

CHAPTER 2—H.F.No. 273

An act relating to legislation; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 2002, sections 3.85, subdivision 6; 4A.02; 12.37; 13.3806, subdivision 4; 13.383, by adding a subdivision; 13.4963, subdivision 2; 13.4967, by adding a subdivision; 13.585, subdivision 2; 13.6905, by adding a subdivision; 13.7191, subdivision 6; 13.871, subdivisions 5, 6; 14.03, subdivision 2; 14.388; 37.03, subdivision 1; 40A.121; 50.14, subdivision 12; 60K.39, subdivision 1; 62A.27; 62Q.71; 69.021, subdivision 5; 69.041; 79.251, subdivision 1; 79A.02, subdivision 1; 85.015, subdivisions 4, 10; 85.20, subdivision 6; 103B.321, subdivision 1; 103G.245, subdivision 5; 116J.556; 144A.4605, subdivision 4; 144E.41; 147A.01, subdivisions 18, 22; 147A.24, subdivision 2; 168.013, subdivision 1e; 168.61, subdivision 1; 211A.13; 221.021, subdivision 1; 221.0251, subdivision 1; 221.60, subdivision 1; 221.601, subdivision 1; 221.602, subdivisions 1, 2, 3; 222.63, subdivisions 1, 6; 222.86, subdivisions 1, 3; 237.075, subdivision 8; 244.13, subdivision 1; 256B.501, subdivision 11; 260B.163, subdivision 4; 260C.007, subdivision 5; 260C.175, subdivision 1; 270.67, subdivision 2; 270B.03, subdivision 6; 272.67, subdivision 1; 273.1106; 276A.09; 290.0802, subdivision 2; 290.9727, subdivision 3; 290.9728, subdivision 2; 290.9729, subdivision 2; 297A.70, subdivision 7; 299F.40, subdivision 1; 317A.443, subdivision 2; 322B.960, subdivision 4; 325E.26, subdivision 4; 325G.34, subdivision 4; 327C.07, subdivision 7; 354A.31, subdivisions 6, 7; 356.46, subdivision 1; 356.62; 365.46, subdivision 2; 379.05; 398A.04, subdivision 4; 412.021, subdivision 1; 412.091; 414.09, subdivision 3; 465.81, subdivisions 1, 2; 465.82, subdivisions 1, 2; 465.84; 469.057, subdivisions 1, 2; 473.129, subdivision 5; 473F.13, subdivision 1; 473H.14; 487.17; 487.24; 488A.01, subdivision 5; 488A.03, subdivisions 11, 13; 488A.06, subdivisions 2, 3; 488A.11; 488A.18, subdivision 6; 488A.28; 491A.01, subdivision 4; 515B.3-116; 557.09; 572A.015, subdivision 2; 572A.02, subdivision 6; 572A.03, subdivision 5; 609.33, subdivision 6; 609.5317, subdivisions 1, 3; Laws 1997, chapter 203, article 9, section 21, as amended; repealing Minnesota Statutes 2002, sections 2.043; 2.053; 2.063; 2.073; 2.083; 2.093; 2.103; 2.113; 2.123; 2.133; 2.143; 2.153; 2.163; 2.173; 2.183; 2.193; 2.203; 2.213; 2.223; 2.233; 2.243; 2.253; 2.263; 2.273; 2.283; 2.293; 2.303; 2.313; 2.323; 2.333; 2.343; 2.353; 2.363; 2.373; 2.383; 2.393; 2.403; 2.413; 2.423; 2.433; 2.443; 2.453; 2.463; 2.473; 2.483; 2.493; 2.503; 2.513; 2.523; 2.533; 2.543; 2.553; 2.563; 2.573; 2.583; 2.593; 2.603; 2.613; 2.623; 2.633; 2.643; 2.653; 2.663; 2.673; 2.683; 2.693; 2.703; 2.742; 2.752; 2.762; 2.772; 2.782; 2; 792; 2.802; 2.812; 221.121, subdivision 6g; 221.153, subdivision 3; 356.58; 572A.015, subdivision 1; 609.668, subdivision 7; Laws 1997, chapter 233, article 1, section 12; Laws 2000, chapter 395, section 13, subdivision 3; Laws 2001, chapter 195, article 2, section 35; Laws 2002, chapter 223, section 25, subdivision 3; Laws 2002, chapter 243, section 2; Laws 2002, chapter 374, article 8, section 2; Laws 2002, chapter 380, article 4, section 1; Laws 2002, chapter 392, article 12, section 1; Minnesota Rules, parts 2200.0100; 2200.0200; 2200.0300; 2200.0400; 2200.0500; 2200.0600; 2200.0700; 2200.0800; 2200.0900; 2200.1000; 2200.1100; 2200.1200; 2200.1300; 2200.1400; 2200.1500; 2200.1600; 2200.1700; 2200.1800; 2200.1900; 2200.2000; 2200.2100; 2200.3100; 2200.3200; 2200.3300; 2200.3410; 2200.3500; 2200.3600; 2200.3700; 2200.3800; 2200.3900; 2200.4000; 2200.4100; 2200.4200; 2200.4300; 2200.4400; 2200.5000; 2200.5100; 2200.5200; 2200.5300; 2200.5310; 2200.5400; 2200.5500; 2200.6000; 2200.6100; 2200.6200; 2200.6300; 2200.6400; 2200.6500; 2200.6600; 2200.6700; 2200.6800; 2200.6900; 2200.7000; 2200.7100; 2200.7200; 2200.7300; 2200.7400; 2200.7500; 2200.7600; 2200.7700; 2200.7800; 2200.7900; 2200.8000; 2200.8100; 2200.8200; 2200.8300; 2200.8400; 2200.8500; 2200.9000; 2200.9100; 2200.9200; 2200.9300; 2200.9400; 2200.9500; 2200.9600; 2200.9700; 2200.9800; 2205.0100; 2205.0200; 2205.0300; 2205.0400; 2205.0500; 2205.0600; 2205.0700; 2205.0800; 2205.0900; 2205.1000;

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2205.1100; 2205.1200; 2205.1300; 2205.1400; 2205.1500; 4830.6000; 4830.6100; 4830.6200; 4830.6300; 4830.6400; 6100.6000.

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

ARTICLE 1

GENERAL

Section 1. Minnesota Statutes 2002, section 3.85, subdivision 6, is amended to read:

Subd. 6. **ASSISTANCE OF OTHER AGENCIES.** The commission may request information from any state officer or agency or public pension fund or plan as defined in section ~~356.615~~ 356.63, paragraph (b), including a volunteer firefighters' relief association to which sections 69.771 to 69.776 apply, to assist it to carry out the terms of this section. The officer, agency, or public pension fund or plan shall promptly furnish any data requested.

Sec. 2. Minnesota Statutes 2002, section 12.37, is amended to read:

12.37 POLITICAL SUBDIVISION'S POWERS TO FAST PROVIDE EMERGENCY AID.

(a) During an emergency or disaster, each political subdivision, notwithstanding any statutory or charter provision to the contrary, and through its governing body acting within or without the corporate limits of the political subdivision, may:

(1) enter into contracts and incur obligations necessary to combat the disaster by protecting the health and safety of persons and property and by providing emergency assistance to the victims of the disaster; and

(2) exercise the powers vested by this subdivision in the light of the exigencies of the disaster without compliance with time-consuming procedures and formalities prescribed by law pertaining to:

- (i) the performance of public work;
- (ii) entering into contracts;
- (iii) incurring of obligations;
- (iv) employment of temporary workers;
- (v) rental of equipment;
- (vi) purchase of supplies and materials;
- (vii) limitations upon tax levies; and

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(viii) the appropriation and expenditure of public funds, for example, but not limited to, publication of ordinances and resolutions, publication of calls for bids, provisions of civil service laws and rules, provisions relating to low bids, and requirements for budgets.

~~(b) The failure or malfunction of public infrastructure or systems critical to the delivery of municipal services due to year 2000 problems with computers and electronically controlled devices shall constitute an emergency for the purposes of this section.~~

Sec. 3. Minnesota Statutes 2002, 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, 295, 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 2002, section 14.388, is amended to read:

14.388 GOOD CAUSE EXEMPTION.

If an agency for good cause finds that the rulemaking provisions of this chapter are unnecessary, impracticable, or contrary to the public interest when adopting, amending, or repealing a rule to:

- (1) address a serious and immediate threat to the public health, safety, or welfare;
- (2) comply with a court order or a requirement in federal law in a manner that does not allow for compliance with sections 14.14 to 14.28;
- (3) incorporate specific changes set forth in applicable statutes when no interpretation of law is required; or
- (4) make changes that do not alter the sense, meaning, or effect of a rule,

the agency may adopt, amend, or repeal the rule after satisfying the requirements of section 14.386, paragraph (a), clauses (1) to ~~(3)~~ (4). The agency shall incorporate its findings and a brief statement of its supporting reasons in its order adopting, amending, or repealing the rule.

The office of administrative hearings shall determine whether the agency has provided adequate justification for its use of this section.

Rules adopted, amended, or repealed under clauses (1) and (2) are effective for a period of two years from the date of publication of the rule in the State Register.

Rules adopted, amended, or repealed under clause (3) or (4) are effective upon publication in the State Register.

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Sec. 5. Minnesota Statutes 2002, section 37.03, subdivision 1, is amended to read:

Subdivision 1. **MEMBERS.** Members of the state agricultural society must be citizens of this state. The membership is as follows:

(a) Three delegates chosen annually by each agricultural society or association in the state which maintains an active existence, holds annual fairs, and is entitled to share in the state appropriation under the provisions of section 38.02. If one of those societies or associations fails to choose delegates, then its president, secretary, and treasurer, by virtue of their offices, are its delegates. If two fairs receiving state aid are operating in one county, each delegate from each society or association is entitled to one-half vote at regular or special meetings of the state society.

(b) One delegate appointed by the county board of each county in which no county or district agricultural society exists.

(c) Individuals elected by the society as honorary members for having performed eminent services in agriculture, horticulture, or related arts and sciences or long and faithful service in or benefits to the society. Honorary members must be elected by two-thirds vote at any annual meeting. The number of honorary members may not exceed the society's membership and only one honorary member may be elected annually. Each honorary member is entitled to one vote.

(d) Two elected delegates and the president may represent each of the following societies and associations: ~~Red River Valley Winter Shows~~, the Minnesota State Horticultural Society, ~~the State Dairyman's Association~~, the Minnesota Dairy Goat Association, the Minnesota Honey Producers Association, Inc., the Minnesota Live-stock Breeders' Association, the Minnesota Crop Improvement Association, the Minnesota Pork Producers Association, the Minnesota Lamb and Wool Producers Association, the Minnesota Horse Breeders' Association, the Minnesota Veterinary Medical Association, ~~the Minnesota Cattle Breeders' Association~~, the Minnesota Beef Cattle Improvement Association, the Central Livestock Association, the Minnesota State Poultry Association, the Farm Equipment Association, ~~the North Central Florist Association~~ the Minnesota State Florists Association, ~~the Minnesota Garden Flower Society~~, the State Fair Exhibitors' Organization, the Minnesota Federation of County Fairs, the State Minnesota Forestry Association, the Minnesota Horse Council, Minnesota Nurserymen's Nursery and Landscape Association, Minnesota Apple Growers' Association, State Grange of Minnesota, Minnesota Farmers' Union, American Dairy Association of Minnesota the Midwest, and the Minnesota Farm Bureau Federation.

(e) The following societies and associations are entitled to one delegate each: Central Minnesota Vegetable Growers Association, the Minnesota Fruit and Vegetable Growers' Association, Minnesota Shorthorn Breeders' Association, the Minnesota Milking Shorthorn Association, Minnesota Guernsey Breeders' Association, Minnesota Jersey Cattle Club, Minnesota Holstein Association, Minnesota Hereford ~~Association~~ Breeders, Minnesota Aberdeen Angus Breeders' the Minnesota Angus Association, Minnesota Red Polled Breeders', Minnesota Ayreshire Breeders' Association, Minnesota Brown Swiss Association, Minnesota Poland China Breeders' Association,

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Minnesota Duroc Breeders', Minnesota Chester White Association, Minnesota Turkey Growers' Association, Minnesota Gladiolus Society, Minnesota Hampshire Sheep Association, Minnesota Suffolk Sheep Association, North American Dairy Sheep Association, and the Minnesota Berkshire Association.

(f) The societies and associations listed in paragraphs (d) and (e) must be active and statewide in their scope and operation, hold annual meetings, and be incorporated under the laws of the state before they are entitled to a delegate. The societies and associations must file with the secretary of state, on or before December 20, a report showing that the society or association has held a regular annual meeting for that year, a summary of its financial transactions for the current year, and an affidavit of the president and secretary that it has a paid-up membership of at least 25. On or before December 31, the secretary of state shall certify to the secretary of the state agricultural society the names of the societies or associations that have complied with these provisions.

(g) If a society or association ceases to exist or otherwise fails to comply with the requirements of paragraph (f), its membership in the state agricultural society and its right to delegates is terminated and it may be replaced by another society or association representing the same or similar interests and chosen by a majority vote of the members of the society at its next annual meeting.

(h) The members of the board of managers of the state agricultural society are members of the society and entitled to one vote each.

Sec. 6. Minnesota Statutes 2002, section 60K.39, subdivision 1, is amended to read:

Subdivision 1. **ISSUANCE.** Unless denied a license under section ~~62K.41~~ 60K.43, a nonresident person shall receive a nonresident producer license if:

(1) the person is currently licensed as a resident and in good standing in the person's home state;

(2) the person has submitted the proper request for licensure and has paid the fees required by section 60K.55;

(3) the person has submitted or transmitted to the commissioner the application for licensure that the person submitted to the person's home state, or in lieu of the same, a completed Uniform Application; and

(4) the person's home state awards nonresident producer licenses to residents of this state on the same basis.

Sec. 7. Minnesota Statutes 2002, section 62A.27, is amended to read:

62A.27 COVERAGE OF ADOPTED CHILDREN.

(a) A health plan that provides coverage to a Minnesota resident must cover adopted children of the insured, subscriber, participant, or enrollee on the same basis as other dependents. Consequently, the plan shall not contain any provision concerning preexisting condition limitations, insurability, eligibility, or health underwriting ap-

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proval concerning children placed for adoption with the participant.

(b) The coverage required by this section is effective from the date of placement for adoption. For purposes of this section, placement for adoption means the assumption and retention by a person of a legal obligation for total or partial support of a child in anticipation of adoption of the child. The child's placement with a person terminates upon the termination of the legal obligation for total or partial support.

(c) For the purpose of this section, health plan includes:

- (1) coverage offered by community integrated service networks;
- (2) coverage that is designed solely to provide dental or vision care; and
- (3) any plan under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, sections 1001 to 1461.

Sec. 8. Minnesota Statutes 2002, section 62Q.71, is amended to read:

62Q.71 NOTICE TO ENROLLEES.

Each health plan company shall provide to enrollees a clear and concise description of its complaint resolution procedure, if applicable under section 62Q.68, subdivision 1, and the procedure used for utilization review as defined under chapter 62M as part of the member handbook, subscriber contract, or certificate of coverage. If the health plan company does not issue a member handbook, the health plan company may provide the description in another written document. The description must specifically inform enrollees:

- (1) how to submit a complaint to the health plan company;
- (2) if the health plan includes utilization review requirements, how to notify the utilization review organization in a timely manner and how to obtain certification for health care services;
- (3) how to request an appeal either through the procedures described in sections 62Q.69 and 62Q.70 or through the procedures described in chapter 62M;
- (4) of the right to file a complaint with either the commissioner of health or commerce at any time during the complaint and appeal process;
- (5) of the toll-free telephone number of the appropriate commissioner;
- (6) of the telephone number of the office of consumer assistance, advocacy, and information; and
- (7) (6) of the right to obtain an external review under section 62Q.73 and a description of when and how that right may be exercised.

Sec. 9. Minnesota Statutes 2002, section 69.021, subdivision 5, is amended to read:

Subd. 5. **CALCULATION OF STATE AID.** (a) The amount of fire state aid available for apportionment, before the addition of the minimum fire state aid allocation amount under subdivision 7, is equal to 107 percent of the amount of

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premium taxes paid to the state upon the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report. This amount shall be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations.

The total amount for apportionment in respect to fire state aid must not be less than two percent of the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report after subtracting the following amounts:

(1) the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations; and

(2) one percent of the premiums reported by town and farmers' mutual insurance companies and mutual property and casualty companies with total assets of \$5,000,000 or less.

(b) The total amount for apportionment as police state aid is equal to 104 percent of the amount of premium taxes paid to the state on the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report, ~~plus the payment amounts received under section 2971.05, subdivision 8, since the last aid apportionment,~~ and reduced by the amount required to pay the costs and expenses of the state auditor for audits or exams of police relief associations. The total amount for apportionment in respect to the police state aid program must not be less than two percent of the amount of premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report after subtracting the amount required to pay the state auditor's cost and expenses of the audits or exams of the police relief associations.

(c) The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

(d) The amount for apportionment in respect to peace officer state aid under paragraph (b) must be further reduced by \$1,779,000 in fiscal year 1999, \$2,077,000 in fiscal year 2000, and \$2,404,000 in fiscal year 2001. These reductions in this paragraph cancel to the general fund.

(e) In addition to the amount for apportionment of police state aid under paragraph (b), each year \$100,000 shall be apportioned for police state aid. An amount sufficient to pay this increase is annually appropriated from the general fund.

Sec. 10. Minnesota Statutes 2002, section 69.041, is amended to read:

69.041 SHORTFALL FROM GENERAL FUND.

(a) If the annual funding requirements of fire or police relief associations or consolidation accounts under sections 69.77, 69.771 to 69.775, or 353A.09, exceed all applicable revenue sources of a given year, including the insurance premium taxes funding the applicable fire or police state aid as set under section ~~60A.15, subdivision 1, paragraph (e), clauses (1) to (3)~~ 2971.05, subdivisions 2, 3, and 4, the shortfall in the

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annual funding requirements must be paid from the general fund to the extent appropriated by the legislature.

(b) Nothing in this section may be deemed to relieve any municipality from its obligation to a relief association or consolidation account under law.

Sec. 11. Minnesota Statutes 2002, section 79.251, subdivision 1, is amended to read:

Subdivision 1. **GENERAL DUTIES OF COMMISSIONER.** (a)(1) The commissioner shall have all the usual powers and authorities necessary for the discharge of the commissioner's duties under this section and may contract with individuals in discharge of those duties. The commissioner shall audit the reserves established (a) for individual cases arising under policies and contracts of coverage issued under subdivision 4 and (b) for the total book of business issued under subdivision 4. If the commissioner determines on the basis of an audit that there is an excess surplus in the assigned risk plan, the commissioner must notify the commissioner of finance who shall transfer assets of the plan equal to the excess surplus to the budget reserve account in the general fund.

(2) The commissioner shall monitor the operations of section 79.252 and this section and shall periodically make recommendations to the governor and legislature when appropriate, for improvement in the operation of those sections.

(3) All insurers and self-insurance administrators issuing policies or contracts under subdivision 4 shall pay to the commissioner a .25 percent assessment on premiums for policies and contracts of coverage issued under subdivision 4 for the purpose of defraying the costs of performing the duties under clauses (1) and (2). Proceeds of the assessment shall be deposited in the state treasury and credited to the general fund.

(4) The assigned risk plan shall not be deemed a state agency.

(b) As used in this subdivision, "excess surplus" means the amount of assigned risk plan assets in excess of the amount needed to pay all current liabilities of the plan, including, but not limited to:

(1) administrative expenses;

(2) benefit claims; and

(3) if the assigned risk plan is dissolved under subdivision 8, the amounts that would be due insurers who have paid assessments to the plan.

Sec. 12. Minnesota Statutes 2002, section 79A.02, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP.** For the purposes of assisting the commissioner, there is established a workers' compensation self-insurers' advisory committee of five members that are employers authorized to self-insure in Minnesota. Three of the members and three alternates shall be elected by the self-insurers' security fund board of trustees and two members and two alternates shall be appointed by the commis-

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sioner. Notwithstanding section 15.059, subdivision 5a, the advisory committee does not expire June 30, 2001.

Sec. 13. Minnesota Statutes 2002, section 103B.321, subdivision 1, is amended to read:

Subdivision 1. **GENERAL.** The board shall:

(1) develop guidelines for the contents of comprehensive water plans that provide for a flexible approach to meeting the different water and related land resources needs of counties and watersheds across the state;

(2) coordinate assistance of state agencies to counties and other local units of government involved in preparation of comprehensive water plans, including identification of pertinent data and studies available from the state and federal government;

(3) conduct an active program of information and education concerning the requirements and purposes of sections 103B.301 to 103B.355 in conjunction with the association of Minnesota counties;

(4) determine contested cases under section 103B.345;

(5) establish a process for review of comprehensive water plans that assures the plans are consistent with state law; and

(6) ~~report to the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture as required by section 103B.351; and~~

(7) make grants to counties for comprehensive local water planning, implementation of priority actions identified in approved plans, and sealing of abandoned wells.

Sec. 14. Minnesota Statutes 2002, section 103G.245, subdivision 5, is amended to read:

Subd. 5. **DELEGATION OF PERMIT AUTHORITY TO LOCAL UNITS OF GOVERNMENT.** (a) The commissioner may delegate public waters work permit authority to the appropriate county or municipality or to watershed districts or watershed management organizations that have elected to assert local authority over protected waters. The public waters work permit authority must be delegated under guidelines of the commissioner and the delegation must be done by agreement with the involved county, municipality, watershed district, or water management organization and in compliance with section 103G.315.

(b) For projects affecting public waters wetlands and for wetland areas of public waters affected by a public transportation project as determined by the commissioner, the commissioner may waive the requirement for a public waters work permit if the local government unit makes a replacement, no-loss, or exemption determination in compliance with sections 103A.201, 103B.3355, and 103G.222 to ~~103G.2373~~ 103G.2372, and rules adopted pursuant to these same sections.

(c) For projects affecting both public waters and wetlands, the local government unit may, by written agreement with the commissioner, waive the requirement for a

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replacement plan, no-loss, or exemption determination if a public waters work permit is required and the commissioner includes the provisions of sections 103A.201, 103B.3355, and 103G.222 to ~~103G.2373~~ 103G.2372, and rules adopted pursuant to these same sections in the public waters work permit.

Sec. 15. Minnesota Statutes 2002, section 116J.556, is amended to read:

116J.556 LOCAL MATCH REQUIREMENT.

(a) In order to qualify for a grant under sections 116J.551 to 116J.557, the municipality must pay for at least one-quarter of the project costs as a local match. The municipality shall pay an amount of the project costs equal to at least 12 percent of the cleanup costs from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality (excluding tax increments). These unrestricted moneys may be spent for project costs, other than cleanup costs, and qualify for the local match payment equal to 12 percent of cleanup costs. The rest of the local match may be paid with tax increments, regional, state, or federal money available for the redevelopment of brownfields or any other money available to the municipality.

(b) If the development authority establishes a tax increment financing district or hazardous substance subdistrict on the site to pay for part of the local match requirement, ~~the district or subdistrict is not subject to the state aid reductions under section 273.1399. In order to qualify for the exemption from the state aid reductions, the municipality must elect, by resolution, on or before the request for certification is filed that all tax increments from the district or subdistrict will be used exclusively to pay (1) for project costs for the site and (2) administrative costs for the district or subdistrict.~~ the district or subdistrict must be decertified when an amount of tax increments equal to no more than three times the costs of implementing the response action plan for the site and the administrative costs for the district or subdistrict have been received, after deducting the amount of the state grant.

Sec. 16. Minnesota Statutes 2002, section 144A.4605, subdivision 4, is amended to read:

Subd. 4. **LICENSE REQUIRED.** (a) A housing with services establishment registered under chapter 144D that is required to obtain a home care license must obtain an assisted living home care license according to this section or a class A or class E license according to rule. A housing with services establishment that obtains a class E license under this subdivision remains subject to the payment limitations in sections 256B.0913, subdivision 5, paragraph ~~(h)~~ (g), and 256B.0915, subdivision 3, paragraph ~~(g)~~ (i).

(b) A board and lodging establishment registered for special services as of December 31, 1996, and also registered as a housing with services establishment under chapter 144D, must deliver home care services according to sections 144A.43 to 144A.47, and may apply for a waiver from requirements under Minnesota Rules, parts 4668.0002 to 4668.0240, to operate a licensed agency under the standards of section 157.17. Such waivers as may be granted by the department will expire upon

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promulgation of home care rules implementing section 144A.4605.

(c) An adult foster care provider licensed by the department of human services and registered under chapter 144D may continue to provide health-related services under its foster care license until the promulgation of home care rules implementing this section.

(d) An assisted living home care provider licensed under this section must comply with the disclosure provisions of section 325F.72 to the extent they are applicable.

Sec. 17. Minnesota Statutes 2002, section 144E.41, is amended to read:

144E.41 PROGRAM ELIGIBILITY; QUALIFIED AMBULANCE SERVICE PERSONNEL.

(a) Persons eligible to participate in the ambulance service personnel longevity award and incentive program are qualified ambulance service personnel.

(b) Qualified ambulance service personnel are ambulance attendants, ambulance drivers, and ambulance service medical directors or medical advisors who meet the following requirements:

(1) employment of the person by or provision by the person of service to an ambulance service that is licensed as such by the state of Minnesota and that provides ambulance services that are generally available to the public and are free of unfair discriminatory practices under chapter 363;

(2) performance by the person during the 12 months ending as of the immediately previous June 30 of all or a predominant portion of the person's services in the state of Minnesota or on behalf of Minnesota residents, as verified by August 1 annually in an affidavit from the chief administrative officer of the ambulance service;

(3) current certification of the person during the 12 months ending as of the immediately previous June 30 by the Minnesota department of health board as an ambulance attendant, ambulance driver, or ambulance service medical director or medical advisor under section 144E.265 or 144E.28, and supporting rules, and current active ambulance service employment or service provision status of the person, as verified by August 1 annually in an affidavit from the chief administrative officer of the ambulance service; and

(4) conformance by the person with the definition of the phrase "volunteer ambulance attendant" under section 144E.001, subdivision 15, except that for the salary limit specified in that provision there must be substituted, for purposes of this section only, a limit of \$3,000 for calendar year 1993, and \$3,000 multiplied by the cumulative percentage increase in the national Consumer Price Index, all items, for urban wage earners and clerical workers, as published by the federal Department of Labor, Bureau of Labor Statistics, since December 31, 1993, and for an ambulance service medical director, conformance based solely on the person's hourly stipends or salary for service as a medical director.

(c) The term "active ambulance service employment or service provision status" means being in good standing with and on the active roster of the ambulance service making the certification.

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(d) The maximum period of ambulance service employment or service provision for which a person may receive credit towards an award under this chapter, including prior service credit under section 144E.45, subdivision 2, paragraph (c), is 20 years.

(e) For a person who is employed by or provides service to more than one ambulance service concurrently during any period during the 12-month period, credit towards an award under this chapter is limited to one ambulance service during any period. The creditable period is with the ambulance service for which the person undertakes the greatest portion of employment or service hours.

Sec. 18. Minnesota Statutes 2002, section 147A.01, subdivision 18, is amended to read:

Subd. 18. **PHYSICIAN ASSISTANT OR REGISTERED PHYSICIAN ASSISTANT.** "Physician assistant" or "registered physician assistant" means a person registered pursuant to this ~~section~~ chapter who is qualified by academic or practical training or both to provide patient services as specified in this chapter, under the supervision of a supervising physician.

Sec. 19. Minnesota Statutes 2002, section 147A.01, subdivision 22, is amended to read:

Subd. 22. **REGISTRATION.** "Registration" is the process by which the board determines that an applicant has been found to meet the standards and qualifications found in this ~~section~~ chapter.

Sec. 20. Minnesota Statutes 2002, section 147A.24, subdivision 2, is amended to read:

Subd. 2. **TYPE OF EDUCATION REQUIRED.** Approved continuing education is approved if it is equivalent to category 1 credit hours as defined by the American Osteopathic Association Bureau of Professional Education, the Royal College of Physicians and Surgeons of Canada, the American Academy of Physician Assistants, or by organizations that have reciprocal arrangements with the physician recognition award program of the American Medical Association.

Sec. 21. Minnesota Statutes 2002, section 211A.13, is amended to read:

211A.13 PROHIBITED TRANSFERS.

A candidate for political subdivision office must not accept contributions from the principal campaign committee of a candidate as defined in section 10A.01, subdivision 5 34. A candidate for political subdivision office must not make contributions to a principal campaign committee, unless the contribution is made from the personal funds of the candidate for political subdivision office.

Sec. 22. Minnesota Statutes 2002, section 221.021, subdivision 1, is amended to read:

Subdivision 1. **REGISTRATION CERTIFICATE OR PERMIT REQUIRED.** No person may operate as a motor carrier or advertise or otherwise hold out as a motor carrier without a certificate of registration or permit in effect. A certificate or permit

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may be suspended or revoked upon conviction of violating a provision of sections 221.011 to 221.296 or an order or rule of the commissioner governing the operation of motor carriers, and upon a finding by the court that the violation was willful. The commissioner may, for good cause after a hearing, suspend or revoke a certificate or permit for a violation of a provision of sections 221.011 to 221.296 or an order issued or rule adopted by the commissioner or heard under this chapter.

Sec. 23. Minnesota Statutes 2002, section 237.075, subdivision 8, is amended to read:

Subd. 8. **CHARITABLE CONTRIBUTION.** The commission shall allow as operating expenses only those 50 percent of the qualified charitable contributions which the commission deems prudent and which qualify under section 290.21, subdivision 3, clause (b) or (c). Only 50 percent of the qualified contributions shall be allowed as operating expenses for the use of any community chest, corporation, trust, fund, association, foundation, or organization, and only as long as the use is exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes or for the prevention of cruelty to children or animals. No part of a charitable contribution may inure to the benefit of any private stockholder or individual.

Sec. 24. Minnesota Statutes 2002, section 244.13, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** The commissioner of corrections shall establish programs for those designated by the commissioner to serve all or part of a sentence on intensive community supervision or all or part of a supervised release or parole term on intensive supervised release. The adoption and modification of policies and procedures to implement sections 244.05, subdivision 6, and 244.12 to 244.15 are not subject to the rulemaking procedures of chapter 14 because these policies and procedures are excluded from the definition of a rule under section 14.03, subdivision 3, paragraph (b), clause (2) (1). The commissioner shall locate the programs so that at least one-half of the money appropriated for the programs in each year is used for programs in Community Corrections Act counties. In awarding contracts for intensive supervision programs in Community Corrections Act counties, the commissioner shall give first priority to programs that utilize county employees as intensive supervisors and shall give second priority to programs that utilize state employees as intensive supervisors. The commissioner may award contracts to other providers in Community Corrections Act counties only if doing so will result in a significant cost savings or a significant increase in the quality of services provided, and only after notifying the chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy.

Sec. 25. Minnesota Statutes 2002, section 260B.163, subdivision 4, is amended to read:

Subd. 4. **APPOINTMENT OF COUNSEL.** (a) The child, parent, guardian or custodian has the right to effective assistance of counsel in connection with a proceeding in juvenile court. This right does not apply to a child who is charged with

a juvenile petty offense as defined in section 260B.007, subdivision 15 16, unless the child is charged with a third or subsequent juvenile alcohol or controlled substance offense and may be subject to the alternative disposition described in section 260B.235, subdivision 6.

(b) The court shall appoint counsel, or stand-by counsel if the child waives the right to counsel, for a child who is:

(1) charged by delinquency petition with a gross misdemeanor or felony offense; or

(2) the subject of a delinquency proceeding in which out-of-home placement has been proposed.

(c) If they desire counsel but are unable to employ it, the court shall appoint counsel to represent the child or the parents or guardian in any case in which it feels that such an appointment is appropriate, except a juvenile petty offender who does not have the right to counsel under paragraph (a).

(d) Counsel for the child shall not also act as the child's guardian ad litem.

Sec. 26. Minnesota Statutes 2002, section 260C.007, subdivision 5, is amended to read:

Subd. 5. **CHILD ABUSE.** "Child abuse" means an act that involves a minor victim and that constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.2242, 609.322, ~~609.323~~, 609.324, 609.342, 609.343, 609.344, 609.345, 609.377, 609.378, 617.246, or an act committed in another state that involves a minor victim and would constitute a violation of one of these sections if committed in this state.

Sec. 27. Minnesota Statutes 2002, section 260C.175, subdivision 1, is amended to read:

Subdivision 1. **IMMEDIATE CUSTODY.** No child may be taken into immediate custody except:

(a) with an order issued by the court in accordance with the provisions of section 260C.151, subdivision 5 6, or Laws 1997, chapter 239, article 10, section 10, paragraph (a), clause (3), or 12, paragraph (a), clause (3), or by a warrant issued in accordance with the provisions of section 260C.154;

(b) by a peace officer:

(1) when a child has run away from a parent, guardian, or custodian, or when the peace officer reasonably believes the child has run away from a parent, guardian, or custodian; or

(2) when a child is found in surroundings or conditions which endanger the child's health or welfare or which such peace officer reasonably believes will endanger the child's health or welfare. If an Indian child is a resident of a reservation or is domiciled on a reservation but temporarily located off the reservation, the taking of the child into custody under this clause shall be consistent with the Indian Child Welfare Act of 1978,

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United States Code, title 25, section 1922;

(c) by a peace officer or probation or parole officer when it is reasonably believed that the child has violated the terms of probation, parole, or other field supervision; or

(d) by a peace officer or probation officer under section 260C.143, subdivision 1 or 4.

Sec. 28. Minnesota Statutes 2002, section 270.67, subdivision 2, is amended to read:

Subd. 2. **EXTENSION AGREEMENTS.** When any portion of any tax payable to the commissioner of revenue together with interest and penalty thereon, if any, has not been paid, the commissioner may extend the time for payment for a further period. When the authority of this section is invoked, the extension shall be evidenced by written agreement signed by the taxpayer and the commissioner, stating the amount of the tax with penalty and interest, if any, and providing for the payment of the amount in installments. The agreement may contain a confession of judgment for the amount and for any unpaid portion thereof and ~~shall~~. If the agreement contains a confession of judgment, the confession of judgment must provide that the commissioner may forthwith enter judgment against the taxpayer in the district court of the county of residence as shown upon the taxpayer's tax return for the unpaid portion of the amount specified in the extension agreement. The agreement shall provide that it can be terminated, after notice by the commissioner, if information provided by the taxpayer prior to the agreement was inaccurate or incomplete, collection of the tax covered by the agreement is in jeopardy, there is a subsequent change in the taxpayer's financial condition, the taxpayer has failed to make a payment due under the agreement, or the taxpayer has failed to pay any other tax or file a tax return coming due after the agreement. The notice must be given at least 14 calendar days prior to termination, and shall advise the taxpayer of the right to request a reconsideration from the commissioner of whether termination is reasonable and appropriate under the circumstances. A request for reconsideration does not stay collection action beyond the 14-day notice period. If the commissioner has reason to believe that collection of the tax covered by the agreement is in jeopardy, the commissioner may proceed under sections 270.70, subdivision 2, paragraph (b), and 270.274, and terminate the agreement without regard to the 14-day period. The commissioner may accept other collateral the commissioner considers appropriate to secure satisfaction of the tax liability. The principal sum specified in the agreement shall bear interest at the rate specified in section 270.75 on all unpaid portions thereof until the same has been fully paid or the unpaid portion thereof has been entered as a judgment. The judgment shall bear interest at the rate specified in section 270.75. If it appears to the commissioner that the tax reported by the taxpayer is in excess of the amount actually owing by the taxpayer, the extension agreement or the judgment entered pursuant thereto shall be corrected. If after making the extension agreement or entering judgment with respect thereto, the commissioner determines that the tax as reported by the taxpayer is less than the amount actually due, the commissioner shall assess a further tax in accordance with the provisions of law applicable to the tax. The authority granted to the commissioner by this section is in addition to any other authority granted to the commissioner by law to extend the time

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of payment or the time for filing a return and shall not be construed in limitation thereof.

Sec. 29. Minnesota Statutes 2002, section 270B.03, subdivision 6, is amended to read:

Subd. 6. **INVESTIGATIVE DATA.** For purposes of any law administered by the department of revenue, including laws not listed in section 270B.01, subdivision 8, investigative data collected or created by the department of revenue in order to prepare a case against a person, whether known or unknown, for the commission of a crime is confidential or protected nonpublic during an investigation. When the investigation becomes inactive, as defined in section 13.82, subdivision 5 7, the data is private or nonpublic.

Sec. 30. Minnesota Statutes 2002, section 273.1106, is amended to read:

273.1106 REPORT TO LEGISLATURE; LIMITED MARKET VALUE; VALUATION EXCLUSION.

By March 1 of each year, the commissioner of revenue shall make a report to the legislature on the use of limited market value under section ~~273.13~~ 273.11, subdivision 1a, and the valuation exclusion under section ~~273.13~~ 273.11, subdivision 16. For the limited market value provision, the report shall include the total value excluded from taxation by type of property for each city and town. For the valuation exclusion provision, the report shall include the total market value excluded from taxation for each city and town, as well as a breakdown of the excluded improvement amounts by age and value of the property being improved and the amount of the qualifying improvement. The county assessors shall provide the information necessary for the commissioner to compile the report in a manner prescribed by the commissioner.

Sec. 31. Minnesota Statutes 2002, section 290.0802, subdivision 2, is amended to read:

Subd. 2. **SUBTRACTION.** (a) A qualified individual is allowed a subtraction from federal taxable income of the individual's subtraction base amount. The excess of the subtraction base amount over the taxable net income computed without regard to the subtraction for the elderly or disabled under section 290.01, subdivision 19b, clause ~~(5)~~ (4), may be used to reduce the amount of a lump sum distribution subject to tax under section 290.032.

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

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

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

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

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

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

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

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

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

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

Sec. 32. Minnesota Statutes 2002, section 290.9727, subdivision 3, is amended to read:

Subd. 3. **TAXABLE NET INCOME.** For purposes of this section, taxable net income means the lesser of:

(1) the recognized built-in gains of the S corporation for the taxable year, as determined under section 1374 of the Internal Revenue Code, subject to the modifications provided in section 290.01, subdivision 19f, that are allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, as determined under section 1374(d)(4) of the Internal Revenue Code, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20; ~~less the deduction for charitable contributions in section 290.21, subdivision 3.~~

Sec. 33. Minnesota Statutes 2002, section 290.9728, subdivision 2, is amended to read:

Subd. 2. **TAXABLE INCOME.** For purposes of this section, taxable income means the lesser of:

(1) the amount of the net capital gain of the S corporation for the taxable year, as determined under sections 1222 and 1374 of the Internal Revenue Code, and subject to the modifications provided in section 290.01, subdivisions 19e and 19f, in excess of \$25,000 that is allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20; ~~less the deduction for charitable contributions in section 290.21, subdivision 3.~~

Sec. 34. Minnesota Statutes 2002, section 290.9729, subdivision 2, is amended to read:

Subd. 2. **TAXABLE INCOME.** For the purposes of this section, taxable income means the lesser of:

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(1) the amount of the S corporation's excess net passive income, as determined under section 1375 of the Internal Revenue Code, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, as determined under section 1374(d)(4) of the Internal Revenue Code, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20, ~~less the deduction for charitable contributions in section 290.21, subdivision 3.~~

Sec. 35. Minnesota Statutes 2002, section 297A.70, subdivision 7, is amended to read:

Subd. 7. **HOSPITALS AND OUTPATIENT SURGICAL CENTERS.** (a) Sales, except for those listed in paragraph (c), to a hospital are exempt, if the items purchased are used in providing hospital services. For purposes of this subdivision, "hospital" means a hospital organized and operated for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, and licensed under chapter 144 or by any other jurisdiction, and "hospital services" are services authorized or required to be performed by a "hospital" under chapter 144.

(b) Sales, except for those listed in paragraph (c), to an outpatient surgical center are exempt, if the items purchased are used in providing outpatient surgical services. For purposes of this subdivision, "outpatient surgical center" means an outpatient surgical center organized and operated for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, and licensed under chapter 144 or by any other jurisdiction. For the purposes of this subdivision, "outpatient surgical services" means: (1) services authorized or required to be performed by an outpatient surgical center under chapter 144; and (2) urgent care. For purposes of this subdivision, "urgent care" means health services furnished to a person whose medical condition is sufficiently acute to require treatment unavailable through, or inappropriate to be provided by, a clinic or physician's office, but not so acute as to require treatment in a hospital emergency room.

(c) This exemption does not apply to the following products and services:

(1) purchases made by a clinic, physician's office, or any other medical facility not operating as a hospital or outpatient surgical center, even though the clinic, office, or facility may be owned and operated by a hospital or outpatient surgical center;

(2) sales under section 297A.61, subdivisions 3, ~~paragraph (d), and 16, paragraph (e)~~ paragraphs (d) and (g), clause (2);

(3) building and construction materials used in constructing buildings or facilities that will not be used principally by the hospital or outpatient surgical center;

(4) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the

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construction, alteration, or repair of a hospital or outpatient surgical center; or

(5) the leasing of a motor vehicle as defined in section 297B.01, subdivision 5.

(d) A limited liability company also qualifies for exemption under this subdivision if (1) it consists of a sole member that would qualify for the exemption, and (2) the items purchased qualify for the exemption.

Sec. 36. Minnesota Statutes 2002, section 317A.443, subdivision 2, is amended to read:

Subd. 2. **METHODS.** Unless otherwise provided in the articles or bylaws, members may take action at a meeting by voice or ballot, by unanimous action without a meeting under section 317A.445, by written ballot under section 317A.447, or by electronic communication under section ~~317A.449~~ 317A.450.

Sec. 37. Minnesota Statutes 2002, section 322B.960, subdivision 4, is amended to read:

Subd. 4. **PENALTY.** (a) A domestic limited liability company that has not filed a registration pursuant to the requirements of subdivision ~~3~~ 2, is administratively terminated. The secretary of state shall issue a certificate of administrative termination which must be filed in the office of the secretary of state. The secretary of state must also make available in an electronic format the names of the terminated limited liability companies.

(b) A non-Minnesota limited liability company that has not filed a registration pursuant to the requirements of subdivision ~~3~~ 2, shall have its authority to do business in Minnesota revoked. The secretary of state must issue a certificate of revocation which must be filed in the office of the secretary of state. The secretary of state must also make available in an electronic format the names of the revoked non-Minnesota limited liability companies.

Sec. 38. Minnesota Statutes 2002, section 325E.26, subdivision 4, is amended to read:

Subd. 4. **COMMERCIAL TELEPHONE SOLICITATION.** "Commercial telephone solicitation" means any unsolicited call to a residential subscriber when the person initiating the call has not had a prior business or personal relationship with the subscriber, and when the purpose of the call is to solicit the purchase or the consideration of purchase of goods or services by the subscriber. Commercial telephone solicitation does not include calls initiated by organizations listed in Minnesota Statutes 2000, section 290.21, subdivision 3, clauses (a) to (e).

Sec. 39. Minnesota Statutes 2002, section 354A.31, subdivision 6, is amended to read:

Subd. 6. **REDUCED RETIREMENT ANNUITY.** This subdivision applies only to a person who first became a coordinated member or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4,

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paragraph ~~(b)~~ (c), or subdivision 4a, paragraph (c), in conjunction with this subdivision than when calculated under subdivision 4, paragraph ~~(e)~~ (d), or subdivision 4a, paragraph (d), in conjunction with subdivision 7.

(a) Upon retirement at an age before normal retirement age with three years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph ~~(b)~~ (c), or subdivision 4a, paragraph (c), reduced by one-quarter of one percent for each month that the coordinated member is under normal retirement age if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit.

(b) Any coordinated member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph ~~(b)~~ (c), or subdivision 4a, paragraph (c), without any reduction by reason of early retirement.

Sec. 40. Minnesota Statutes 2002, section 354A.31, subdivision 7, is amended to read:

Subd. 7. **ACTUARIAL REDUCTION FOR EARLY RETIREMENT.** This subdivision applies to a person who has become at least 55 years old and first becomes a coordinated member after June 30, 1989, and to any other coordinated member who has become at least 55 years old and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4, paragraph ~~(e)~~ (d), and subdivision 4a, paragraph (d), in conjunction with this subdivision than when calculated under subdivision 4, paragraph ~~(b)~~ (c), or subdivision 4a, paragraph (c), in conjunction with subdivision 6. A coordinated member who retires before the full benefit age shall be paid the retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph ~~(e)~~ (d), or subdivision 4a, paragraph (d), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 41. Minnesota Statutes 2002, section 356.46, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** As used in this section, each of the following terms shall have the meaning given.

(a) "Annuity form" means the payment procedure and duration of a retirement annuity or disability benefit available to a member of a public pension fund, based on the period over which a retirement annuity or disability benefit is payable, determined by the number of persons to whom the retirement annuity or disability benefit is payable, and the amount of the retirement annuity or disability benefit which is payable to each person.

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(b) "Joint and survivor optional annuity" means an optional annuity form which provides a retirement annuity or disability benefit to a retired member and the spouse of the member on a joint basis during the lifetime of the retired member and all or a portion of the original retirement annuity or disability benefit amount to the surviving spouse in the event of the death of the retired member.

(c) "Optional annuity form" means an annuity form which is elected by a member and is not provided automatically as the standard annuity form of the public pension plan.

(d) "Public pension plan" means a public pension plan as defined under section ~~356.615~~ 356.63, paragraph (b).

(e) "Retirement annuity" means a series of monthly payments to which a former or retired member of a public pension fund is entitled due to attaining a specified age and acquiring credit for a specified period of service, which includes a retirement annuity, retirement allowance, or service pension.

(f) "Disability benefit" means a series of monthly payments to which a former or disabled member of a public pension fund is entitled due to a physical or mental inability to engage in specified employment.

Sec. 42. Minnesota Statutes 2002, section 356.62, is amended to read:

356.62 PAYMENT OF EMPLOYEE CONTRIBUTION.

(a) For purposes of any public pension plan, as defined in section ~~356.615~~ 356.63, 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 under 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 must be treated as employer contributions in determining tax treatment under 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.

(b) Employee contributions that are picked up must 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 must 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.

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(c) For any calendar year in which withholding has been reduced under 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 must 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 must apply to the extent not inconsistent with the provisions of this section.

Sec. 43. Minnesota Statutes 2002, section 469.057, subdivision 2, is amended to read:

Subd. 2. **SEAPORT CONTROL LIMITED.** Neither the department of public service nor a successor agency, if any, has ~~no~~ jurisdiction over a seaway port authority for the following matters to the extent they are connected with handling interstate commerce:

- (1) charges for stevedoring of vessels;
 - (2) receiving and delivering cargo for vessels;
 - (3) car and truck unloading and loading cargo for vessels;
 - (4) watching cargo for vessels;
 - (5) charges to vessels for use of facilities;
 - (6) charges against railroad, trucking companies or shippers for use of facilities;
- and
- (7) delivery and warehouse charges for cargo to and from and in warehouses on seaway port authority property.

Sec. 44. Laws 1997, chapter 203, article 9, section 21, as amended by Laws 1998, chapter 407, article 6, section 111, Laws 2000, chapter 488, article 10, section 28, and Laws 2001 First Special Session chapter 9, article 10, section 62, is amended to read:

Sec. 21. INELIGIBILITY FOR STATE FUNDED PROGRAMS.

(a) Effective on the date specified, the following persons will be ineligible for general assistance and general assistance medical care under Minnesota Statutes, chapter 256D, group residential housing under Minnesota Statutes, chapter 256I, and MFIP assistance under Minnesota Statutes, chapter 256J, funded with state money:

- (1) Beginning July 1, 2002, persons who are terminated from or denied Supplemental Security Income due to the 1996 changes in the federal law making persons whose alcohol or drug addiction is a material factor contributing to the person's disability ineligible for Supplemental Security Income, and are eligible for general assistance under Minnesota Statutes, section 256D.05, subdivision 1, paragraph (a), clause (15), general assistance medical care under Minnesota Statutes, chapter 256D, or group residential housing under Minnesota Statutes, chapter 256I;

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(2) Beginning July 1, ~~2002~~ 2003, legal noncitizens who are ineligible for Supplemental Security Income due to the 1996 changes in federal law making certain noncitizens ineligible for these programs due to their noncitizen status; and

(3) Beginning July 1, 2003, legal noncitizens who are eligible for MFIP assistance, either the cash assistance portion or the food assistance portion, funded entirely with state money.

(b) State money that remains unspent due to changes in federal law enacted after May 12, 1997, that reduce state spending for legal noncitizens or for persons whose alcohol or drug addiction is a material factor contributing to the person's disability, or enacted after February 1, 1998, that reduce state spending for food benefits for legal noncitizens shall not cancel and shall be deposited in the TANF reserve account.

EFFECTIVE DATE. This section is effective retroactive to July 1, 2001.

Sec. 45. REPEALERS; OBSOLETE OR REDUNDANT LANGUAGE; TECHNICAL CONFLICTS.

Subdivision 1. OBSOLETE DISTRICTS. Minnesota Statutes 2002, sections 2.043; 2.053; 2.063; 2.073; 2.083; 2.093; 2.103; 2.113; 2.123; 2.133; 2.143; 2.153; 2.163; 2.173; 2.183; 2.193; 2.203; 2.213; 2.223; 2.233; 2.243; 2.253; 2.263; 2.273; 2.283; 2.293; 2.303; 2.313; 2.323; 2.333; 2.343; 2.353; 2.363; 2.373; 2.383; 2.393; 2.403; 2.413; 2.423; 2.433; 2.443; 2.453; 2.463; 2.473; 2.483; 2.493; 2.503; 2.513; 2.523; 2.533; 2.543; 2.553; 2.563; 2.573; 2.583; 2.593; 2.603; 2.613; 2.623; 2.633; 2.643; 2.653; 2.663; 2.673; 2.683; 2.693; 2.703; 2.742; 2.752; 2.762; 2.772; 2.782; 2.792; 2.802; and 2.812, are repealed.

Subd. 2. OBSOLETE ARMORED CARRIER PROVISIONS. Minnesota Statutes 2002, sections 221.121, subdivision 6g, and 221.153, subdivision 3, are repealed.

Subd. 3. REDUNDANT SECTION. Minnesota Statutes 2002, section 356.58, is repealed.

Subd. 4. OBSOLETE REPORT. Minnesota Statutes 2002, section 609.668, subdivision 7, is repealed.

Subd. 5. CONFLICT; FIRE AND POLICE INSURANCE LANGUAGE. Laws 1997, chapter 233, article 1, section 12, is repealed.

Subd. 6. CONFLICT; REGISTRATION FORM; DOMESTIC LIMITED LIABILITY COMPANY. Laws 2000, chapter 395, section 13, subdivision 3, is repealed effective January 1, 2001.

Subd. 7. CONFLICT; AGRICULTURAL LIENS. Laws 2001, chapter 195, article 2, section 35, is repealed.

Subd. 8. REDUNDANT SOCIAL SECURITY DEFINITION. Laws 2002, chapter 243, section 2, is repealed.

Subd. 9. CONFLICT; WORKERS' COMPENSATION INSURANCE LANGUAGE. Laws 2002, chapter 374, article 8, section 2, is repealed.

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Subd. 10. CONFLICT; REDEVELOPMENT PROJECTS LANGUAGE. Laws 2002, chapter 380, article 4, section 1, is repealed.

Subd. 11. CONFLICT; STATE RETIREMENT SYSTEMS LANGUAGE. Laws 2002, chapter 392, article 12, section 1, is repealed.

Subd. 12. OBSOLETE BOARD OF BOXING RULES. Minnesota Rules, parts 2200.0100; 2200.0200; 2200.0300; 2200.0400; 2200.0500; 2200.0600; 2200.0700; 2200.0800; 2200.0900; 2200.1000; 2200.1100; 2200.1200; 2200.1300; 2200.1400; 2200.1500; 2200.1600; 2200.1700; 2200.1800; 2200.1900; 2200.2000; 2200.2100; 2200.3100; 2200.3200; 2200.3300; 2200.3410; 2200.3500; 2200.3600; 2200.3700; 2200.3800; 2200.3900; 2200.4000; 2200.4100; 2200.4200; 2200.4300; 2200.4400; 2200.5000; 2200.5100; 2200.5200; 2200.5300; 2200.5310; 2200.5400; 2200.5500; 2200.6000; 2200.6100; 2200.6200; 2200.6300; 2200.6400; 2200.6500; 2200.6600; 2200.6700; 2200.6800; 2200.6900; 2200.7000; 2200.7100; 2200.7200; 2200.7300; 2200.7400; 2200.7500; 2200.7600; 2200.7700; 2200.7800; 2200.7900; 2200.8000; 2200.8100; 2200.8200; 2200.8300; 2200.8400; 2200.8500; 2200.9000; 2200.9100; 2200.9200; 2200.9300; 2200.9400; 2200.9500; 2200.9600; 2200.9700; 2200.9800; 2205.0100; 2205.0200; 2205.0300; 2205.0400; 2205.0500; 2205.0600; 2205.0700; 2205.0800; 2205.0900; 2205.1000; 2205.1100; 2205.1200; 2205.1300; 2205.1400; and 2205.1500, are repealed.

Subd. 13. OBSOLETE HIGHER EDUCATION RULES. Minnesota Rules, parts 4830.6000; 4830.6100; 4830.6200; 4830.6300; and 4830.6400, are repealed.

Subd. 14. REVISOR INSTRUCTION; OBSOLETE DNR FORMS. Minnesota Rules, part 6100.6000, is repealed. The revisor of statutes shall delete references to part 6100.6000 found in Minnesota Rules.

ARTICLE 2

OBSOLETE LANDLORD-TENANT TERMINOLOGY

Section 1. Minnesota Statutes 2002, section 13.585, subdivision 2, is amended to read:

Subd. 2. CONFIDENTIAL DATA. The following data on individuals maintained by the housing agency are classified as confidential data, pursuant to section 13.02, subdivision 3: correspondence between the agency and the agency's attorney containing data collected as part of an active investigation undertaken for the purpose of the commencement or defense of potential or actual litigation, including but not limited to: referrals to the office of the inspector general or other prosecuting agencies for possible prosecution for fraud; initiation of lease terminations and ~~unlawful detainer~~ eviction actions; admission denial hearings concerning prospective tenants; commencement of actions against independent contractors of the agency; and tenant grievance hearings.

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Sec. 2. Minnesota Statutes 2002, section 256B.501, subdivision 11, is amended to read:

Subd. 11. **INVESTMENT PER BED LIMITS, INTEREST EXPENSE LIMITATIONS, AND ARM'S-LENGTH LEASES.** (a) The provisions of Minnesota Rules, part 9553.0075, except as modified under this subdivision, shall apply to newly constructed or established facilities that are certified for medical assistance on or after May 1, 1990.

(b) For purposes of establishing payment rates under this subdivision and Minnesota Rules, parts 9553.0010 to 9553.0080, the term "newly constructed or newly established" means a facility (1) for which a need determination has been approved by the commissioner under sections 252.28 and 252.291; (2) whose program is newly licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, and certified under Code of Federal Regulations, title 42, section 442.400, et seq.; and (3) that is part of a proposal that meets the requirements of section 252.291, subdivision 2, paragraph (2). The term does not include a facility for which a need determination was granted solely for other reasons such as the relocation of a facility; a change in the facility's name, program, number of beds, type of beds, or ownership; or the sale of a facility, unless the relocation of a facility to one or more service sites is the result of a closure of a facility under section 252.292, in which case clause (3) shall not apply. The term does include a facility that converts more than 50 percent of its licensed beds from class A to class B residential or class B institutional to serve persons discharged from state regional treatment centers on or after May 1, 1990, in which case clause (3) does not apply.

(c) Newly constructed or newly established facilities that are certified for medical assistance on or after May 1, 1990, shall be allowed the capital asset investment per bed limits as provided in clauses (1) to (4).

(1) The 1990 calendar year investment per bed limit for a facility's land must not exceed \$5,700 per bed for newly constructed or newly established facilities in Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, Carver, Chisago, Isanti, Wright, Benton, Sherburne, Stearns, St. Louis, Clay, and Olmsted counties, and must not exceed \$3,000 per bed for newly constructed or newly established facilities in other counties.

(2) The 1990 calendar year investment per bed limit for a facility's depreciable capital assets must not exceed \$44,800 for class B residential beds, and \$45,200 for class B institutional beds.

(3) The investment per bed limit in clause (2) must not be used in determining the three-year average percentage increase adjustment in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (4), for facilities that were newly constructed or newly established before May 1, 1990.

(4) The investment per bed limits in clause (2) and Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (2) shall be adjusted annually beginning January 1, 1991, and each January 1 following, as provided in Minnesota Rules, part

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9553.0060, subpart 1, item C, subitem (2), except that the index utilized will be the Bureau of the Census: Composite fixed-weighted price index as published in the Survey of Current Business.

(d) A newly constructed or newly established facility's interest expense limitation as provided for in Minnesota Rules, part 9553.0060, subpart 3, item F, on capital debt for capital assets acquired during the interim or settle-up period, shall be increased by 2.5 percentage points for each full .25 percentage points that the facility's interest rate on its mortgage is below the maximum interest rate as established in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2). For all following rate periods, the interest expense limitation on capital debt in Minnesota Rules, part 9553.0060, subpart 3, item F, shall apply to the facility's capital assets acquired, leased, or constructed after the interim or settle-up period. If a newly constructed or newly established facility is acquired by the state, the limitations of this paragraph and Minnesota Rules, part 9553.0060, subpart 3, item F, shall not apply.

(e) If a newly constructed or newly established facility is leased with an arm's-length lease as provided for in Minnesota Rules, part 9553.0060, subpart 7, the lease agreement shall be subject to the following conditions:

(1) the term of the lease, including option periods, must not be less than 20 years;

(2) the maximum interest rate used in determining the present value of the lease must not exceed the lesser of the interest rate limitation in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2), or 16 percent; and

(3) the residual value used in determining the net present value of the lease must be established using the provisions of Minnesota Rules, part 9553.0060.

(f) All leases of the physical plant of an intermediate care facility for the mentally retarded shall contain a clause that requires the owner to give the commissioner notice of any requests or orders to vacate the premises 90 days before such vacation of the premises is to take place. In the case of ~~unlawful detainer~~ eviction actions, the owner shall notify the commissioner within three days of notice of an ~~unlawful detainer~~ eviction action being served upon the tenant. The only exception to this notice requirement is in the case of emergencies where immediate vacation of the premises is necessary to assure the safety and welfare of the residents. In such an emergency situation, the owner shall give the commissioner notice of the request to vacate at the time the owner of the property is aware that the vacating of the premises is necessary. This section applies to all leases entered into after May 1, 1990. Rentals set in leases entered into after that date that do not contain this clause are not allowable costs for purposes of medical assistance reimbursement.

(g) A newly constructed or newly established facility's preopening costs are subject to the provisions of Minnesota Rules, part 9553.0035, subpart 12, and must be limited to only those costs incurred during one of the following periods, whichever is shorter:

(1) between the date the commissioner approves the facility's need determination and 30 days before the date the facility is certified for medical assistance; or

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(2) the 12-month period immediately preceding the 30 days before the date the facility is certified for medical assistance.

(h) The development of any newly constructed or newly established facility as defined in this subdivision and projected to be operational after July 1, 1991, by the commissioner of human services shall be delayed until July 1, 1993, except for those facilities authorized by the commissioner as a result of a closure of a facility according to section 252.292 prior to January 1, 1991, or those facilities developed as a result of a receivership of a facility according to section 245A.12. This paragraph does not apply to state-operated community facilities authorized in section 252.50.

Sec. 3. Minnesota Statutes 2002, section 325G.34, subdivision 4, is amended to read:

Subd. 4. **LIMITS ON CONSUMER ACTIONS.** Violation of section 325G.31 is not a defense to a claim arising from a consumer's breach of a consumer contract or to an action for ~~unlawful detainer~~ eviction. A consumer may recover actual damages caused by a violation of section 325G.31 only if the violation caused the consumer to be substantially confused about the rights, obligations or remedies of the contract.

Sec. 4. Minnesota Statutes 2002, section 327C.07, subdivision 7, is amended to read:

Subd. 7. **REPOSSESSING FINANCE PARTIES.** Any holder of a security interest who repossesses a manufactured home located in a park has the same rights as a resident to sell the home through an in park sale if:

(a) as soon as the secured party either accepts voluntary repossession or takes any action pursuant to sections 327.61 to 327.67, the secured party notifies the park owner that the home has been or is being repossessed;

(b) at the time the park owner receives the notice, the park owner has not already recovered possession of the lot through an ~~unlawful detainer~~ eviction proceeding;

(c) the secured party pays any past due lot rent not to exceed three months rent;

(d) the secured party makes monthly lot rent payments until a buyer of the repossessed home has been approved by the park owner as a resident. A secured party's liability for past due rent under this subdivision does not include late fees or other charges; and

(e) the secured party complies with all park rules relating to lot and home maintenance.

A secured party who is offering a home for in park sale under this subdivision is subject to eviction on the same grounds as a resident.

Sec. 5. Minnesota Statutes 2002, section 487.17, is amended to read:

487.17 ~~FORCIBLE ENTRY AND UNLAWFUL DETAINER EVICTION.~~

Whether or not title to real estate is involved, the county court has jurisdiction of actions of ~~forcible entry and unlawful detainer~~ eviction or actions for lawful removal

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or exclusion pursuant to section 504B.375, involving land located wholly or partly within the county court district and of actions seeking relief for code violations pursuant to sections 504B.185 and 504B.381 to 504B.471 involving premises located wholly or partly within the county court district.

Sec. 6. Minnesota Statutes 2002, section 487.24, is amended to read:

**487.24 ~~FORCIBLE ENTRY AND UNLAWFUL DETAINER~~ EVICTI
ACTIONS.**

Subdivision 1. **RETURN DAYS.** Return days for ~~forcible entry and unlawful detainer~~ eviction actions may be fixed by rule promulgated by the court.

Subd. 2. **PROCEDURE; FORMS.** Sections 504B.281 to 504B.371 apply to the county court. The forms therein prescribed, with appropriate modifications, may be used.

Subd. 3. **DEFAULT JUDGMENTS.** Whenever a duly verified complaint in an action of ~~forcible entry or unlawful detainer~~ eviction shows one of the causes of action set forth in section 504B.285, and on the return day of the summons the defendant does not appear, the judge of the county court, upon proof of the due service of the summons, may find the defendant in default and file an order for judgment accordingly.

Sec. 7. Minnesota Statutes 2002, section 488A.01, subdivision 5, is amended to read:

Subd. 5. **~~FORCIBLE ENTRY AND UNLAWFUL DETAINER~~ EVICTI
OR UNLAWFUL REMOVAL OR EXCLUSION.** Whether or not the title to real estate is involved, the court has jurisdiction of actions of ~~forcible entry and unlawful detainer~~ eviction or actions for unlawful removal or exclusion pursuant to section 504B.375, involving land located wholly or in part within Hennepin county and, notwithstanding any provision of subdivision 7 to the contrary, of actions seeking relief for code violations pursuant to sections 504B.185 and 504B.381 to 504B.471 involving premises located wholly or partly within Hennepin county.

Sec. 8. Minnesota Statutes 2002, section 488A.03, subdivision 11, is amended to read:

Subd. 11. **FEES PAYABLE TO ADMINISTRATOR.** (a) The civil fees payable to the administrator for services are the same in amount as the fees then payable to the district court of Hennepin county for like services. Library and filing fees are not required of the defendant in an ~~unlawful detainer~~ eviction action. The fees payable to the administrator for all other services of the administrator or the court shall be fixed by rules promulgated by a majority of the judges.

(b) Fees are payable to the administrator in advance.

(c) Judgments will be entered only upon written application.

(d) The following fees shall be taxed for all charges filed in court where applicable: (a) The state of Minnesota and any governmental subdivision within the jurisdictional area of any district court herein established may present cases for hearing

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before said district court; (b) In the event the court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town in Hennepin county, all fines, penalties, and forfeitures collected shall be paid over to the treasurer of the governmental subdivision which submitted charges for prosecution under ordinance violation and to the county treasurer in all other charges except where a different disposition is provided by law, in which case, payment shall be made to the public official entitled thereto. The following fees shall be taxed to the county or to the state or governmental subdivision which would be entitled to payment of the fines, forfeiture or penalties in any case, and shall be paid to the court administrator for disposing of the matter:

(1) For each charge where the defendant is brought into court and pleads guilty and is sentenced, or the matter is otherwise disposed of without trial \$5.

(2) In arraignments where the defendant waives a preliminary examination \$10.

(3) For all other charges where the defendant stands trial or has a preliminary examination by the court \$15.

(e) This paragraph applies to the distribution of fines paid by defendants without a court appearance in response to a citation. On or before the tenth day after the last day of the month in which the money was collected, the county treasurer shall pay 80 percent of the fines to the treasurer of the municipality or subdivision within the county where the violation was committed. The remainder of the fines shall be credited to the general revenue fund of the county.

Sec. 9. Minnesota Statutes 2002, section 488A.03, subdivision 13, is amended to read:

Subd. 13. **DESTRUCTION OF RECORDS.** (a) Upon order of all the judges the court administrator may destroy or dispose of all of the following types of files and records of the court which are more than ten years old:

- (1) garnishment files, uncontested,
- (2) motion calendars, special term,
- (3) unlawful detainer calendars, special term,
- (4) garnishment calendars, special term,
- (5) general term calendars,
- (6) court reporters note books,
- (7) receipt books for prisoners,
- (8) old receipt books for probation department,
- (9) criminal and ordinance violations files,
- (10) cash books,
- (11) depositions,

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(12) traffic tags.

(b) Upon order of all the judges and upon ten days' written notice to the president of the Hennepin county historical society, the court administrator may destroy or dispose of all files of civil or garnishment actions and actions of forcible entry ~~or~~ unlawful detainer, or eviction which were commenced more than 20 years prior to the judges' order and in which no proceedings have occurred within ten years prior to the judges' order.

Sec. 10. Minnesota Statutes 2002, section 488A.06, subdivision 2, is amended to read:

Subd. 2. **SERVICE OF PAPERS.** No bailiff shall serve or receive for service any summons or other paper in any ~~forcible entry, unlawful detainer~~ eviction or civil action until the complaint has been filed with the court administrator. ~~The bailiff to whom a summons or other paper is delivered for service shall make a prompt return to the court administrator showing whether or not it has been served and if not served the reason therefor.~~

Sec. 11. Minnesota Statutes 2002, section 488A.06, subdivision 3, is amended to read:

Subd. 3. **FEES AND MILEAGE.** The fees and mileage of bailiffs in civil actions and actions of ~~forcible entry and unlawful detainer~~ eviction are the same as those payable to the sheriff of Hennepin county for like services ~~for district court actions.~~ The fees and mileage for all other services of bailiffs shall be fixed by rules promulgated by a majority of the judges. The fee provided for by chapter 349 of the Laws of 1953 is not payable. No fees or mileage are payable by the state, county or city to bailiffs for their services, except that the county may pay bailiffs for automobile mileage within the limits provided by law when the bailiffs furnish automobiles for use in the performance of their duties. Bailiffs shall make returns showing their fees and mileage after performing such services. The amount of the bailiffs' fees and mileage is payable to the sheriff in advance.

Sec. 12. Minnesota Statutes 2002, section 488A.11, is amended to read:

488A.11 FORCIBLE ENTRY AND UNLAWFUL DETAINER EVICTION ACTIONS.

Subdivision 1. **RETURN DAYS.** Return days for ~~forcible entry and unlawful detainer~~ eviction actions may be fixed by rule promulgated by a majority of the judges.

Subd. 2. **PROCEDURE; FORMS.** Sections 504B.281 to 504B.371 apply to the court. The forms therein prescribed, with appropriate modifications, may be used.

Subd. 3. **DEFAULT JUDGMENTS.** Whenever a duly verified complaint in an action of ~~forcible entry or unlawful detainer~~ eviction shows one of the causes of action set forth in section 504B.285 and on the return day of the summons the defendant does not appear, the judge, upon proof of the due service of the summons, shall enter an order adjudging the defendant to be in default, and thereafter the court administrator shall enter judgment for the plaintiff without the introduction of evidence.

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Sec. 13. Minnesota Statutes 2002, section 488A.18, subdivision 6, is amended to read:

Subd. 6. ~~FORCIBLE ENTRY AND UNLAWFUL DETAINER EVICTION OR UNLAWFUL REMOVAL OR EXCLUSION.~~ Whether or not the title to real estate is involved, the court has jurisdiction of actions of foreible entry and unlawful detainer eviction or actions for unlawful removal or exclusion pursuant to section 504B.375, involving land located wholly or in part within Ramsey county and, notwithstanding any provision of subdivision 8 to the contrary, of actions seeking relief for code violations pursuant to sections 504B.185 and 504B.381 to 504B.471 involving premises located wholly or partly within Ramsey county.

Sec. 14. Minnesota Statutes 2002, section 488A.28, is amended to read:

488A.28 ~~FORCIBLE ENTRY AND UNLAWFUL DETAINER EVICTION ACTIONS.~~

Subdivision 1. **PROCEDURE.** The general laws applicable to foreible entry and unlawful detainer eviction actions shall apply to this court, and the forms as prescribed in the general laws may be used with such appropriate modifications as may be necessary for this court.

Subd. 2. **RETURN DAYS.** Return days for foreible entry and unlawful detainer eviction actions may be fixed by rules promulgated by a majority of the judges.

Subd. 3. **DEFAULT JUDGMENTS.** Whenever a duly verified complaint in a foreible entry and unlawful detainer an eviction action shows one of the causes of action as set forth by general statute, and on the return day of the summons the defendant does not appear, the judge, upon proof of the due service of the summons, shall enter an order adjudging the defendant to be in default, and thereafter the administrator shall enter judgment for the plaintiff without the introduction of evidence.

Subd. 4. **TRIALS.** Foreible entry and unlawful detainer Eviction actions, which are contested, shall be given precedence over all other civil matters in trial settings.

Sec. 15. Minnesota Statutes 2002, section 491A.01, subdivision 4, is amended to read:

Subd. 4. **JURISDICTION; EXCLUSIONS.** The conciliation court does not have jurisdiction over the following actions:

- (1) involving title to real estate, including actions to determine boundary lines;
- (2) involving claims of defamation by libel or slander;
- (3) for specific performance, except to the extent authorized in subdivision 5;
- (4) brought or defended on behalf of a class;
- (5) requesting or involving prejudgment remedies;
- (6) involving injunctive relief, except to the extent authorized in subdivision 5;

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(7) pursuant to chapters 256, 257, 259, 260, 518, 518A, 518B, and 518C, except for actions involving debts owed to state agencies or political subdivisions that arise under those chapters;

(8) pursuant to chapters 524 and 525;

(9) where jurisdiction is vested exclusively in another court or division of district court;

(10) for ~~unlawful detainer~~ eviction; and

(11) involving medical malpractice.

Sec. 16. Minnesota Statutes 2002, section 515B.3-116, is amended to read:

515B.3-116 LIEN FOR ASSESSMENTS.

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

(b) A lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes, or takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or, in a cooperative, any first security interest encumbering only the unit owner's interest in the unit, and (iii) liens for real estate taxes and other governmental assessments or charges against the unit. If a first mortgage on a unit is foreclosed, the first mortgage was redeemed after June 1, 1994, and no owner redeems during the owner's period of redemption provided by chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the unit subject to a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following the end of the owner's period of redemption. If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following either the disposition date pursuant to section 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-622. This subsection shall not affect the priority of mechanics' liens.

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

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

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

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

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

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

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

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

(3) In a cooperative whose unit owners' interests in the units are personal property, the association's lien shall be foreclosed in a like manner as a security interest under article 9 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its reasonable costs and attorney fees not exceeding the amount provided by section 582.01, subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to disposition or retention, notwithstanding the value of the unit, and (iv) the notice of sale, disposition, or retention shall contain the following statement in capital letters with the name of the association or secured party filled in:

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

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

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

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

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

(4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall be the same as those provided by law, except (i) the period of redemption for unit owners shall be six months from the date of sale or a lesser period authorized by law, (ii) in a foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorneys fees authorized by the declaration or bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorneys fees as the court shall determine, and (iv) the amount of the association’s lien shall be deemed to be adequate consideration for the unit subject to foreclosure, notwithstanding the value of the unit.

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

(j) In a cooperative, following foreclosure, the association may bring an action for ~~unlawful detainer~~ eviction against the unit owner and any persons in possession of the

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unit, and in that case section 504B.291 shall not apply.

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

Sec. 17. Minnesota Statutes 2002, section 557.09, is amended to read:

557.09 FORCIBLE ENTRY EVICTION; TREBLE DAMAGES.

In case of foreible entry and detention eviction, if a person, claiming in good faith, under color of title, to be rightfully in possession, so put out or kept out, shall recover damages therefor, judgment may be entered in that person's favor for three times the amount at which the actual damages are assessed.

Sec. 18. Minnesota Statutes 2002, section 609.33, subdivision 6, is amended to read:

Subd. 6. **PRETRIAL RELEASE.** When a person is charged under this section with owning or leasing a disorderly house, the court may require as a condition of pretrial release that the defendant bring an unlawful detainer eviction action against a lessee who has violated the covenant not to allow drugs established by section 504B.171.

Sec. 19. Minnesota Statutes 2002, section 609.5317, subdivision 1, is amended to read:

Subdivision 1. **RENTAL PROPERTY.** (a) When contraband or a controlled substance manufactured, distributed, or acquired in violation of chapter 152 is seized on residential rental property incident to a lawful search or arrest, the county attorney shall give the notice required by this subdivision to (1) the landlord of the property or the fee owner identified in the records of the county assessor, and (2) the agent authorized by the owner to accept service pursuant to section 504B.181. The notice is not required during an ongoing investigation. The notice shall state what has been seized and specify the applicable duties and penalties under this subdivision. The notice shall state that the landlord who chooses to assign the right to bring an unlawful detainer eviction action retains all rights and duties, including removal of a tenant's personal property following issuance of the writ of restitution and delivery of the writ to the sheriff for execution. The notice shall also state that the landlord may contact the county attorney if threatened by the tenant. Notice shall be sent by certified letter, return receipt requested, within 30 days of the seizure. If receipt is not returned, notice shall be given in the manner provided by law for service of summons in a civil action.

(b) Within 15 days after notice of the first occurrence, the landlord shall bring, or assign to the county attorney of the county in which the real property is located, the right to bring an unlawful detainer eviction action against the tenant. The assignment must be in writing on a form prepared by the county attorney. Should the landlord choose to assign the right to bring an unlawful detainer eviction action, the assignment shall be limited to those rights and duties up to and including delivery of the writ of restitution to the sheriff for execution.

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(c) Upon notice of a second occurrence on any residential rental property owned by the same landlord in the same county and involving the same tenant, and within one year after notice of the first occurrence, the property is subject to forfeiture under sections 609.531, 609.5311, 609.5313, and 609.5315, unless an unlawful detainer ~~eviction~~ action has been commenced as provided in paragraph (b) or the right to bring an unlawful detainer ~~eviction~~ action was assigned to the county attorney as provided in paragraph (b). If the right has been assigned and not previously exercised, or if the county attorney requests an assignment and the landlord makes an assignment, the county attorney may bring an unlawful detainer ~~eviction~~ action rather than an action for forfeiture.

Sec. 20. Minnesota Statutes 2002, section 609.5317, subdivision 3, is amended to read:

Subd. 3. **DEFENSES.** It is a defense against a proceeding under subdivision 1, paragraph (b), that the tenant had no knowledge or reason to know of the presence of the contraband or controlled substance or could not prevent its being brought onto the property.

It is a defense against a proceeding under subdivision 1, paragraph (c), that the landlord made every reasonable attempt to evict a tenant or to assign the county attorney the right to bring an unlawful detainer ~~eviction~~ action against the tenant, or that the landlord did not receive notice of the seizure.

ARTICLE 3

DATA PRACTICES

Section 1. Minnesota Statutes 2002, section 13.3806, subdivision 4, is amended to read:

Subd. 4. **VITAL STATISTICS.** (a) **PARENTS' SOCIAL SECURITY NUMBER; BIRTH RECORD.** Parents' social security numbers provided for a child's birth record are classified under section 144.215, subdivision 4.

(b) **FOUNDLING REGISTRATION.** The report of the finding of an infant of unknown parentage is classified under section 144.216, subdivision 2.

(c) **NEW RECORD OF BIRTH.** In circumstances in which a new record of birth may be issued under section 144.218, the original record of birth is classified as provided in that section.

(d) **VITAL RECORDS.** Physical access to vital records is governed by section 144.225, subdivision 1.

(e) **BIRTH RECORD OF CHILD OF UNMARRIED PARENTS.** Access to the birth record of a child whose parents were not married to each other when the child

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was conceived or born is governed by sections 144.225, subdivisions 2 and 4, and 257.73.

(f) **HEALTH DATA FOR BIRTH REGISTRATION.** Health data collected for birth registration or fetal death reporting are classified under section 144.225, subdivision 2a.

(g) **BIRTH RECORD; SHARING.** Sharing of birth record data and data prepared under section 257.75, is governed by section 144.225, subdivision 2b.

(h) **GROUP PURCHASER IDENTITY FOR BIRTH REGISTRATION.** Classification of and access to the identity of a group purchaser collected in association with birth registration is governed by section 144.225, subdivision 6.

Sec. 2. Minnesota Statutes 2002, section 13.383, is amended by adding a subdivision to read:

Subd. 11a. ALCOHOL AND DRUG COUNSELOR LICENSING; SHARING. Sharing of data collected for licensing of alcohol and drug counselors is governed by section 148C.099, subdivision 2.

Sec. 3. Minnesota Statutes 2002, section 13.4967, is amended by adding a subdivision to read:

Subd. 2a. ASSIGNMENT OF REFUND. Data regarding assignment of individual income tax refunds is classified by section 290.0679, subdivision 9.

Sec. 4. Minnesota Statutes 2002, section 13.6905, is amended by adding a subdivision to read:

Subd. 20a. CRIME PREVENTION AND PRIVACY COMPACT. Data sharing under the National Crime Prevention and Privacy Compact is governed by section 299C.58.

Sec. 5. Minnesota Statutes 2002, section 13.7191, subdivision 6, is amended to read:

Subd. 6. INSURANCE PRODUCERS. (a) LICENSING; TERMINATION. Access to data on insurance producer terminations held by the commissioner of commerce is governed by section 60K.51.

(b) DATA SHARING. Sharing of licensing and investigative data on insurance producers is governed by section 60K.52.

Sec. 6. Minnesota Statutes 2002, section 13.871, subdivision 5, is amended to read:

Subd. 5. CRIME VICTIMS. (a) CRIME VICTIM NOTICE OF RELEASE. Data on crime victims who request notice of an offender's release are classified under section 611A.06.

(b) SEX OFFENDER HIV TESTS. Results of HIV tests of sex offenders under section 611A.19, subdivision 2, are classified under that section.

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(c) **BATTERED WOMEN.** Data on battered women maintained by grantees for emergency shelter and support services for battered women are governed by section 611A.32, subdivision 5.

(d) **VICTIMS OF DOMESTIC ABUSE.** Data on battered women and victims of domestic abuse maintained by grantees and recipients of per diem payments for emergency shelter for battered women and support services for battered women and victims of domestic abuse are governed by sections 611A.32, subdivision 5, and 611A.371, subdivision 3.

(e) **PERSONAL HISTORY; INTERNAL AUDITING.** Certain personal history and internal auditing data is classified by section 611A.46.

(f) **CRIME VICTIM CLAIMS FOR REPARATIONS.** Claims and supporting documents filed by crime victims seeking reparations are classified under section 611A.57, subdivision 6.

(f) (g) **CRIME VICTIM OVERSIGHT ACT.** Data maintained by the commissioner of public safety under the Crime Victim Oversight Act are classified under section 611A.74, subdivision 2.

Sec. 7. Minnesota Statutes 2002, section 13.871, subdivision 6, is amended to read:

Subd. 6. **TRAINING; INVESTIGATION; APPREHENSION; REPORTS.** (a) **REPORTS OF GUNSHOT WOUNDS.** Disclosure of the name of a person making a report under section 626.52, subdivision 2, is governed by section 626.53.

(b) **CHILD ABUSE REPORT RECORDS.** Data contained in child abuse report records are classified under section 626.556.

(c) **INTERSTATE DATA EXCHANGE.** Disclosure of child abuse reports to agencies of another state is classified under section 626.556, subdivision 10g.

(d) **RELEASE TO FAMILY COURT SERVICES.** Release of child abuse data to a court services agency is authorized under section 626.556, subdivision 10h.

(e) **RELEASE OF DATA TO MANDATED REPORTERS.** Release of child abuse data to mandated reporters who have an ongoing responsibility for the health, education, or welfare of a child affected by the data is authorized under section 626.556, subdivision 10j.

(f) **RELEASE OF CHILD ABUSE INVESTIGATIVE RECORDS TO OTHER COUNTIES.** Release of child abuse investigative records to local welfare agencies is authorized under section 626.556, subdivision 10k.

(g) **CLASSIFYING AND SHARING RECORDS AND REPORTS OF CHILD ABUSE.** The classification of child abuse data and the sharing of records and reports of child abuse by and between local welfare agencies and law enforcement agencies are governed under section 626.556, subdivision 11.

(h) **DISCLOSURE OF INFORMATION NOT REQUIRED IN CERTAIN CASES.** Disclosure of certain data obtained from interviewing a minor is governed by section 626.556, subdivision 11a.

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(i) **DATA RECEIVED FROM LAW ENFORCEMENT.** Classifying child abuse data received by certain agencies from law enforcement agencies is governed under section 626.556, subdivision 11b.

(j) **DISCLOSURE IN CHILD FATALITY CASES.** Disclosure of information relating to a child fatality is governed under section 626.556, subdivision 11d.

(k) **REPORTS OF ALCOHOL ABUSE.** Data on persons making reports under section 626.5563 are classified under section 626.5563, subdivision 5.

(l) **VULNERABLE ADULT REPORT RECORDS.** Data contained in vulnerable adult report records are classified under section 626.557, subdivision 12b.

(m) **ADULT PROTECTION TEAM INFORMATION SHARING.** Sharing of local welfare agency vulnerable adult data with a protection team is governed by section 626.5571, subdivision 3.

(n) **CHILD PROTECTION TEAM.** Data acquired by a case consultation committee or subcommittee of a child protection team are classified by section 626.558, subdivision 3.

(o) **CHILD MALTREATMENT REPORTS PEER REVIEW PANEL.** Sharing data of cases reviewed by the panel is governed under section 626.5593, subdivision 2.

(p) **PEACE OFFICER DISCIPLINE PROCEDURES.** Access by an officer under investigation to the investigating agency's investigative report on the officer is governed by section 626.89, subdivision 6.

(q) **RACIAL PROFILING STUDY DATA.** Racial profiling study data is governed by section 626.951.

ARTICLE 4

INTERSTATE COMMERCE COMMISSION

Section 1. Minnesota Statutes 2002, section 50.14, subdivision 12, is amended to read:

Subd. 12. Class eleven shall be the bonds of any corporation which at the time of such investment is incorporated under the laws of the United States or any state thereof, or the District of Columbia, and authorized to engage, and engaging, in the business of furnishing telephone service in the United States, provided that such corporation is subject to regulation by the ~~Interstate Commerce Commission~~ or a public utility commission or other similar federal or state regulatory body duly established by the laws of the United States or the states or state in which such corporation operates, subject to the following conditions:

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(a) Such corporation shall have been in existence for a period of not less than eight fiscal years and at no time within such period of eight fiscal years next preceding the date of such investment shall said corporation have failed to pay promptly and regularly the matured principal and interest of all its indebtedness direct, assumed or guaranteed, but the period of life of the corporation, together with the period of life of any predecessor corporation or corporations from which a substantial portion of its property was acquired by consolidation, merger, purchase or as a successor corporation, shall be considered together in determining the required period; and such corporation shall file with the commissioner of commerce or make public in each year a statement and a report giving the income account covering the previous fiscal year and the balance sheet showing in reasonable detail the assets and liabilities at the end of such fiscal year.

(b) The book value of the outstanding capital stock of such corporation shall at the time of such investment be equal to at least two-thirds of its total funded debt.

(c) For a period of five fiscal years next preceding the date of such investment the net earnings of such corporation shall have been each year not less than twice the annual interest charges on its total funded debt applicable to that period, and for such period, the gross operating revenues of any such corporation shall have averaged per year not less than \$5,000,000.

(d) In determining the qualifications of any bond under this subdivision where a corporation shall have acquired its property or any substantial portion thereof within five years immediately preceding the date of such investment by consolidation, merger, purchase or as a successor corporation, the gross operating revenues, net earnings and interest charges of the predecessor or constituent corporations shall be consolidated and adjusted so as to ascertain whether the requirements of paragraph (c) have been complied with.

(e) The gross operating revenues and expenses of a corporation for the purpose of this subdivision shall be respectively the total amount earned from the operation of, and the total expense of maintaining and operating, all property owned and operated or leased and operated by such corporation, as determined by the system of accounts prescribed by the ~~Interstate Commerce Commission~~ or the public utility commission or other similar federal or state regulatory body having jurisdiction in the matter.

(f) The net earnings of a corporation for the purpose of this subdivision shall be the balance obtained by deducting from its gross operating revenues its operating and maintenance expenses, taxes, other than federal and state income taxes, rentals, depreciation and provision, for renewals and retirements of the physical assets of the corporation, and by adding to said balance its income from securities and miscellaneous sources, but not, however, to exceed 15 percent of said balance. The term "funded debt" shall be construed to mean all interest-bearing debt excepting therefrom unsecured obligations maturing within one year of date of issue.

(g) Such bonds must be a part of an original issue or of a subsequent series of bonds of the aggregate amount of not less than \$5,000,000, both the original issue and the subsequent series being protected by the same mortgage provisions, and must be

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secured by a first or refunding mortgage, and the aggregate principal amount of bonds secured by such first or refunding mortgage plus the principal amount of all the underlying outstanding bonds shall not exceed 60 percent of the value of the property, real and personal, owned absolutely as shown by the books of the corporation and subject to the lien of such mortgage, provided that if a refunding mortgage, it must provide for the retirement of all bonds secured by prior liens on the property. Not more than 33-1/3 percent of the property constituting the specific security for such bonds may consist of stock or unsecured obligations of affiliated or other telephone companies, or both. No such savings banks shall loan upon or invest in bonds of such telephone companies in an amount exceeding in the aggregate ten percent of its deposits and surplus, nor exceeding five percent thereof in the bonds of any one telephone company.

Sec. 2. Minnesota Statutes 2002, section 85.015, subdivision 4, is amended to read:

Subd. 4. **DOUGLAS TRAIL, OLMSTED, WABASHA, AND GOODHUE COUNTIES.** (a) The trail shall originate at Rochester in Olmsted county and shall follow the route of the Chicago Great Western Railroad to Pine Island in Goodhue county and there terminate.

(b) Additional trails may be established that extend the Douglas trail system to include Pine Island, Mazepa in Wabasha county to Zumbrot, Bellechester, Goodhue, and Red Wing in Goodhue county. In addition to the criteria in section 86A.05, subdivision 4, these trails must utilize abandoned railroad rights-of-way where possible.

(c) The trail shall be developed primarily for riding and hiking.

(d) Under no circumstances shall the commissioner acquire any of the right-of-way of the Chicago Great Western Railroad until the abandonment of the line of railway described in this subdivision has been approved by the Surface Transportation Board or the former Interstate Commerce Commission.

Sec. 3. Minnesota Statutes 2002, section 85.015, subdivision 10, is amended to read:

Subd. 10. **LUCE LINE TRAIL.** (a) The trail shall originate at Gleason Lake in Plymouth Village, Hennepin county, and shall follow the route of the Chicago Northwestern Railroad.

(b) The trail shall be developed for multiuse wherever feasible. The department shall cooperate in maintaining its integrity for modes of use consistent with local ordinances.

(c) In establishing, developing, maintaining, and operating the trail, the commissioner shall cooperate with local units of government and private individuals and groups. Before acquiring any parcel of land for the trail, the commissioner of natural resources shall develop a management program for the parcel and conduct a public hearing on the proposed management program in the vicinity of the parcel to be

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acquired. The management program of the commissioner shall include but not be limited to the following: (a) fencing of portions of the trail where necessary to protect adjoining landowners; and (b) the maintenance of the trail in a litter free condition to the extent practicable.

(d) The commissioner shall not acquire any of the right-of-way of the Chicago Northwestern Railway Company until the abandonment of the line described in this subdivision has been approved by the Surface Transportation Board or the former Interstate Commerce Commission. Compensation, in addition to the value of the land, shall include improvements made by the railroad, including but not limited to, bridges, trestles, public road crossings, or any portion thereof, it being the desire of the railroad that such improvements be included in the conveyance. The fair market value of the land and improvements shall be recommended by two independent appraisers mutually agreed upon by the parties. The fair market value thus recommended shall be reviewed by a review appraiser agreed to by the parties, and the fair market value thus determined, and supported by appraisals, may be the purchase price. The commissioner may exchange lands with landowners abutting the right-of-way described in this section to eliminate diagonally shaped separate fields.

Sec. 4. Minnesota Statutes 2002, section 85.20, subdivision 6, is amended to read:

Subd. 6. **LITTERING; PENALTY.** (a) No person shall drain, throw, or deposit upon the lands and waters within a state park any substance, including cigarette filters, that would mar the appearance, create a stench, destroy the cleanliness or safety of the land, or would be likely to injure any animal, vehicle, or person traveling upon those lands and waters. The operator of a vehicle or watercraft, except a school bus or a vehicle transporting passengers for hire and regulated by a successor agency of the former Interstate Commerce Commission, shall not permit articles to be thrown or discarded from the vehicle upon any lands or waters within a state park.

(b) Violation of this subdivision is a misdemeanor. Any person sentenced under this subdivision shall in lieu of the sentence imposed be permitted, under terms established by the court, to work under the direction of the department of natural resources at clearing rubbish, trash, and debris from any state park. The court may for any violation of this subdivision order the offender to perform such work under terms established by the court with the option of a jail sentence being imposed.

(c) In lieu of enforcement under paragraph (b), this subdivision may be enforced by imposition of a civil penalty and an action for damages for littering under section 115A.99.

Sec. 5. Minnesota Statutes 2002, section 168.013, subdivision 1e, is amended to read:

Subd. 1e. **TRUCK; TRACTOR; COMBINATION; EXCEPTIONS.** (a) On trucks and tractors except those in this chapter defined as farm trucks, on truck-tractor and semitrailer combinations except those defined as farm combinations, and on commercial zone vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, but in no

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event less than \$120.

Minnesota Base Rate Schedule
Scheduled taxes include five percent
surtax provided for in subdivision 14

	TOTAL GROSS WEIGHT IN POUNDS	TAX
A	0 - 1,500	\$ 15
B	1,501 - 3,000	20
C	3,001 - 4,500	25
D	4,501 - 6,000	35
E	6,001 - 9,000	45
F	9,001 - 12,000	70
G	12,001 - 15,000	105
H	15,001 - 18,000	145
I	18,001 - 21,000	190
J	21,001 - 26,000	270
K	26,001 - 33,000	360
L	33,001 - 39,000	475
M	39,001 - 45,000	595
N	45,001 - 51,000	715
O	51,001 - 57,000	865
P	57,001 - 63,000	1015
Q	63,001 - 69,000	1185
R	69,001 - 73,280	1325
S	73,281 - 78,000	1595
T	78,001 - 81,000	1760

(b) For purposes of the Minnesota base rate schedule, for vehicles with six or more axles in the "S" and "T" categories, the base rates are \$1,520 and \$1,620 respectively.

(c) For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to subdivision 12.

(d) Truck-tractors except those herein defined as farm and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of the truck-tractor and any semitrailer or semitrailers which the applicant proposes to combine with the truck-tractor.

(e) Commercial zone trucks include only trucks, truck-tractors, and semitrailer combinations which are:

(1) used by an authorized local cartage carrier operating under a permit issued under section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by section 221.011, subdivision 17; or

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(2) operated by an interstate carrier registered under section 221.60, or by an authorized local cartage carrier or other carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation by the interstate commerce commission pursuant to United States Code, title 49, section ~~40526(b)~~ 13506.

(f) The license plates issued for commercial zone vehicles shall be plainly marked. A person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to reregister the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

(g) On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during each of the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule.

(h) On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those commercial zone vehicles specifically provided for in this subdivision, the tax for each of the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision.

(i) For the purpose of registration, trailers coupled with a truck-tractor, semitrailer combination are semitrailers.

Sec. 6. Minnesota Statutes 2002, section 168.61, subdivision 1, is amended to read:

Subdivision 1. **DEFINITION.** The term "intercity bus" as used in sections 168.61 to 168.65 means a motor bus as defined in section 168.011, subdivision 9, which is owned or operated by either a resident or nonresident of Minnesota in interstate commerce under authority of the former Interstate Commerce Commission, or a successor agency, or in combined interstate and intrastate commerce under authority of the former Interstate Commerce Commission, or a successor agency, and the department of transportation of Minnesota, as a result of which operation such bus operates both within and without the territorial limits of the state of Minnesota.

Sec. 7. Minnesota Statutes 2002, section 221.0251, subdivision 1, is amended to read:

Subdivision 1. **REGISTRATION STATEMENT.** (a) A person who wishes to operate as a motor carrier of property shall file a complete and accurate registration statement with the commissioner.

(b) A registration statement must be on a form provided by the commissioner and include:

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

(1) the registrant's name, including an assumed or fictitious name used by the registrant in doing business;

(2) the registrant's mailing address and business telephone number;

(3) the registrant's federal Employer Identification Number and Minnesota Business Identification Number and the identification numbers, if any, assigned to the registrant by the United States Department of Transportation, the former Interstate Commerce Commission, or the Environmental Protection Agency;

(4) the name, title, and telephone number of the individual who is principally responsible for the operation of the registrant's transportation business;

(5) the principal location from which the registrant conducts its transportation business and where the records required by this chapter will be kept;

(6) if different from clause (5), the location in Minnesota where the records required by this chapter will be available for inspection and copying by the commissioner;

(7) whether the registrant transports hazardous materials or hazardous waste;

(8) whether the registrant's business is a corporation, partnership, limited liability partnership, limited liability company, or sole proprietorship; and

(9) if the registrant is a foreign corporation authorized to transact business in Minnesota, the state of incorporation and the name and address of its registered agent.

Sec. 8. Minnesota Statutes 2002, section 221.60, subdivision 1, is amended to read:

Subdivision 1. **PROCEDURE.** A motor carrier may transport persons or property for hire in interstate commerce in Minnesota only if it first:

(1) complies with section 221.141;

(2) either registers with the commissioner the ~~Interstate Commerce Commission~~ federal operating authority that it intends to exercise, or registers and describes the transportation it performs under an exemption contained in ~~the Interstate Commerce Act~~, United States Code, title 49; and

(3) purchases an interstate identification stamp or an interstate registration trip permit for each vehicle to be used in interstate transportation in Minnesota.

Sec. 9. Minnesota Statutes 2002, section 221.601, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY.** The commissioner may enter into agreements with representatives of other states to allow the cooperative registration of motor carriers transporting property or passengers for hire in interstate commerce. The agreement may authorize representatives of other states to issue interstate registration stamps and trip permits; accept the filing of insurance certificates, insurance cancellation notices, and orders of the former Interstate Commerce Commission ~~orders~~ or a successor

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agency; issue suspension and reinstatement orders or notices; and collect and disburse fees prescribed by this chapter. The agreement may allow the exchange of information for audit, reporting, and enforcement purposes, and the collection and disbursement of fees provided under this chapter and the laws of other states that participate in the agreement. The agreement and all amendments must be in writing. The agreement may provide for the gradual adoption of a base state registration system. It may provide that a motor carrier based in another state participating in the agreement, that has filed evidence of financial responsibility in that state that meets the requirements of this chapter and of the agreement, need not file evidence of financial responsibility with the commissioner for its interstate operations in this state.

Sec. 10. Minnesota Statutes 2002, section 221.602, subdivision 1, is amended to read:

Subdivision 1. **PROCEDURE; NONEXEMPT CARRIER.** A motor carrier subject to the jurisdiction of the ~~Interstate Commerce Commission~~ U.S. Department of Transportation or Surface Transportation Board under United States Code, title 49, chapter 105 135, subchapter II I, with its principal place of business in Minnesota or that designates Minnesota as its base state, may transport persons or property for hire in Minnesota only if it first complies with the insurance and registration regulations adopted by the ~~Interstate Commerce Commission~~ or a successor agency under United States Code, title 49, section 14504 or former section 11506. The registration fee is \$5; however, a lesser fee may be collected pursuant to a reciprocal agreement authorized by section 221.65. A motor carrier shall pay a service charge of 45 cents for each registration receipt issued in addition to the fee required by this subdivision.

Sec. 11. Minnesota Statutes 2002, section 221.602, subdivision 2, is amended to read:

Subd. 2. **PROCEDURE; EXEMPT CARRIER.** (a) A motor carrier that is exempt from the federal jurisdiction of the Interstate Commerce Commission under the ~~Interstate Commerce Act,~~ United States Code, title 49, may transport persons or property for hire in interstate commerce in Minnesota only if it first:

- (1) complies with section 221.141;
 - (2) registers and describes the transportation it performs under an exemption contained in the ~~Interstate Commerce Act,~~ United States Code, title 49; and
 - (3) pays the fee required in subdivision 1.
- (b) A motor carrier that complies with subdivision 1 is not also required to comply with this subdivision.

Sec. 12. Minnesota Statutes 2002, section 221.602, subdivision 3, is amended to read:

Subd. 3. **REGISTRATION PERIOD.** The registration period is that provided by the ~~Interstate Commerce Commission~~ in rules regulations adopted under United States Code, title 49, section 14504 or former section 11506.

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Sec. 13. Minnesota Statutes 2002, section 222.63, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** The terms defined in section 222.48 have the same meanings when used in this section. Other terms used in this section have the following meanings:

(a) "Abandoned," when used with reference to a rail line or right-of-way, means a line or right-of-way with respect to which the ~~interstate commerce commission~~ Surface Transportation Board or other responsible federal regulatory agency has permitted discontinuance of rail service;

(b) "Right-of-way" means any real property, including any interest in the real property that is or has been owned by a railroad company as the site, or is adjacent to the site, of an existing or former rail line;

(c) "State rail bank" means abandoned rail lines and right-of-way acquired by the commissioner of transportation pursuant to this section.

Sec. 14. Minnesota Statutes 2002, section 222.63, subdivision 6, is amended to read:

Subd. 6. **INTERVENTION IN ABANDONMENT PROCEEDING.** The commissioner may intervene in a proceeding of the ~~interstate commerce commission~~ Surface Transportation Board on the issue of suitability for a public use of a rail line proposed to be abandoned if the commissioner finds that the right-of-way of the line would be eligible for inclusion in the state rail bank. To the extent practicable before intervening as provided in this section the commissioner shall hold at least one public meeting in the area in which the line is located to solicit opinions of interested persons concerning the commissioner's proposed action.

Sec. 15. Minnesota Statutes 2002, section 222.86, subdivision 1, is amended to read:

Subdivision 1. **NOTICE OF EXEMPT TRANSACTION.** An acquiring carrier shall submit written notification to the attorney general and the commissioner of transportation of ~~their~~ its intent to initiate an exempt transaction under Code of Federal Regulations, title 49, ~~section~~ part 1150, at least 14 days before filing a notice of exemption with the ~~Interstate Commerce Commission~~ Surface Transportation Board.

Sec. 16. Minnesota Statutes 2002, section 222.86, subdivision 3, is amended to read:

Subd. 3. **APPLICABILITY TO REQUIREMENTS OF LAW.** Acquiring and divesting carriers shall attend conferences with the attorney general or the commissioner of transportation prior to filing a notice of exemption with the ~~Interstate Commerce Commission~~ Surface Transportation Board. The divesting and acquiring carriers shall respond to questions and requests for information related to the issue of whether the proposed transaction is consistent with the requirements of the ~~Interstate Commerce Act~~ Surface Transportation Board, other applicable federal law, and state law. Copies of the sale contract, market and feasibility studies, and full financial

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information as to the acquiring carrier must be provided at those conferences.

All information, submitted by the acquiring and divesting carriers as confidential, shall remain nonpublic data and private data on individuals in accordance with chapter 13 and shall not be divulged to any outside parties, except to the Interstate Commerce Commission Surface Transportation Board as a part of a filing in relation to the proposed transaction. The attorney general and the commissioner of transportation shall take the necessary steps to assure confidentiality.

Sec. 17. Minnesota Statutes 2002, section 299F.40, subdivision 1, is amended to read:

Subdivision 1. **PUBLIC POLICY.** It is the intent of the Minnesota legislature to protect the public welfare and promote safety in the filling and use of pressure vessels containing liquefied petroleum or industrial gases through implementing both the regulations of the Interstate Commerce Commission regulations or successor agency, within the state of Minnesota, the rules of the Minnesota state fire marshal, and the national standards of safety on the filling of these containers. It is deemed necessary to insure that containers properly constructed and tested be used and that only liquefied petroleum or industrial gases of suitable and safe vapor pressure be placed in these containers. To attain this end the filling or refilling of liquefied petroleum and industrial gas containers by other than the owner or authorized person must be controlled and specific authority to prevent violation and encourage enforcement be established.

Sec. 18. Minnesota Statutes 2002, section 398A.04, subdivision 4, is amended to read:

Subd. 4. **EMINENT DOMAIN.** The authority shall have all powers granted to a political subdivision in chapter 117 for the acquisition of property for a public purpose, except that it shall have no power of eminent domain with respect to property owned by another authority or political subdivision of Minnesota or any other state, or with respect to property owned or used by a railroad corporation unless the Interstate Commerce Commission or a successor agency, if any, or another authority with power to make the finding, has found that the public convenience and necessity permit discontinuance of rail service on the property. All property taken for the exercise of the powers granted herein is declared to be taken for a public governmental purpose and as a matter of public necessity.

Sec. 19. Minnesota Statutes 2002, section 469.057, subdivision 1, is amended to read:

Subdivision 1. **REGULATION.** Unless otherwise provided by law, all laws now or hereafter vesting jurisdiction or control in the department of public service or a successor agency of the state of Minnesota, in the Interstate Commerce Commission or a successor agency, if any, or Department of Defense of the United States, or in similar regulatory bodies shall apply to any transportation, terminal, or other facility owned, operated, leased, or controlled by the port authority with the same force and effect as if the transportation, terminal, or other facility were owned, operated, leased, or controlled by a private corporation.

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ARTICLE 5

**OBSOLETE MUNICIPAL BOARD REFERENCES
AND RELATED CHAPTER 414 PROVISIONS**

Section 1. Minnesota Statutes 2002, section 4A.02, is amended to read:

4A.02 STATE DEMOGRAPHER.

(a) The director shall appoint a state demographer. The demographer must be professionally competent in demography and must possess demonstrated ability based upon past performance.

(b) The demographer shall:

(1) continuously gather and develop demographic data relevant to the state;

(2) design and test methods of research and data collection;

(3) periodically prepare population projections for the state and designated regions and periodically prepare projections for each county or other political subdivision of the state as necessary to carry out the purposes of this section;

(4) review, comment on, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies, or nongovernmental persons, institutions, or commissions;

(5) serve as the state liaison with the United States Bureau of the Census, coordinate state and federal demographic activities to the fullest extent possible, and aid the legislature in preparing a census data plan and form for each decennial census;

(6) compile an annual study of population estimates on the basis of county, regional, or other political or geographical subdivisions as necessary to carry out the purposes of this section and section 4A.03;

(7) by January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(8) prepare maps for all counties in the state, all municipalities with a population of 10,000 or more, and other municipalities as needed for census purposes, according to scale and detail recommended by the United States Bureau of the Census, with the maps of cities showing precinct boundaries;

(9) prepare an estimate of population and of the number of households for each governmental subdivision for which the metropolitan council does not prepare an annual estimate, and convey the estimates to the governing body of each political subdivision by May 1 of each year;

(10) direct, under section 414.01, subdivision 14, and certify population and household estimates of annexed or detached areas of municipalities or towns after being notified of the order or letter of approval by the Minnesota municipal board director; and

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(11) prepare, for any purpose for which a population estimate is required by law or needed to implement a law, a population estimate of a municipality or town whose population is affected by action under section 379.02 or 414.01, subdivision 14.

(c) A governing body may challenge an estimate made under paragraph (b) by filing their specific objections in writing with the state demographer by June 10. If the challenge does not result in an acceptable estimate by June 24, the governing body may have a special census conducted by the United States Bureau of the Census. The political subdivision must notify the state demographer by July 1 of its intent to have the special census conducted. The political subdivision must bear all costs of the special census. Results of the special census must be received by the state demographer by the next April 15 to be used in that year's May 1 estimate to the political subdivision under paragraph (b).

Sec. 2. Minnesota Statutes 2002, section 14.03, subdivision 2, is amended to read:

Subd. 2. **CONTESTED CASE PROCEDURES.** The contested case procedures of the Administrative Procedure Act provided in sections 14.57 to 14.69 do not apply to (a) the Minnesota municipal board proceedings under chapter 414, except as specified in that chapter, (b) the commissioner of corrections, (c) the unemployment insurance benefits program and the social security disability determination program in the department of economic security, (d) the commissioner of mediation services, (e) the workers' compensation division in the department of labor and industry, (f) the workers' compensation court of appeals, or (g) the board of pardons.

Sec. 3. Minnesota Statutes 2002, section 40A.121, is amended to read:

40A.121 ANNEXATION PROCEEDINGS.

Subdivision 1. **ANNEXATION PROHIBITED.** Land within an agricultural preserve that is within a township may not be annexed to a municipality under chapter 414, unless the Minnesota municipal board director of the office of strategic and long-range planning finds that either:

(1) the owner or the county has initiated termination of the zone under section 40A.11;

(2) because of size, tax base, population or other relevant factors, the township would not be able to provide normal governmental functions and services; or

(3) the zone would be completely surrounded by lands within a municipality.

Subd. 2. **EXCEPTION.** This section does not apply to annexation agreements approved by the Minnesota municipal board under chapter 414 prior to creation of the zone.

Sec. 4. Minnesota Statutes 2002, section 272.67, subdivision 1, is amended to read:

Subdivision 1. Any city however organized, except in those counties situated in a metropolitan area as defined in Minnesota Statutes 1961, Section 473.02, Subdivision 5, which contain cities of the first class, may by ordinance adopted in the manner

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provided in this section divide its area into an urban service district and a rural service district, constituting separate taxing districts for the purpose of all municipal property taxes except those levied for the payment of bonds and judgments and interest thereon. In proceedings for annexation, incorporation, or consolidation being conducted pursuant to chapter 414, the Minnesota municipal board director of the office of strategic and long-range planning may by order divide a municipality into an urban service district and a rural service district, such districts to be designated by the board in accordance with the criteria set out in subdivision 2. Thereafter, said urban service district and rural service district may be changed in the same manner that an ordinance or amendment is changed in accordance with this section.

Sec. 5. Minnesota Statutes 2002, section 276A.09, is amended to read:

276A.09 CHANGE IN STATUS OF MUNICIPALITY.

If a municipality is dissolved, is consolidated with all or part of another municipality, annexes territory, has a portion of its territory detached from it, or is newly incorporated, the secretary of state shall immediately certify that fact to the commissioner of revenue. The secretary of state shall also certify to the commissioner of revenue the current population of the new, enlarged, or successor municipality, if determined by the Minnesota municipal board director of the office of strategic and long-range planning incident to consolidation, annexation, or incorporation proceedings. The population so certified shall govern for purposes of sections 276A.01 to 276A.09 until the state demographer files the first population estimate as of a later date with the commissioner of revenue. If an annexation of unincorporated land occurs without proceedings before the Minnesota municipal board director of the office of strategic and long-range planning, the population of the annexing municipality as previously determined shall continue to govern for purposes of sections 276A.01 to 276A.09 until the state demographer files the first population estimate as of a later date with the commissioner of revenue.

Sec. 6. Minnesota Statutes 2002, section 365.46, subdivision 2, is amended to read:

Subd. 2. **COPIES.** The county auditor shall also send a copy of the notice of the dissolution to: (1) the state demographer, (2) the land management information center, (3) the Minnesota municipal board director of the office of strategic and long-range planning, and (4) the commissioner of transportation.

Sec. 7. Minnesota Statutes 2002, section 379.05, is amended to read:

379.05 AUDITOR TO ABSTRACT REPORT FOR AGENCIES, ENTER TOWN RECORD.

Each county auditor shall within 30 days after any such town is organized transmit by mail to the commissioner of revenue, the secretary of state, the state demographer, the land management information center, the Minnesota municipal board director of the office of strategic and long-range planning, and the commissioner of transportation an abstract of such report, giving the name and boundaries of such town and record in a book kept for that purpose a full description of each such town.

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Sec. 8. Minnesota Statutes 2002, section 412.021, subdivision 1, is amended to read:

Subdivision 1. **ELECTION.** Upon the filing of the certificate with the secretary of state, if the vote is in favor of incorporation, the judges of election appointed by the Minnesota municipal board director of the office of strategic and long-range planning or the county board as the case may be, shall fix a day at least 15 and not more than 30 days thereafter and a place for the holding of an election for officers. The judges shall also fix the time, not less than three hours, during which the polls shall remain open at the election and shall post a notice setting forth the time and place of such election in three public places in the city for at least ten days preceding the election.

Sec. 9. Minnesota Statutes 2002, section 412.091, is amended to read:

412.091 DISSOLUTION.

Whenever a number of voters equal to one-third of those voting at the last preceding city election petition the municipal board director of the office of strategic and long-range planning therefor, a special election shall be called to vote upon the question of dissolving the city. Before the election, the ~~executive director of the board~~ director shall designate a time and place for a hearing ~~before the board~~ in accordance with section 414.09. After the hearing ~~the board~~ the director shall issue ~~its~~ an order which shall include a date for the election, a determination of what town or towns the territory of the city shall belong to if the voters favor dissolution, and other necessary provisions. The ballots used at such election shall bear the printed words, "For Dissolution" and "Against Dissolution," with a square before each phrase in which the voter may express a preference by a cross. If a majority of those voting on the question favor dissolution, the clerk shall file a certificate of the result with the municipal board director, the secretary of state and the county auditor of the county in which the city is situated. Six months after the date of such election, the city shall cease to exist. Within such six months, the council shall audit all claims against the city, settle with the treasurer, and other city officers, and apply the assets of the city to the payment of its debts. If any debts remain unpaid, other than bonds, the city clerk shall file a schedule of such debts with the county treasurer and the council shall levy a tax sufficient for their payment, the proceeds of which, when collected, shall be paid by the county treasurer to the creditors in proportion to their several claims until all are discharged. The principal and interest on outstanding bonds shall be paid when due by the county treasurer from a tax annually spread by the county auditor against property formerly included within the city until the bonds are fully paid. All city property and all rights of the city shall, upon dissolution, inure in the town or towns designated by ~~the board~~ as the legal successor to the city. If the city territory goes to more than one town, surplus cash assets and unsold city property shall be distributed as provided by the ~~board~~ order for the election.

Sec. 10. Minnesota Statutes 2002, section 414.09, subdivision 3, is amended to read:

Subd. 3. **ELECTIONS OF MUNICIPAL OFFICERS.** (a) An order approving an incorporation or consolidation pursuant to this chapter, or an order requiring an

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election under section 414.031, subdivision 4a, shall set a date for ~~this an~~ election of new municipal officers not less than 45 days nor more than 60 days after the issuance of such order.

(b) The director shall appoint an acting clerk for election purposes, at least three election judges who shall be residents of the new municipality, and shall designate polling places within the new municipality.

(c) The acting clerk shall prepare the official election ballot.

(d) ~~Affidavits of candidacy may be filed by~~ Any person eligible to hold municipal office may file an affidavit of candidacy not more than four weeks nor less than two weeks before the date designated in the order for the election.

(e) The election shall be conducted in conformity with the charter and the laws for conducting municipal elections insofar as applicable.

(f) Any person eligible to vote at a township or municipal election within the area of the new municipality, is eligible to vote at such election.

(g) Any excess in the expense of conducting the election over receipts from filing fees shall be a charge against the new municipality; any excess of receipts shall be deposited in the treasury of the new municipality.

Sec. 11. Minnesota Statutes 2002, section 473.129, subdivision 5, is amended to read:

Subd. 5. **LOCAL GOVERNMENTAL PARTICIPATION.** The metropolitan council may (1) participate as a party in any proceedings originating ~~before the Minnesota municipal board~~ under chapter 414, if the proceedings involve the change in a boundary of a governmental unit in the metropolitan area, and (2) conduct studies of the feasibility of annexing, enlarging, or consolidating units in the metropolitan area.

Sec. 12. Minnesota Statutes 2002, section 473F.13, subdivision 1, is amended to read:

Subdivision 1. **CERTIFICATION OF CHANGE IN STATUS.** If a municipality is dissolved, is consolidated with all or part of another municipality, annexes territory, has a portion of its territory detached from it, or is newly incorporated, the secretary of state shall immediately certify that fact to the commissioner of revenue. The secretary of state shall also certify to the commissioner of revenue the current population of the new, enlarged, or successor municipality, if determined by the Minnesota municipal board director of the office of strategic and long-range planning incident to consolidation, annexation, or incorporation proceedings. The population so certified shall govern for purposes of sections 473F.01 to 473F.13 until the metropolitan council files its first population estimate as of a later date with the commissioner of revenue. If an annexation of unincorporated land occurs without proceedings before the ~~Minnesota municipal board director~~, the population of the annexing municipality as previously determined shall continue to govern for purposes of sections 473F.01 to 473F.13 until the metropolitan council files its first population estimate as of a later date with the commissioner of revenue.

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Sec. 13. Minnesota Statutes 2002, section 473H.14, is amended to read:

473H.14 ANNEXATION PROCEEDINGS.

Agricultural preserve land within a township shall not be annexed to a municipality pursuant to chapter 414, without a specific finding by the Minnesota municipal board director of the office of strategic and long-range planning that either (a) the expiration period as provided for in section 473H.08 has begun; (b) the township due to size, tax base, population or other relevant factors would not be able to provide normal governmental functions and services; or (c) the agricultural preserve would be completely surrounded by lands within a municipality.

This section shall not apply to annexation agreements approved ~~by the Minnesota municipal board~~ under proceedings authorized by chapter 414 prior to creation of the preserve.

Sec. 14. Minnesota Statutes 2002, section 572A.015, subdivision 2, is amended to read:

Subd. 2. **MEDIATION.** Within ten days of receiving a request for mediation that the director of the office of strategic and long-range planning has required under section 414.12, subdivision 1, the bureau shall provide written notice of the request for mediation to the parties and provide a list of neutrals experienced in land use planning and local government issues obtained from the supreme court, ~~Minnesota municipal board~~, bureau of mediation services, Minnesota state bar association, Hennepin county bar association, office of dispute resolution, and others. Within 30 days thereafter, the affected parties, as defined in section 414.10, ~~subdivision 1~~, shall select a mediator from the list of neutrals or someone else acceptable to the parties and submit to mediation for a period of 30 days facilitated by the bureau. If the dispute remains unresolved after the close of the 30-day mediation period, the bureau shall prepare a report of its recommendations and transmit the report within 30 days to the parties. Within 60 days after the date of issuance of the mediator's report, the dispute shall be submitted to binding arbitration as provided in this chapter. The mediator's report submitted to the parties is informational only and is not admissible in arbitration.

Sec. 15. Minnesota Statutes 2002, section 572A.02, subdivision 6, is amended to read:

Subd. 6. **DECISION.** The arbitrators, after a hearing on the matter, shall make a decision regarding the dispute within 60 days and transmit an order to the parties and the office of strategic and long-range planning ~~or the municipal board~~. Unless appealed by an aggrieved party within 30 days of receipt of the arbitration panel's order by the

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municipal board office, the municipal board office shall execute an order in accordance with the arbitration panel's order and shall cause copies of the same to be mailed to all parties entitled to mailed notice, the secretary of state, the department of revenue, the state demographer, individual property owners if initiated in that manner, the affected county auditor, and any other party of record. The affected county auditor shall record the order against the affected property.

Sec. 16. Minnesota Statutes 2002, section 572A.03, subdivision 5, is amended to read:

Subd. 5. **ORDERLY ANNEXATIONS WITHIN A DESIGNATED AREA.** For orderly annexations within a designated area under section 414.0325, which require a hearing, the arbitration panel may order the annexation: (1) if it finds that the subject area is now or is about to become urban or suburban in character and that the annexing municipality is capable of providing the services required by the area within a reasonable time; (2) if it finds that the existing township form of government is not adequate to protect the public health, safety, and welfare; or (3) if it finds that annexation would be in the best interests of the subject area. The board panel may deny the annexation if it conflicts with any provision of the joint agreement. The board panel may alter the boundaries of the proposed annexation by increasing or decreasing the area so as to include that property within the designated area which is in need of municipal services or will be in need of municipal services.

If the annexation is denied, no proceeding for the annexation of substantially the same area may be initiated within two years from the date of the board's order unless the new proceeding is initiated by a majority of the area's property owners and the petition is supported by affected parties to the resolution. In all cases, the arbitration panel shall set forth the factors which are the basis for the decision.

Sec. 17. **REPEALER.**

Minnesota Statutes 2002, section 572A.015, subdivision 1, and Laws 2002, chapter 223, section 25, subdivision 3, are repealed.

ARTICLE 6

OBSOLETE REFERENCES TO THE BOARD OF GOVERNMENT INNOVATION AND COOPERATION

Section 1. Minnesota Statutes 2002, section 465.81, subdivision 1, is amended to read:

Subdivision 1. **SCOPE.** Sections 465.81 to ~~465.87~~ 465.86 establish procedures to be used by counties, cities, or towns that adopt by resolution an agreement providing

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a plan to provide combined services during an initial cooperation period that may not exceed two years and then:

(1) to merge into a single unit of government over the succeeding two-year period;
or

(2) to agree to apportion the entire area of at least one local government unit between or among two or more local government units contiguous to the unit to be apportioned, resulting in the elimination of at least one local government unit over the succeeding two years.

Sec. 2. Minnesota Statutes 2002, section 465.81, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** As used in sections 465.81 to ~~465.87~~ 465.86, the words defined in this subdivision have the meanings given them in this subdivision.

~~“Board” means the board of government innovation and cooperation.~~

“City” means home rule charter or statutory cities.

“Governing body” means, in the case of a county, the county board; in the case of a city, the city council; and, in the case of a town, the town board.

“Local government unit” or “unit” includes counties, cities, and towns.

Sec. 3. Minnesota Statutes 2002, section 465.82, subdivision 1, is amended to read:

Subdivision 1. **ADOPTION AND STATE AGENCY REVIEW.** Each governing body that proposes to take part in a combination under sections 465.81 to ~~465.87~~ 465.86 must by resolution adopt a plan for cooperation and combination. The plan must address each item in this section. The plan must be specific for any item that will occur within three years and may be general or set forth alternative proposals for an item that will occur more than three years in the future. ~~The plan must be submitted to the board of government innovation and cooperation for review and comment.~~ For a metropolitan area local government unit, the plan must also be submitted to the metropolitan council for review and comment. The council may point out any resources or technical assistance it may be able to provide a governing body submitting a plan under this subdivision. Significant modifications and specific resolutions of items must be submitted to the ~~board and council~~, if appropriate, for review and comment. In the official newspaper of each local government unit proposing to take part in the combination, the governing body shall publish at least a summary of the adopted plans, each significant modification and resolution of items, and, if appropriate, the results of each ~~board and council~~ review and comment. If a territory of a unit is to be apportioned between or among two or more units contiguous to the unit that is to be apportioned, the plan must specify the area that will become a part of each remaining unit.

Sec. 4. Minnesota Statutes 2002, section 465.82, subdivision 2, is amended to read:

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Subd. 2. **CONTENTS OF PLAN.** The plan must state:

(1) the specific cooperative activities the units will engage in during the first two years of the venture;

(2) the steps to be taken to effect the merger of the governmental units, with completion no later than four years after the process begins;

(3) the steps by which a single governing body will be created or, when the entire territory of a unit will be apportioned between or among two or more units contiguous to the unit that is to be apportioned, the steps to be taken by the governing bodies of the remaining units to provide for representation of the residents of the apportioned unit;

(4) changes in services provided, facilities used, and administrative operations and staffing required to effect the preliminary cooperative activities and the final merger, and a two-, five-, and ten-year projection of expenditures for each unit if it combined and if it remained separate;

(5) treatment of employees of the merging governmental units, specifically including provisions for reassigning employees, dealing with exclusive representatives, and providing financial incentives to encourage early retirements;

(6) financial arrangements for the merger, specifically including responsibility for debt service on outstanding obligations of the merging units;

(7) one- and two-year impact analyses, prepared by the granting state agency at the request of the local government unit, of major state aid revenues received for each unit if it combined and if it remained separate, including an impact analysis, prepared by the department of revenue, of any property tax revenue implications associated with tax increment financing districts and fiscal disparities under chapter 276A or 473F resulting from the merger;

(8) procedures for a referendum to be held before the proposed combination to approve combining the local government units, specifically stating whether a majority of those voting in each district proposed for combination or a majority of those voting on the question in the entire area proposed for combination is needed to pass the referendum; and

(9) a time schedule for implementation.

Notwithstanding clause (3) or any other law to the contrary, all current members of the governing bodies of the local government units that propose to combine under sections 465.81 to ~~465.88~~ 465.86 may serve on the initial governing body of the combined unit until a gradual reduction in membership is achieved by foregoing election of new members when terms expire until the number permitted by other law is reached.

Sec. 5. Minnesota Statutes 2002, section 465.84, is amended to read:

465.84 **REFERENDUM.**

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During the first or second year of cooperation, and after approval of the plan by the board under ~~section 465.83~~, a referendum on the question of combination must be conducted. The referendum must be on a date called by the governing bodies of the units that propose to combine. The referendum must be conducted according to the Minnesota Election Law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following year. If the referendum fails again, the same question may not be submitted. Referendums shall be conducted on the same date in all local government units.

Presented to the governor March 17, 2003

Signed by the governor March 19, 2003, 4:05 p.m.

CHAPTER 3—S.F.No. 61

An act relating to state government; specifying certain contents for a statement of need and reasonableness for proposed administrative rules; amending Minnesota Statutes 2002, section 14.131.

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

Section 1. Minnesota Statutes 2002, section 14.131, is amended to read:

14.131 STATEMENT OF NEED AND REASONABLENESS.

By the date of the section 14.14, subdivision 1a, notice, the agency must prepare, review, and make available for public review a statement of the need for and reasonableness of the rule. The statement of need and reasonableness must be prepared under rules adopted by the chief administrative law judge and must include the following to the extent the agency, through reasonable effort, can ascertain this information:

(1) a description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule;

(2) the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues;

(3) a determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule;

(4) a description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule;

(5) the probable costs of complying with the proposed rule, including the portion of the total costs that will be borne by identifiable categories of affected parties, such

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