved by the board before the equipment being sampled is shipped into or sold for use or resale in this state. The board may request the assistance of the commissioner of public safety and the director of the state lottery board in performing the tests.

Sec. 76. Minnesota Statutes 2000, section 349A.10, subdivision 5, is amended to read:

Subd. 5. **DEPOSIT OF NET PROCEEDS.** Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, 40 percent must be credited to the Minnesota environment and natural resources trust fund; and ~~during any period in which bonds are issued and outstanding under section 16A.67, the remainder must be credited to the special revenue fund created in section 16A.67, subdivision 3, provided that if bonds are not issued and outstanding under section 16A.67, such remainder must be credited to the general fund. Money credited to the special revenue fund must be transferred to the debt service fund established in section 16A.67, subdivision 4, at the times and in the amounts determined by the commissioner of finance to be necessary to provide for the payment and security of bonds issued pursuant to section 16A.67. On or before the tenth day of each month, any money in the special revenue fund not required to be transferred to the debt service fund must be transferred to the general fund.~~

Sec. 77. Minnesota Statutes 2000, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. **COVERAGE.** (a) Employees enumerated in paragraph (c), clauses (2), (3), (4), and (6) to (14), if they are in the unclassified service of the state or metropolitan council and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified plan under this chapter unless the employee gives notice to the executive director of the Minnesota state retirement system within one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Persons referenced in paragraph (c), clauses (1) and (5), are participants in the unclassified program under this chapter unless the person is eligible to elect different coverage under section 3A.07 or 352C.011 and, after July 1, 1998, elects retirement coverage by the applicable alternative retirement plan. Persons referenced in paragraph (c), clause (15), are participants in the unclassified program under this chapter for

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judicial employment in excess of the service credit limit in section 490.121, subdivision 22.

(c) Enumerated employees and referenced persons are:

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

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

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

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

(5) a member of the legislature;

(6) a full-time unclassified employee of the legislature or a commission or agency of the legislature who is appointed without a limit on the duration of the employment or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system;

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

(8) the regional administrator, or executive director of the metropolitan council, general counsel, division directors, operations managers, and other positions as designated by the council, all of which may not exceed 27 positions at the council and the chair;

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

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

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

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

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

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

(15) a judge who has exceeded the service credit limit in section 490.121, subdivision 22.

Sec. 78. Minnesota Statutes 2001 Supplement, section 356.62, is amended to read:

**356.62 PAYMENT OF EMPLOYEE CONTRIBUTION.**

For purposes of any public pension plan, as defined in section ~~365.615~~ 356.615, paragraph (b), each employer shall pick up the employee contributions required pursuant to law or the pension plan for all salary payable after December 31, 1982. If the United States Treasury department rules that pursuant to section 414(h) of the Internal Revenue Code of 1986, as amended through December 31, 1992, that these picked up contributions are not includable in the employee's adjusted gross income until they are distributed or made available, then these picked up contributions shall be treated as employer contributions in determining tax treatment pursuant to the Internal Revenue Code of 1986, as amended through December 31, 1992, and the employer shall discontinue withholding federal income taxes on the amount of these contributions. The employer shall pay these picked up contributions from the same source of funds as is used to pay the salary of the employee. The employer shall pick up these employee contributions by a reduction in the cash salary of the employee.

Employee contributions that are picked up shall be treated for all purposes of the public pension plan in the same manner and to the same extent as employee contributions that were made prior to the date on which the employee contributions pick up began. The amount of the employee contributions that are picked up shall be included in the salary upon which retirement coverage is credited and retirement and survivor's benefits are determined. For purposes of this section, "employee" means any person covered by a public pension plan. For purposes of this section, "employee contributions" include any sums deducted from the employee's salary or wages or otherwise paid in lieu thereof, regardless of whether they are denominated contributions by the public pension plan.

For any calendar year in which withholding has been reduced pursuant to this section, the employing unit shall supply each employee and the commissioner of revenue with an information return indicating the amount of the employer's picked-up contributions for the calendar year that were not subject to withholding. This return shall be provided to the employee not later than January 31 of the succeeding calendar year. The commissioner of revenue shall prescribe the form of the return and the provisions of section 289A.12 shall apply to the extent not inconsistent with the provisions of this section.

Sec. 79. Minnesota Statutes 2001 Supplement, section 376.08, subdivision 2, is amended to read:

Subd. 2. **HOSPITAL REMODELING OR ADDITIONS; FINANCING.** A county hospital may by majority vote of its board of commissioners, or if the hospital has been leased to another entity under section 376.06, subdivision 1, or 447.47, by

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majority vote of the board of directors of that entity, enter into projects for the construction of an addition or remodeling to its presently existing facility or the acquisition of equipment as described in this subdivision without complying with the dollar limitation of subdivision 1 or the election requirements of section 376.03. This subdivision applies to projects in which the funds for the project are derived from dedicated, restricted, or other designated accounts, from the hospital's depreciation fund, or from the issuance of bonds authorized under other law. An addition to a current hospital under this subdivision may include construction of buildings physically separate from the present hospital building, as well as additions to the present building, if the new buildings are constructed on the hospital's existing premises.

This subdivision does not affect the ability of the hospital board to approve funds for improvements or remodeling of a hospital facility under other law.

Sec. 80. Minnesota Statutes 2000, section 383C.19, is amended to read:

**383C.19 EMERGENCY JOBS PROGRAM.**

St. Louis county may establish an emergency employment program to meet the needs of its unemployed residents. The county board of commissioners shall establish rules governing the operation of the employment program. Rules shall include but not be limited to number of hours worked, wages, benefits, and methods and terms of payment. Limits imposed by civil service rules shall not apply to an emergency jobs program established under the authority of this section. Service in a St. Louis county emergency jobs program shall not constitute employment under chapter 268 but shall come within the exclusion established in section ~~268.04~~ 268.035, subdivision ~~12~~ 20, clause (10)(~~d~~), and St. Louis county shall not be liable for contributions to the unemployment insurance program trust fund for participants of an emergency jobs program.

Sec. 81. Minnesota Statutes 2000, section 401.05, subdivision 3, is amended to read:

Subd. 3. **LEASING.** (a) A county or joint powers board of a group of counties which acquires or constructs and equips or improves facilities under this chapter may, with the approval of the board of county commissioners of each county, enter into a lease agreement with a city situated within any of the counties, or a county housing and redevelopment authority established under chapter 469 or any special law. Under the lease agreement, the city or county housing and redevelopment authority shall:

(1) construct or acquire and equip or improve a facility in accordance with plans prepared by or at the request of a county or joint powers board of the group of counties and approved by the commissioner of corrections; and

(2) finance the facility by the issuance of revenue bonds.

(b) The county or joint powers board of a group of counties may lease the facility site, improvements, and equipment for a term upon rental sufficient to produce revenue for the prompt payment of the revenue bonds and all interest accruing on them. Upon completion of payment, the lessee shall acquire title. The real and personal property

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acquired for the facility constitutes a project and the lease agreement constitutes a revenue agreement as provided in sections 469.152 to 469.165. All proceedings by the city or county housing and redevelopment authority and the county or joint powers board shall be as provided in sections 469.152 to 469.165, with the following adjustments:

- (1) no tax may be imposed upon the property;
- (2) the approval of the project by the commissioner of trade and economic development is not required;
- (3) the department of corrections shall be furnished and shall record information concerning each project as it may prescribe, in lieu of reports required on other projects to the commissioner of trade and economic development or the energy and economic development authority;
- (4) the rentals required to be paid under the lease agreement shall not exceed in any year one-tenth of one percent of the market value of property within the county or group of counties as last equalized before the execution of the lease agreement;
- (5) the county or group of counties shall provide for payment of all rentals due during the term of the lease agreement in the manner required in subdivision 4;
- (6) no mortgage on the facilities shall be granted for the security of the bonds, but compliance with clause (5) may be enforced as a nondiscretionary duty of the county or group of counties; and
- (7) the county or the joint powers board of the group of counties may sublease any part of the facilities for purposes consistent with their maintenance and operation.

Sec. 82. Minnesota Statutes 2000, section 437.08, is amended to read:

**437.08 LICENSES OR PERMITS VOID.**

Any license, permit, or other grant of authority issued or made in violation of the provisions of sections 437.07 to ~~437.11~~ 437.10 shall be absolutely null and void.

Sec. 83. Minnesota Statutes 2000, section 437.09, is amended to read:

**437.09 SHOWS PROHIBITED WITHOUT LICENSE.**

No person, firm, copartnership, corporation, or association of any nature or kind shall operate or attempt to operate or carry on any itinerant carnival, street show, street fair, sideshow, circus, or any similar enterprise within one mile of the corporate limits of any city of the fourth class in this state without license or permit so to do lawfully granted under the restrictions provided in sections 437.07 to ~~437.11~~ 437.10.

Any person violating any of the provisions of this section shall be guilty of a misdemeanor; and any such enterprise operated without license or permit as herein prescribed is hereby declared to be a public nuisance.

Sec. 84. Minnesota Statutes 2000, section 437.10, is amended to read:

**437.10 DEFINITION.**

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An itinerant carnival, street show, street fair, sideshow, circus, or other similar enterprise, within the meaning of sections 437.07 to ~~437.11~~ 437.10, is any itinerant carnival, street show, street fair, sideshow, circus, or other similar enterprise, which is held, operated, or carried on in the open or indoors or upon or within any public or private ground, at which there congregates and assembles, with or without the payment of an admission fee, a promiscuous gathering of people as spectators or otherwise.

Sec. 85. Minnesota Statutes 2000, section 458D.02, subdivision 2, is amended to read:

Subd. 2. **WESTERN LAKE SUPERIOR SANITARY DISTRICT.** "Western Lake Superior Sanitary District" and "district" mean the area over which the sanitary sewer board has jurisdiction which shall include the area now comprised of the city of Cloquet, the cities of Carlton, Scanlon, Thomson and Wrenshall, and the townships of Knife Falls, Silver Brook, Thomson, and Twin Lakes in the county of Carlton; the city of Duluth, the city of Proctor, and the townships of Canosia, Duluth, Grand Lake, Herman, Lakewood, Midway, Rice Lake and Solway in the county of St. Louis; other territory included in the district pursuant to section 458D.22; and any waters of the state adjacent thereto.

Sec. 86. Minnesota Statutes 2000, section 458D.02, subdivision 3, is amended to read:

Subd. 3. **SANITARY SEWER BOARD.** "Sanitary sewer board" or "board" means the sanitary sewer board established for the Western Lake Superior Sanitary District as provided in section 458D.03.

Sec. 87. Minnesota Statutes 2000, section 458D.23, is amended to read:

**458D.23 PROPERTY EXEMPT FROM TAXATION.**

Any properties, real or personal, owned, leased, controlled, used, or occupied by the sanitary sewer board for any purpose under sections 458D.01 to 458D.24 are declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from taxation by the state or any political subdivision of the state, except to the extent that the property is subject to the sales and use tax under chapter 297A, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from such improvement. No possible use of any such properties in any manner different from their use as part of a disposal system at the time shall be considered in determining the special benefit received by such properties. All such assessments shall be subject to final approval by the board, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. All bonds, certificates of indebtedness or other obligations of the board, and the interest thereon, shall be exempt from taxation by the state or any political subdivision of the state.

Sec. 88. Minnesota Statutes 2000, section 469.110, subdivision 2, is amended to read:

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Subd. 2. **AUTHORITY DEPARTMENT.** "Authority Department" means the energy and department of trade and economic development authority.

Sec. 89. Minnesota Statutes 2000, section 469.116, subdivision 7, is amended to read:

Subd. 7. **INVESTMENT IN BONDS.** Subject to the approval of the state agency, the bonds of a local agency may be declared securities in which all public officers and bodies of the state and of its municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings associations, executors, administrators, guardians, trustees, and all other fiduciaries in the state may properly and legally invest the funds within their control. Each mortgage or issue of bonds shall relate only to a single specified project, and those bonds shall be secured by a mortgage upon all the real property of which the projects consist and shall be first lien bonds, secured by a mortgage not exceeding 80 percent of the estimated cost prior to the completion of the project, or 80 percent of the appraised value or actual cost, but in no event in excess of 80 percent of the actual cost, after that completion, as certified by the authority department.

Sec. 90. Minnesota Statutes 2000, section 469.118, subdivision 1, is amended to read:

Subdivision 1. **CONDITIONS FOR MAKING.** When it has been determined by the authority department upon application of a local agency that the establishment of a particular redevelopment project in a redevelopment area has accomplished or will accomplish the public purposes of sections 469.109 to 469.123, the authority department may contract to loan the local agency an amount not in excess of 20 percent of the cost or estimated cost of the redevelopment project, subject to the following conditions:

(a) In the case of a redevelopment project to be established,

(1) the authority department shall have first determined that the local agency holds funds in an amount equal to, or property of a value equal to not less than, ten percent of the estimated cost of establishing the redevelopment project, which funds or property are available for and shall be applied to the establishment of the project. If a public facility within the redevelopment area has been or may be constructed and will benefit a redevelopment project, the imputed value of the benefit of the facility to the redevelopment project may be determined and the estimated cost thereof credited to the local agency for the purpose of satisfying the requirements of this subparagraph. For purposes of this section, a public facility includes utility installations, street improvements, public buildings, parks, playgrounds, schools, recreational buildings, and parking facilities;

(2) the authority department shall have also determined that the local agency has obtained from other sources, by gift, grant, or loan from private or other state or federal sources, a firm commitment for all other funds, over and above the loan of the state agency, and such funds or property as the redevelopment agency may hold, necessary for payment of all the estimated cost of establishing the redevelopment project, and

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that the sum of all these funds, together with the machinery and equipment to be provided by the owner or operator of the redevelopment project is adequate to ensure completion and operation of the plant, enterprise, or facility.

(b) In the case of a redevelopment project established without initial state or local agency participation,

(1) the state agency shall have first determined that the local or area redevelopment agency has expended funds in an amount equal to, or has applied property of a value equal to, not less than ten percent of the cost of establishing the redevelopment project. If a public facility within the redevelopment area has been or may be constructed and will benefit a redevelopment project, the imputed value of the benefit of the facility to the redevelopment project may be determined and the estimated cost thereof credited to the local agency for the purpose of satisfying the requirements of this subparagraph;

(2) the authority department shall have also determined that the local agency has obtained from other public or private sources other funds necessary for payment of all the cost of establishing the redevelopment project, and that the local agency participation and these funds, together with the machinery and equipment provided by the owner or operator of the redevelopment project has been adequate to ensure completion and operation of the plant, enterprise, or facility. The proceeds of any loan made by the authority department to a local agency pursuant to this paragraph shall be used only for the establishment of additional redevelopment projects in furtherance of the public purposes of sections 469.109 to 469.123.

Sec. 91. Minnesota Statutes 2000, section 469.118, subdivision 2, is amended to read:

Subd. 2. **TERMS.** Any such loan of the authority department shall be for the period of time and shall bear interest at the rate determined by the authority department. It may be secured by a mortgage on the redevelopment project for which the loan was made. The mortgage may be second and subordinate only to the mortgage securing the first lien obligation, if any, issued to secure the commitment of funds from a private or public source and used in the financing of the redevelopment project.

Sec. 92. Minnesota Statutes 2000, section 469.118, subdivision 4, is amended to read:

Subd. 4. **DEPOSIT OF PAYMENTS.** All payments of interest on the loans and repayments of principal shall be deposited by the authority department in the Minnesota account and shall be available to be applied and reapplied to carry out the purposes of sections 469.109 to 469.123.

Sec. 93. Minnesota Statutes 2000, section 469.119, subdivision 1, is amended to read:

Subdivision 1. **APPLICATION CONTENTS.** Prior to the loaning of any funds for a redevelopment project in a redevelopment area the local agency shall receive from the applicant and, in the case of authority department participation, shall forward

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to the state agency a loan application. The application shall be in the form adopted by the local agency, and shall contain among other things the following information:

- (1) a general description of the redevelopment project and of the industrial, recreational, commercial, or manufacturing enterprise for which the project has been or is to be established;
- (2) a legal description of all real estate necessary for the project;
- (3) plans and other documents as may be required to show the type, structure, and general character of the redevelopment project;
- (4) a general description of the type, classes, and number of employees employed or to be employed in the operation of the redevelopment project; and
- (5) cost or estimates of cost of establishing the redevelopment project.

Sec. 94. Minnesota Statutes 2000, section 469.122, is amended to read:

**469.122 LIMITATION OF POWERS.**

The state pledges to the United States or any agency thereof that if any federal agency shall construct, loan, or contribute any funds for the construction, extension, improvement, or enlargement of any redevelopment project, or any portion thereof, the state will not alter or limit the rights and powers of the authority department or the local agency in any manner inconsistent with the performance of any agreements between the authority department or the local agency and any such federal agency. The authority department and the local agency shall continue to have all powers herein granted, so long as the same shall be necessary or desirable for the carrying out of the purposes of these sections.

Sec. 95. Minnesota Statutes 2000, section 469.154, subdivision 5, is amended to read:

Subd. 5. **INFORMATION TO ~~ENERGY TRADE AND ECONOMIC DEVELOPMENT AUTHORITY DEPARTMENT~~.** Each municipality and redevelopment agency upon entering into a revenue agreement, except one pertaining to a project referred to in section 469.153, subdivision 2, paragraph (g) or (j), shall furnish the energy trade and economic development authority department on forms the authority department prescribes the following information concerning the project: The name of the contracting party, the nature of the enterprise, the location, approximate number of employees, the general terms and nature of the revenue agreement, the amount of bonds or notes issued, and other information the energy trade and economic development authority department deems advisable. The energy trade and economic development authority department shall keep a record of the information which shall be available to the public at times the authority department prescribes.

Sec. 96. Minnesota Statutes 2000, section 471.415, subdivision 2, is amended to read:

Subd. 2. **AFFIDAVIT FILED BEFORE WARRANT ISSUES.** A duplicate for a lost or destroyed order or warrant shall not issue until there shall have been filed with

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the proper officer an affidavit of the owner thereof setting forth the ownership of the order or warrant, the description thereof, and the manner of its loss or destruction, and until there shall have been executed and filed with the same officer an indemnifying bond, with sureties to be approved by such officer, in a sum equal to the amount of such order or warrant, conditioned that the parties thereto shall pay all damages which the county, city, town, or school district may sustain if compelled to pay such loss or destroyed order or warrant. The governing body of any county, city, town, or school district may in its discretion dispense with the requirement of an indemnifying bond.

Sec. 97. Minnesota Statutes 2001 Supplement, section 501B.60, subdivision 3, is amended to read:

Subd. 3. **STANDARDS FOR EXERCISE.** In exercising a power to adjust under section ~~501B.70~~ 501B.705 or a discretionary power of administration regarding a matter within the scope of sections 501B.59 to 501B.76, a fiduciary shall administer the trust or estate impartially, based on what is fair and reasonable to all of the beneficiaries, except to the extent that the terms of the trust or the will clearly manifest an intention that the fiduciary shall or may favor one or more of the beneficiaries. A determination in accordance with sections 501B.59 to 501B.76 is presumed to be fair and reasonable to all of the beneficiaries.

Sec. 98. Minnesota Statutes 2000, section 501B.61, as amended by Laws 2001, chapter 15, section 4, is amended to read:

**501B.61 INCOME; PRINCIPAL; CHARGES.**

Subdivision 1. **INCOME DEFINED.** "Income" means the return in money or property derived from the use of principal, including return received as:

(1) rent of real or personal property, including sums received for cancellation or renewal of a lease;

(2) interest on money lent, including sums received as consideration for the privilege of prepayment of principal, except as provided in section 501B.65 on bond premium and bond discount;

(3) income earned during administration of a decedent's estate as provided in section 501B.63;

(4) corporate distributions as provided in section 501B.64;

(5) accrued increment on bonds or other obligations issued at discount as provided in section 501B.65;

(6) receipts from business and farming operations as provided in section ~~501B.66~~ 501B.665;

(7) receipts from disposition of natural resources as provided in sections 501B.67 and 501B.68; and

(8) receipts from other principal subject to depletion as provided in section 501B.69; and

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~~(9) receipts from disposition of underproductive property as provided in section 501B.70.~~

Subd. 2. **PRINCIPAL DEFINED.** "Principal" means the property set aside by the owner or the person legally empowered so that it is held in trust eventually to be delivered to a remainderperson while the return or use of the principal is in the meantime taken or received by or held for accumulation for an income beneficiary. Principal includes:

(1) consideration received by the trustee on the sale or other transfer of principal, on repayment of a loan, or as a refund, replacement, or change in the form of principal;

(2) proceeds of property taken on eminent domain proceedings;

(3) proceeds of insurance on property forming part of the principal, except proceeds of insurance on a separate interest of an income beneficiary;

(4) stock dividends, receipts on liquidation of a corporation, and other corporate distributions as provided in section 501B.64;

(5) receipts from the disposition of corporate securities as provided in section 501B.65;

(6) royalties and other receipts from disposition of natural resources as provided in sections 501B.67 and 501B.68;

(7) receipts from other principal subject to depletion as provided in section 501B.69;

(8) profit resulting from a change in the form of principal, ~~except as provided in section 501B.70 on underproductive property;~~

~~(9) receipts from disposition of underproductive property as provided in section 501B.70;~~

~~(10) allowances for depreciation established under sections 501B.66 501B.665 and 501B.71, subdivision 1, clause (2); and~~

~~(11) (10) gain or loss, including the purchase premium, if any, from the grant of an option to buy or sell property of the trust, whether or not the trust owns the property when the option is granted.~~

Subd. 3. **CHARGES.** After determining income and principal in accordance with the terms of the trust instrument or of sections 501B.59 to 501B.76, the trustee shall charge to income or principal expenses and other charges as provided in section 501B.71.

Sec. 99. Minnesota Statutes 2001 Supplement, section 514.661, subdivision 5, is amended to read:

Subd. 5. **PRIORITY.** (a) A perfected lien has priority over all other liens and security interests in crops produced by the debtor during the calendar year in which the mediation occurs ~~except for a perfected landlord's lien under section 514.960.~~

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(b) An unperfected lien has the priority of an unperfected security interest under sections 336.9-317 and 336.9-322.

Sec. 100. Minnesota Statutes 2000, section 514.94, is amended to read:

**514.94 RIGHTS OF DETAINER, LIEN AND SALE OF ANIMALS.**

Nothing in sections ~~514.92 to 514.94~~ this section or section 514.93 shall in any way alter or revoke a veterinarian's rights of detainer, lien and sale of animals under sections 514.18 to 514.22.

Sec. 101. Minnesota Statutes 2000, section 524.2-301, is amended to read:

**524.2-301 ENTITLEMENT OF SPOUSE; PREMARITAL WILL.**

(a) A testator's surviving spouse, who married the testator after the testator's will was executed, is entitled to receive, as an intestate share, no less than the value of the share of the estate the surviving spouse would have received if the testator had died intestate as to that portion of the testator's estate, if any, that neither is devised to a child of the testator who was born before the testator married the surviving spouse and who is not a child of the surviving spouse nor is devised to a descendant of such a child or passes under section ~~524.2-603~~ 524.2-6031 or 524.2-604 to such a child or to a descendant of such a child, unless:

(1) it appears from the will or other evidence that the will was made in contemplation of the testator's marriage to the surviving spouse;

(2) the will expresses the intention that it is to be effective notwithstanding any subsequent marriage; or

(3) the testator provided for the spouse by transfer outside the will and the intent that the transfer be in lieu of a testamentary provision is shown by the testator's statements or is reasonably inferred from the amount of the transfer or other evidence.

(b) In satisfying the share provided by this section, devises made by the will to the testator's surviving spouse, if any, are applied first, and other devises, other than a devise to a child of the testator who was born before the testator married the surviving spouse and who is not a child of the surviving spouse or a devise or substitute gift under section ~~524.2-603~~ 524.2-6031 or 524.2-604 to a descendant of such a child, abate as provided in section 524.3-902.

Sec. 102. Minnesota Statutes 2000, section 524.2-604, is amended to read:

**524.2-604 FAILURE OF TESTAMENTARY PROVISION.**

(a) Except as provided in section ~~524.2-603~~ 524.2-6031, a devise, other than a residuary devise, that fails for any reason becomes a part of the residue.

(b) Except as provided in section ~~524.2-603~~ 524.2-6031, if the residue is devised to two or more persons, the share of a residuary devisee that fails for any reason passes to the other residuary devisee, or to other residuary devisees in proportion to the interest of each in the remaining part of the residue.

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Sec. 103. Minnesota Statutes 2000, section 524.2-609, is amended to read:

**524.2-609 ADEMPITION BY SATISFACTION.**

(a) Property a testator, while living, gave to a person is treated as a satisfaction of a devise in whole or in part, only if (i) the will provides for deduction of the gift, (ii) the testator declared in a contemporaneous writing that the gift is in satisfaction of the devise or that its value is to be deducted from the value of the devise, or (iii) the devisee acknowledged in writing that the gift is in satisfaction of the devise or that its value is to be deducted from the value of the devise.

(b) For purposes of partial satisfaction, property given during lifetime is valued as of the time the devisee came into possession or enjoyment of the property or at the testator's death, whichever occurs first.

(c) If the devisee fails to survive the testator, the gift is treated as a full or partial satisfaction of the devise, as appropriate, in applying sections ~~524.2-603~~ 524.2-6031 and 524.2-604, unless the testator's contemporaneous writing provides otherwise.

Sec. 104. Minnesota Statutes 2000, section 583.24, subdivision 4, is amended to read:

Subd. 4. **DEBTS.** The Farmer-Lender Mediation Act does not apply to a debt:

(1) for which a proof of claim form has been filed in bankruptcy by a creditor or that was listed as a scheduled debt, of a debtor who has filed a petition in bankruptcy after July 1, 1987, under United States Code, title 11, chapter 7, 11, 12, or 13;

(2) if the debt was in default when the creditor received a mediation proceeding notice under the Farmer-Lender Mediation Act and the creditor filed a claim form, the debt was mediated during the mediation period under section 583.26, subdivision 8, and (i) the mediation was unresolved; or (ii) a mediation agreement with respect to that debt was signed;

(3) for which the creditor has served a mediation notice, the debtor has failed to make a timely request for mediation, and within 60 days after the debtor failed to make a timely request the creditor began a proceeding to enforce the debt against the agricultural property of the debtor;

(4) for which a creditor has received a mediation proceeding notice and the creditor and debtor have restructured the debt and have signed a separate mediation agreement with respect to that debt; or

(5) for which there is a lien for rental value of farm machinery under section 514.661 or a lien for rental value relating to a contract for deed subject to the Farmer-Lender Mediation Act under section ~~559.2091~~.

Sec. 105. Minnesota Statutes 2000, section 609.26, subdivision 5, is amended to read:

Subd. 5. **DISMISSAL OF CHARGE.** A felony charge brought under this section shall be dismissed if:

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(a) the person voluntarily returns the child within 48 hours after taking, detaining, or failing to return the child in violation of this section; or

(b)(1) the person taking the action and the child have not left the state of Minnesota; and (2) within a period of seven days after taking the action, (i) a motion or proceeding under chapter 518, ~~518A~~, 518B, or 518C, or 518D is commenced by the person taking the action, or (ii) the attorney representing the person taking the action has consented to service of process by the party whose rights are being deprived, for any motion or action pursuant to chapter 518, 518A, 518B, or 518C.

Clause (a) does not apply if the person returns the child as a result of being located by law enforcement authorities.

This subdivision does not prohibit the filing of felony charges or an offense report before the expiration of the 48 hours.

Sec. 106. Minnesota Statutes 2000, section 609.341, subdivision 17, is amended to read:

Subd. 17. "Psychotherapist" means a person who is or purports to be a physician, psychologist, nurse, chemical dependency counselor, social worker, marriage and family ~~counselor~~ therapist, or other mental health service provider; or any other person, whether or not licensed by the state, who performs or purports to perform psychotherapy.

Sec. 107. Minnesota Statutes 2001 Supplement, section 626.556, subdivision 11, is amended to read:

Subd. 11. **RECORDS.** (a) Except as provided in paragraph (b) or (d) and subdivisions 10b, 10d, 10g, and 11b, all records concerning individuals maintained by a local welfare agency or agency responsible for assessing or investigating the report under this section, including any written reports filed under subdivision 7, shall be private data on individuals, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff. All records concerning determinations of maltreatment by a facility are nonpublic data as maintained by the department of children, families, and learning, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff. Reports maintained by any police department or the county sheriff shall be private data on individuals except the reports shall be made available to the investigating, petitioning, or prosecuting authority, including county medical examiners or county coroners. Section 13.82, subdivisions ~~7~~, 8, and 9, and 14, apply to law enforcement data other than the reports. The local social services agency or agency responsible for assessing or investigating the report shall make available to the investigating, petitioning, or prosecuting authority, including county medical examiners or county coroners or their professional delegates, any records which contain information relating to a specific incident of neglect or abuse which is under investigation, petition, or prosecution and information relating to any prior incidents of neglect or abuse involving any of the same persons. The records shall be collected and maintained in accordance with the provisions of chapter 13. In conducting investiga-

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tions and assessments pursuant to this section, the notice required by section 13.04, subdivision 2, need not be provided to a minor under the age of ten who is the alleged victim of abuse or neglect. An individual subject of a record shall have access to the record in accordance with those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation except as otherwise permitted by this subdivision. Any person conducting an investigation or assessment under this section who intentionally discloses the identity of a reporter prior to the completion of the investigation or assessment is guilty of a misdemeanor. After the assessment or investigation is completed, the name of the reporter shall be confidential. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure.

(b) Upon request of the legislative auditor, data on individuals maintained under this section must be released to the legislative auditor in order for the auditor to fulfill the auditor's duties under section 3.971. The auditor shall maintain the data in accordance with chapter 13.

(c) The commissioner of children, families, and learning must be provided with all requested data that are relevant to a report of maltreatment and are in possession of a school facility as defined in subdivision 2, paragraph (f), when the data is requested pursuant to an assessment or investigation of a maltreatment report of a student in a school. If the commissioner of children, families, and learning makes a determination of maltreatment involving an individual performing work within a school facility who is licensed by a board or other agency, the commissioner shall provide necessary and relevant information to the licensing entity to enable the entity to fulfill its statutory duties. Notwithstanding section 13.03, subdivision 4, data received by a licensing entity under this paragraph are governed by section 13.41 or other applicable law governing data of the receiving entity, except that this section applies to the classification of and access to data on the reporter of the maltreatment.

(d) The investigating agency shall exchange not public data with the child maltreatment review panel under section 256.022 if the data are pertinent and necessary for a review requested under section 256.022. Upon completion of the review, the not public data received by the review panel must be returned to the investigating agency.

Sec. 108. Laws 1995, chapter 220, section 141, is amended to read:

Sec. 141. **REPEALER.**

(a) Minnesota Statutes 1994, sections 97B.301, subdivision 5; 115B.26, subdivision 1; 239.791, subdivisions 4, 5, 6, and 9; 325E.0951, subdivision 5; and Laws 1993, chapter 172, section 10, are repealed.

(b) Sections 78 to 87 are repealed.

(c) Minnesota Statutes 1994, sections 28A.08, subdivision 2; and 446A.071, subdivision 7, are repealed.

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(d) (c) Minnesota Statutes 1994, sections 41A.09, subdivisions 2, 3, and 5; 97A.531, subdivisions 2, 3, 4, 5, and 6; and 296.02, subdivision 7, are repealed.

Sec. 109. Laws 1995, chapter 220, section 142, as amended by Laws 1995, chapter 263, section 12, Laws 1996, chapter 351, section 1, Laws 1999, chapter 231, section 191, and Laws 2001, First Special Session chapter 2, section 151, is amended to read:

**Sec. 142. EFFECTIVE DATES.**

Sections 2, 5, 7, 20, 42, 44 to 49, 56, 57, 101, 102, 117, and 141, paragraph (d), are effective the day following final enactment.

Sections 114, 115, 118, and 121 are effective January 1, 1996.

Sections 120, subdivisions 2, 3, 4, and 5, and 141, paragraph (c), are effective July 1, 1996.

Section 141, paragraph (b), is effective ~~June 30, 2007~~.

Sections 58 and 66 are effective retroactively to August 1, 1991.

Section 119 is effective September 1, 1996.

Section 120, subdivision 1, is effective July 1, 1999.

Sec. 110. Laws 1997, chapter 202, article 2, section 61, as amended by Laws 1999, chapter 250, article 1, section 106, and Laws 2001, First Special Session chapter 10, article 2, section 85, is amended to read:

**Sec. 61. VOLUNTARY UNPAID LEAVE OF ABSENCE.**

Appointing authorities in state government may allow each employee to take an unpaid leave of absence for up to 160 hours during the period ending June 30, 2003, and up to 160 hours during the period ending June 30, 2005. Each appointing authority approving such a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and accrue service credit in state retirement plans permitting service credits for authorized leaves of absence as if the employee had actually been employed during the time of the leave. If the leave of absence is for one full pay period or longer, any holiday pay shall be included in the first payroll warrant after return from the leave of absence. The appointing authority shall attempt to grant requests for unpaid leaves of absence consistent with the need to continue efficient operation of the agency. However, each appointing authority shall retain discretion to grant or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject to applicable provisions of collective bargaining agreements and compensation plans.

Sec. 111. Laws 2000, chapter 399, article 1, section 139, is amended to read:

**Sec. 139. SATELLITE OFFICES; RULEMAKING.**

The secretary of state shall adopt rules governing the establishment and operation of satellite offices under Minnesota Statutes, sections 336.9-527 to 336.9-530, by July

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1, 2000. The rules are exempt from the rulemaking provisions of Minnesota Statutes, chapter 14, but must be adopted under Minnesota Statutes, section 14.386. Notwithstanding Minnesota Statutes, section 14.386, paragraph (b), the rules remain in effect until July 1, 2003.

The secretary of state may also adopt expedited rules governing the establishment and operation of the central filing system under Minnesota Statutes, sections 336.9-501 to ~~336.9-530~~ 336.9-531 and 336.9-701 to 336.9-709, pursuant to section 14.389.

The authority to adopt rules under this section expires on July 1, 2003. The expiration of this authority does not affect the validity of the rules adopted under it.

This section is effective the day following final enactment.

Sec. 112. Laws 2001, chapter 171, section 12, is amended to read:

**Sec. 12. TRANSFER OF ENFORCEMENT AUTHORITY.**

(a) The terms used in this section have the meanings given in Minnesota Statutes, section 149A.02.

(b) Except as otherwise provided in statute, enforcement authority for Minnesota Statutes, sections 149A.70, 149A.71, 149A.72, 149A.73, 149A.74, 149A.745, 149A.75, and 149A.97, may be exercised for provisions related to insurance policies purchased by a preneed consumer to arrange for funeral goods, funeral services, burial site goods, or burial services; ~~enforcement authority may be exercised by the commissioner of commerce.~~

(c) The commissioner of health retains enforcement authority for provisions of Minnesota Statutes, chapter 149A, related to funeral providers that are required to be licensed, registered, or issued a permit under that chapter.

**Sec. 113. REENACTMENT.**

2001 First Special Session Senate File No. 4, as passed by the senate and the house of representatives on Friday, June 29, 2001, and subsequently published as Laws 2001, First Special Session chapter 9, is reenacted. Its provisions are effective on the dates originally provided in the bill.

**Sec. 114. REPEALER.**

(a) Minnesota Statutes 2001 Supplement, section 16A.1286, subdivisions 4 and 5, are repealed.

(b) Minnesota Statutes 2000, section 116.19, is repealed.

(c) Minnesota Statutes 2000, section 221.0315, is repealed.

(d) Minnesota Statutes 2000, section 437.11, is repealed.

(e) Minnesota Statutes 2000, section 462A.072, is repealed.

(f) Minnesota Statutes 2000, section 557.11, is repealed.

(g) Laws 1997, chapter 85, article 4, section 28, is repealed.

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- (h) Laws 1999, chapter 159, section 79, is repealed.
- (i) Laws 1999, chapter 231, section 180, is repealed.
- (j) Laws 2001, chapter 161, section 4, is repealed.
- (k) Laws 2001, chapter 162, section 4, is repealed.
- (l) Laws 2001, First Special Session chapter 2, section 103, is repealed.
- (m) Laws 2001, First Special Session chapter 8, article 7, section 1, is repealed.
- (n) Minnesota Rules, part 5300.0360, is repealed.

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## ARTICLE 2

### CONFORMING AMENDMENTS HARMFUL SUBSTANCE COMPENSATION BOARD TRANSFER

Section 1. Minnesota Statutes 2000, section 13.741, subdivision 1, is amended to read:

Subdivision 1. **HARMFUL SUBSTANCE COMPENSATION BOARD DATA.** The following data on individuals filing claims for compensation with the ~~harmful substance compensation board~~ pollution control agency for injury from harmful substances are classified as confidential while the claim is being investigated and private after a decision is made by the ~~board~~ agency about the claim: the name, address, and all other information that may identify an individual filing a claim; all medical data provided to the ~~board~~ agency by the claimant or providers of health care to the claimant, including reports of physical examinations, mental health treatment, hospital care, physical therapy, laboratory testing, X-ray studies, and prescriptions; and all financial data provided to the ~~board~~ agency by the claimant or the claimant's employer, insurance carrier, or other provider of benefits, including state or federal tax forms, W-2 forms, salary records, records of insurance payments, unemployment or disability benefits.

Sec. 2. Minnesota Statutes 2000, section 13.7411, subdivision 5, is amended to read:

Subd. 5. **ENVIRONMENTAL RESPONSE AND LIABILITY.** (a) **RESPONSIBLE PERSONS.** Certain data obtained by the pollution control agency from a person who may be responsible for a release are classified in section 115B.17, subdivision 5.

(b) **HAZARDOUS WASTE GENERATORS.** Data exchanged between the pollution control agency and the department of revenue under sections 115B.24 and 116.075, subdivision 2, are classified under section 115B.24, subdivision 5.

(c) **HARMFUL SUBSTANCE COMPENSATION BOARD.** Access to data collected and maintained by the in connection with harmful substance compensation

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board reimbursement is governed by sections 115B.28, subdivision 2; and 115B.35, subdivision 2.

(d) **DRYCLEANERS ENVIRONMENTAL ACCOUNT.** Disclosure of data collected under section 115B.49, subdivision 4, is governed by chapter 270B.

Sec. 3. Minnesota Statutes 2000, section 115B.25, subdivision 2, is amended to read:

Subd. 2. **BOARD AGENCY.** "Board Agency" means the harmful substance compensation board established in section 115B.27 pollution control agency.

Sec. 4. Minnesota Statutes 2000, section 115B.26, is amended to read:

**115B.26 HARMFUL SUBSTANCE COMPENSATION ENVIRONMENTAL RESPONSE, COMPENSATION, AND COMPLIANCE ACCOUNT.**

Subd. 2. **APPROPRIATION.** The amount necessary to pay claims of compensation granted by the agency under sections 115B.25 to 115B.37 is appropriated to the agency from the account.

Subd. 3. **PAYMENT OF CLAIMS WHEN ACCOUNT INSUFFICIENT.** If the amount of the claims granted exceeds the amount in the account, the board agency shall request a transfer from the general contingent account to the harmful substance compensation environmental response, compensation, and compliance account as provided in section 3.30. If no transfer is approved, the board agency shall pay the claims which have been granted in the order granted only to the extent of the money remaining in the account. The board agency shall pay the remaining claims which have been granted after additional money is credited to the account.

Subd. 4. **ACCOUNT TRANSFER REQUEST.** At the end of each fiscal year, the board agency shall submit a request to the petroleum tank release compensation board for transfer to the harmful substance compensation account from the petroleum tank release cleanup fund under section 115C.08, subdivision 5, of an amount equal to the compensation granted by the board agency for claims related to petroleum releases plus administrative costs related to determination of those claims.

Sec. 5. Minnesota Statutes 2000, section 115B.28, as amended by Laws 1999, chapter 227, section 22, is amended to read:

**115B.28 POWERS AND DUTIES OF THE BOARD AGENCY.**

Subdivision 1. **DUTIES.** In addition to performing duties specified in sections 115B.25 to 115B.37 or in other law, and subject to the limitations on disclosure contained in section 115B.35, the board agency shall:

(1) adopt rules as soon as practicable after all members are appointed, including rules governing practice and procedure before the board agency, the form and procedure for applications for compensation, and procedures for claims investigations;

(2) publicize the availability of compensation and application procedures on a statewide basis with special emphasis on geographical areas surrounding sites

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identified by the ~~pollution control~~ agency as having releases from a facility where a harmful substance was placed or came to be located prior to July 1, 1983;

(3) collect, analyze, and make available to the public, in consultation with the department of health, the pollution control agency, the University of Minnesota medical and public health schools, and the medical community, data regarding injuries relating to exposure to harmful substances; and

(4) prepare and transmit by December 31 of each year to the governor and the legislature an annual report to include (a) a summary of board agency activity under clause (3); (b) data determined by the board agency from actual cases, including but not limited to number of cases, actual compensation received by each claimant, types of cases, and types of injuries compensated, as they relate to types of harmful substances as well as length of exposure, but excluding identification of the claimants; (c) all administrative costs associated with the business of the board agency; and (d) board agency recommendations for legislative changes, further study, or any other recommendation aimed at improving the system of compensation.

Subd. 2. **POWERS.** In addition to exercising any powers specified in sections 115B.25 to 115B.37 or in other law, the board agency may:

(1) in reviewing a claim, consider any information relevant to the claim, in accordance with the evidentiary standards contained in section 115B.35;

(2) contract for consultant or other services necessary to carry out the board's agency's duties under sections 115B.25 to 115B.37;

(3) grant reasonable partial compensation on an emergency basis pending the final decision on a claim if the claim is one with respect to which an award will probably be made and undue hardship will result to the claimant if immediate payment is not made;

(4) limit access to information collected and maintained by the board agency and take any other action necessary to protect not public data as defined in section 13.02, subdivision 8a, and protected information, in accordance with the limitations contained in section 115B.35.

Subd. 3. **INVESTIGATION; OBTAINING INFORMATION.** The board agency may investigate any claim for compensation and for this purpose it may require from the claimant and request from any person information regarding any matter, fact, or circumstance which is relevant to determination of a claim under section 115B.33. In exercising its powers under this subdivision, the board agency may collect information reasonably calculated to lead to the discovery of evidence admissible under section 115B.35. The board agency shall reimburse the person requested to provide information the actual cost of copies of documents, papers, samples, or other tangible items necessary to respond to the request from the board agency. In order to obtain this information the board agency, subject to any applicable privilege, may:

(a) request any person to produce documents, papers, books, or other tangible things in the possession, custody, or control of that person;

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- (b) request the sworn testimony of any person as to any relevant fact or opinion;
- (c) direct written questions to any person and request written answers and objections;
- (d) request a mental or physical examination of the claimant or autopsy of any deceased person whose death is the basis of the claim, provided that notice is given to the claimant and the claimant receives a copy of the report; and
- (e) request a waiver of medical privilege by the claimant.

The board agency shall give written notice of any request under this subdivision at least 15 days before the person is expected to comply with the request. If a person fails or refuses to comply with a request for information relevant to the release of a harmful substance, the board agency may issue a subpoena for the production of the information and may petition the district court for an order enforcing the subpoena. If a person fails or refuses to comply with a request for other information relevant to determination of the claim, the board agency may petition the district court for an order to compel compliance with the request. If the claimant refuses to comply with a request by the board agency for information relevant to the claim, the board agency may dismiss the claim.

Subd. 4. **ADMINISTRATIVE PERSONNEL AND SERVICES INFORMATION FROM STATE AGENCIES.** ~~The board may appoint an executive director who is not a member of the board. The executive director is in the unclassified service. The commissioner of health shall provide staff assistance, administrative services, and office space under a contract with the board. The board shall reimburse the commissioner for the staff, services, and space provided. In order to perform its duties, the board agency may request information from the supervising officer of any state agency or state institution of higher education. When requesting health data as defined in section 13.3805, subdivision 1, or sections 144.671 to 144.69, the board agency must submit a written release signed by the subject of the data or, if the subject is deceased, a representative of the deceased, authorizing release of the data in whole or in part. The supervising officer shall comply with the board's agency's request to the extent possible considering available agency or institution appropriations and may assign agency or institution employees to assist the board agency in performing its duties under sections 115B.25 to 115B.37.~~

Sec. 6. Minnesota Statutes 2000, section 115B.29, subdivision 1, is amended to read:

Subdivision 1. **PERSONAL INJURY AND CERTAIN PROPERTY CLAIMS.** A person may file a claim with the board agency pursuant to this section for compensation for an eligible injury, or for eligible property damage that could reasonably have resulted from an exposure in Minnesota to a harmful substance released from a facility.

Sec. 7. Minnesota Statutes 2000, section 115B.30, subdivision 3, is amended to read:

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Subd. 3. **TIME FOR FILING CLAIM.** (a) A claim is not eligible for compensation from the account unless it is filed with the board agency within the time provided in this subdivision.

(b) A claim for compensation for personal injury must be filed within two years after the injury and its connection to exposure to a harmful substance was or reasonably should have been discovered.

(c) A claim for compensation for property damage must be filed within two years after the full amount of compensable losses can be determined.

(d) Notwithstanding the provisions of this subdivision, claims for compensation that would otherwise be barred by any statute of limitations provided in sections 115B.25 to 115B.37 may be filed not later than January 1, 1992.

Sec. 8. Minnesota Statutes 2000, section 115B.31, subdivision 1, is amended to read:

Subdivision 1. **SUBSEQUENT ACTION OR CLAIM PROHIBITED IN CERTAIN CASES.** (a) A person who has settled a claim for an eligible injury or eligible property damage with a responsible person, either before or after bringing an action in court for that injury or damage, may not file a claim with the account for the same injury or damage. A person who has received a favorable judgment in a court action for an eligible injury or eligible property damage may not file a claim with the account for the same injury or damage, unless the judgment cannot be satisfied in whole or in part against the persons responsible for the release of the harmful substance. A person who has filed a claim with the board agency or its predecessor, the harmful substance compensation board, may not file another claim with the board agency for the same eligible injury or damage, unless the claim was inactivated by the agency or board as provided in section 115B.32, subdivision 1.

(b) A person who has filed a claim with the agency or board for an eligible injury or damage, and who has received and accepted an award from the agency or board, is precluded from bringing an action in court for the same eligible injury or damage.

(c) A person who files a claim with the board agency for personal injury or property damage must include all known claims eligible for compensation in one proceeding before the board agency.

Sec. 9. Minnesota Statutes 2000, section 115B.31, subdivision 2, is amended to read:

Subd. 2. **USE OF PROTECTED INFORMATION AND BOARD AGENCY FINDINGS.** The findings and decision of the board agency are inadmissible in any court action. Protected information may not be used in any court action except to the extent that the information is otherwise available to a party or discovered under the applicable rules of civil or criminal procedure.

Sec. 10. Minnesota Statutes 2000, section 115B.31, subdivision 4, is amended to read:

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**Subd. 4. SIMULTANEOUS CLAIM AND COURT ACTION PROHIBITED.**

A claimant may not commence a court action to recover for any injury or damage for which the claimant seeks compensation from the account during the time that a claim is pending before the board agency. A person may not file a claim with the board agency for compensation for any injury or damage for which the claimant seeks to recover in a pending court action. The time for filing a claim under section 115B.30 or the statute of limitations for any civil action is suspended during the period of time that a claimant is precluded from filing a claim or commencing an action under this subdivision.

Sec. 11. Minnesota Statutes 2000, section 115B.32, is amended to read:

**115B.32 CLAIM FOR COMPENSATION.**

Subdivision 1. **FORM.** A claim for compensation from the account must be filed with the board agency in the form required by the board agency. When a claim does not include all the information required by subdivision 2 and applicable board agency rules, the board agency staff shall notify the claimant of the absence of the required information within 14 days of the filing of the claim. All required information must be received by the board agency not later than 60 days after the claimant received notice of its absence or the claim will be inactivated and may not be resubmitted for at least one year following the date of inactivation. The board agency may decide not to inactivate a claim under this subdivision if it finds serious extenuating circumstances.

Subd. 2. **REQUIRED INFORMATION.** A claimant must provide the following information as part of the claim, provided that nothing in ~~Laws 1985, First Special Session~~ this chapter ~~3~~, shall be construed to require the claimant to initiate a court action before filing a claim:

- (1) a sworn verification by the claimant of the facts set forth in the claim to the best of the claimant's knowledge;
- (2) evidence that the claimant is an eligible person;
- (3) evidence of the claimant's exposure to a named harmful substance;
- (4) evidence that the claimant's exposure to the substance in the amount and duration experienced by the claimant could reasonably have been caused or significantly contributed to by the release of a harmful substance from a facility where the substance was placed or came to be located, to the extent the information is available to the claimant;
- (5) evidence that the exposure experienced by the claimant can cause or can significantly contribute to the injury suffered by the claimant;
- (6) evidence of the injury eligible for compensation suffered by the claimant and the compensable losses resulting from the injury;
- (7) evidence of any property damage eligible for compensation and the amount of compensable losses resulting from the damage;
- (8) information regarding any collateral sources of compensation; and

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(9) other information required by the rules of the board agency.

Subd. 3. **DEATH CLAIMS.** In any case in which death is claimed as a compensable injury, the claim may be brought on behalf of the claimant by the claimant's estate for compensable medical expenses and by the claimant's trustee for death benefits for the claimant's dependents as defined in section 176.111.

Sec. 12. Minnesota Statutes 2000, section 115B.33, is amended to read:

**115B.33 DETERMINATION OF CLAIM.**

Subdivision 1. **STANDARD FOR PERSONAL INJURY.** The board agency shall grant compensation to a claimant who shows that it is more likely than not that:

(1) the claimant suffers a medically verified injury that is eligible for compensation from the account and that has resulted in a compensable loss;

(2) the claimant has been exposed to a harmful substance;

(3) the release of the harmful substance from a facility where the substance was placed or came to be located could reasonably have resulted in the claimant's exposure to the substance in the amount and duration experienced by the claimant; and

(4) the injury suffered by the claimant can be caused or significantly contributed to by exposure to the harmful substance in an amount and duration experienced by the claimant.

Subd. 2. **STANDARD FOR PROPERTY DAMAGE.** The board agency shall grant compensation to a claimant who shows that it is more likely than not that:

(1) the claimant has suffered property damage that is eligible for compensation and that has resulted in compensable loss; and

(2) the presence of the harmful substance in or on the property could reasonably have resulted from the release of the harmful substance from a facility where the substance was placed or came to be located.

Sec. 13. Minnesota Statutes 2000, section 115B.34, is amended to read:

**115B.34 COMPENSABLE LOSSES.**

Subdivision 1. **PERSONAL INJURY LOSSES.** Losses compensable by the account for personal injury are limited to:

(1) medical expenses directly related to the claimant's injury;

(2) up to two-thirds of the claimant's lost wages not to exceed \$2,000 per month or \$24,000 per year;

(3) up to two-thirds of a self-employed claimant's lost income, not to exceed \$2,000 per month or \$24,000 per year;

(4) death benefits to dependents which the board agency shall define by rule subject to the following conditions:

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(i) the rule adopted by the board agency must establish a schedule of benefits similar to that established by section 176.111 and must not provide for the payment of benefits to dependents other than those dependents defined in section 176.111;

(ii) the total benefits paid to all dependents of a claimant must not exceed \$2,000 per month;

(iii) benefits paid to a spouse and all dependents other than children must not continue for a period longer than ten years;

(iv) payment of benefits is subject to the limitations of section 115B.36; and

(5) the value of household labor lost due to the claimant's injury or disease, which must be determined in accordance with a schedule established by the board by rule, not to exceed \$2,000 per month or \$24,000 per year.

Subd. 2. **PROPERTY DAMAGE LOSSES.** (a) Losses compensable by the account for property damage are limited to the following losses caused by damage to the principal residence of the claimant:

(1) the reasonable cost of replacing or decontaminating the primary source of drinking water for the property not to exceed the amount actually expended by the claimant or assessed by a local taxing authority, if the department of health has confirmed that the remedy provides safe drinking water and advised that the water not be used for drinking or determined that the replacement or decontamination of the source of drinking water was necessary, up to a maximum of \$25,000;

(2) losses incurred as a result of a bona fide sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000; and

(3) losses incurred as a result of the inability of an owner in hardship circumstances to sell the property due to the presence of harmful substances, limited to the increase in costs associated with the need to maintain two residences, but not to exceed \$25,000.

(b) In computation of the loss under paragraph (a), clause (3), the board agency shall offset the loss by the amount of any income received by the claimant from the rental of the property.

(c) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a harmful substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a special circumstance of the owner including catastrophic medical expenses, inability of the owner to physically maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

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

(d) Appraisals are subject to ~~board~~ agency approval. The ~~board~~ agency may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision.

Sec. 14. Minnesota Statutes 2000, section 115B.35, subdivision 2, is amended to read:

Subd. 2. **TREATMENT OF PROTECTED INFORMATION.** In making a ~~preliminary~~ preliminary or final decision under this section, the ~~board~~ agency shall examine protected information outside of the presence of the claimant, the claimant's attorney, or any other person except agency staff ~~to the board~~. The ~~board~~ agency, the ~~board's~~ agency's staff, and any other person who obtains access to protected information under this section may not reveal protected information to any person except as provided in this section.

Sec. 15. Minnesota Statutes 2000, section 115B.35, subdivision 3, is amended to read:

Subd. 3. **EVIDENCE ADMISSIBLE IN CLAIM PROCEEDINGS.** In the determination of a claim, the ~~board~~ agency may admit and give probative effect to evidence that possesses probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs. The ~~board~~ agency shall give effect to the rules of privilege recognized by law. The ~~board~~ agency may exclude incompetent, irrelevant, immaterial, and repetitious evidence.

Sec. 16. Minnesota Statutes 2000, section 115B.35, subdivision 4, is amended to read:

Subd. 4. **PRELIMINARY DECISION.** ~~The board member to whom the claim is assigned~~ agency shall review all materials filed in support of the claim and may cause an investigation to be conducted into the validity of the claim. ~~The board member~~ agency may make a preliminary decision on the basis of the papers filed in support of the claim and the report of any investigation of it. The decision must be in writing and include the reasons for the decision, subject to the limitations on disclosure of protected information.

Sec. 17. Minnesota Statutes 2000, section 115B.35, subdivision 8, is amended to read:

Subd. 8. **APPEAL.** A final decision of the ~~board~~ agency made under this section is conclusive on all matters decided. There is no right to judicial review of a final decision of the ~~board~~ agency.

Sec. 18. Minnesota Statutes 2000, section 115B.35, subdivision 9, is amended to read:

Subd. 9. **REMEDIES AND PENALTIES.** ~~A board~~ An agency member, ~~board~~ agency staff person, or other person who reveals protected information in violation of this section is subject to the civil remedies contained in section 13.08 and the penalties in section 13.09.

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

Sec. 19. Minnesota Statutes 2000, section 115B.36, is amended to read:

**115B.36 AMOUNT AND FORM OF PAYMENT.**

If the board agency decides to grant compensation, it shall determine the net uncompensated loss payable to the claimant by computing the total amount of compensable losses payable to the claimant and subtracting the total amount of any compensation received by the claimant for the same injury or damage from other sources including, but not limited to, all forms of insurance and social security and any emergency award made by the board agency. The board agency shall pay compensation in the amount of the net uncompensated loss, provided that no claimant may receive more than \$250,000. In the case of a death, the total amount paid to all persons on behalf of the claimant may not exceed \$250,000.

Compensation from the account may be awarded in a lump sum or in installments at the discretion of the board agency.

Sec. 20. Minnesota Statutes 2000, section 115B.37, is amended to read:

**115B.37 ATTORNEY FEES.**

The board agency may by rule limit the fee charged by any attorney for representing a claimant before the board agency.

Sec. 21. Minnesota Statutes 2000, section 115C.08, subdivision 4, is amended to read:

Subd. 4. **EXPENDITURES.** (a) Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in this chapter;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04;

(4) for training, certification, and rulemaking under sections 116.46 to 116.50;

(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;

(6) for reimbursement of the harmful substance compensation environmental response, compensation, and compliance account under subdivision 5 and section 115B.26, subdivision 4;

(7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;

(8) for corrective action performance audits under section 115C.093; and

(9) for contamination cleanup grants, as provided in paragraph (c).

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

(b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) \$6,200,000 is annually appropriated from the fund to the commissioner of trade and economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend up to \$120,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of trade and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

(1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination; and

(2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum.

Sec. 22. Minnesota Statutes 2000, section 115C.08, subdivision 5, is amended to read:

Subd. 5. **ACCOUNT TRANSFER.** The board shall authorize the commissioner of finance to transfer to the ~~harmful substance compensation~~ environmental response, compensation, and compliance account the amount requested by the ~~harmful substance compensation board~~ pollution control agency under section 115B.26, subdivision 4. Transfer of the amount must be made at the earliest practical date after authorization by the board. If the unencumbered balance in the account is less than \$2,000,000, the transfer must be made at the earliest practical date after the unencumbered balance in the account exceeds that amount.

Sec. 23. **REVISOR INSTRUCTION.**

The revisor shall make the following changes in Minnesota Rules, chapter 7190: substitute "pollution control agency" or "agency" for ~~"harmful substance compensation board" or "board"~~ where it means the ~~harmful substance compensation board~~; substitute "agency" for "director"; substitute "agency staff" or "staff" for ~~"board members" or "member"~~; and substitute "agency" for "board by majority vote."

Sec. 24. **REPEALER.**

Minnesota Statutes 2000, sections 115B.27; and 115B.35, subdivisions 1, 5, and 6; and Minnesota Rules, parts 7190.0001, subparts 2 and 4; 7190.0002; 7190.0003; 7190.0004; 7190.0008, subparts 1 and 2; 7190.0015, subparts 1 and 2; 7190.0100, subpart 2; and 7190.1000, subpart 1, are repealed.

Presented to the governor May 17, 2002

Signed by the governor May 21, 2002, 3:11 p.m.

New language is indicated by underline, deletions by strikeout.