

Presented to the governor May 15, 2004

Signed by the governor May 19, 2004, 11:30 a.m.

CHAPTER 228—H.F.No. 2577

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erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 2002, sections 3.971, subdivision 8; 13.07; 13.461, by adding a subdivision; 13.465, subdivision 1, by adding a subdivision; 13.475, subdivision 4; 13.4965, by adding a subdivision; 13.4967, by adding a subdivision; 13.7411, subdivision 5; 15.0591, subdivision 2; 18F.02, subdivision 2a; 60A.23, subdivision 5; 82.34, subdivision 13; 85.053, subdivision 2; 89.391; 97A.055, subdivision 4; 103B.101, subdivision 10; 115B.16, subdivision 4; 115B.18, subdivision 1; 116A.11, subdivision 1; 119A.05, subdivision 1; 126C.48, subdivision 8; 162.081, subdivision 4; 163.16, subdivision 1; 163.161; 164.05, subdivision 3; 164.08, subdivision 1; 168.12, subdivision 2d; 181.953, subdivision 1; 214.03, subdivision 1; 237.39; 256D.03, subdivision 8; 260B.175, subdivision 1; 270B.01, subdivision 8; 272.0212, subdivision 2; 273.1398, subdivisions 1, 2d, 3; 275.07, subdivision 1; 276.04, subdivision 2; 290.191, subdivision 5; 290C.04; 306.32; 325F.19, subdivision 3; 325F.69, subdivisions 1, 4; 326.10, subdivisions 1, 7; 326.12, subdivision 2; 326.13; 326.15; 336.9-531; 344.20; 348.02; 357.021, subdivision 5; 365.59; 366.17; 368.85, subdivision 9; 385.09; 395.14; 477A.011, subdivisions 21, 27, 35; 477A.015; 609.3452, subdivision 2; Minnesota Statutes 2003 Supplement, sections 13.4963, subdivision 2; 18G.14, subdivisions 1, 8; 37.31, subdivision 4; 62J.692, subdivision 10; 62J.694, subdivision 1; 97A.482; 115B.31, subdivision 1; 116J.966, subdivision 1; 119B.125, subdivision 2; 127A.45, subdivision 10; 144.395, subdivision 1; 192.501, subdivision 2; 216C.41, subdivision 1; 246.014; 256.954, subdivision 3; 256B.0943, subdivisions 5, 7, 9, 12, by adding a subdivision; 270B.03, subdivision 6; 273.1392; 273.1398, subdivision 4c; 297A.668, subdivision 3; 297A.669, subdivision 16; 308B.201; 308B.311, subdivision 6; 308B.471, subdivision 2; 308B.735, subdivision 1; 365.52, subdivision 1; 469.177, subdivision 9; 469.339, subdivision 2; 473.253, subdivision 1; Laws 2003, First Special Session chapter 11, article 2, section 21; Laws 2003, First Special Session chapter 21, article 8, section 10; repealing Minnesota Statutes 2002, sections 18.79, subdivision 11; 115B.241; 273.1398, subdivisions 1a, 2e; 275.07, subdivisions 1a, 5; Laws 2001, chapter 161, section 29; Laws 2001, First Special Session chapter 5, article 3, section 9; Laws 2002, chapter 364, section 15; Laws 2002, chapter 380, article 4, section 1; Laws 2003, chapter 112, article 2, section 35; Laws 2003, chapter 127, article 5, section 19; Laws 2003, chapter 127, article 7, section 1; Laws 2003, chapter 128, article 2, section 13; Laws 2003, chapter 128, article 3, section 44; Laws 2003, First Special Session chapter 9, article 5, section 29; Minnesota Rules, parts 1220.0200; 1220.0300; 1220.0400; 1220.0500; 1220.0600; 1220.0700; 1220.0800; 1220.0900; 7380.0200; 7380.0210; 7380.0220; 7380.0230; 7380.0240.

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

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

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ARTICLE 1**GENERAL**

Section 1. Minnesota Statutes 2002, section 3.971, subdivision 8, is amended to read:

Subd. 8. **BEST PRACTICES REVIEWS.** (a) The legislative auditor shall conduct best practices reviews that examine the procedures and practices used to deliver local government services, determine the methods of local government service delivery, identify variations in cost and effectiveness, and identify practices to save money or provide more effective service delivery. The legislative auditor shall recommend to local governments service delivery methods and practices to improve the cost-effectiveness of services. ~~The legislative auditor and the Board of Government Innovation and Cooperation shall notify each other of projects being conducted relating to improving local government services.~~

(b) The commission shall approve local government services to be reviewed with advice from an advisory council appointed by the legislative auditor and consisting of:

- (1) three representatives from the Association of Minnesota Counties;
- (2) three representatives from the League of Minnesota Cities;
- (3) two representatives from the Association of Metropolitan Municipalities;
- (4) one representative from the Minnesota Association of Townships; and
- (5) one representative from the Minnesota Association of School Administrators.

Sec. 2. Minnesota Statutes 2002, section 13.07, is amended to read:

13.07 DUTIES OF THE COMMISSIONER.

The commissioner shall ~~with the advice of the Intergovernmental Information Services Advisory Council~~ promulgate rules, in accordance with the rulemaking procedures in the Administrative Procedure Act which shall apply to state agencies, statewide systems and political subdivisions to implement the enforcement and administration of this chapter. The rules shall not affect section 13.04, relating to rights of subjects of data. Prior to the adoption of rules authorized by this section the commissioner shall give notice to all state agencies and political subdivisions in the same manner and in addition to other parties as required by section 14.06 of the date and place of hearing, enclosing a copy of the rules to be adopted.

Sec. 3. Minnesota Statutes 2002, section 13.461, is amended by adding a subdivision to read:

Subd. 7a. **BACKGROUND STUDIES.** Access to and sharing of data for human services background studies under chapter 245C are governed by that chapter.

Sec. 4. Minnesota Statutes 2002, section 13.465, subdivision 1, is amended to read:

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Subdivision 1. **SCOPE.** The sections referred to in subdivisions 2 to 44 15 are codified outside this chapter. Those sections classify domestic relations data as other than public, place restrictions on access to government data, or involve data sharing.

Sec. 5. Minnesota Statutes 2002, section 13.465, is amended by adding a subdivision to read:

Subd. 15. **GUARDIAN OR CONSERVATOR; BACKGROUND STUDY.** Access to data for background studies required by the court under section 524.5-118, is governed by that section.

Sec. 6. Minnesota Statutes 2002, section 13.475, subdivision 4, is amended to read:

Subd. 4. **COMMISSIONER OF ECONOMIC SECURITY UNEMPLOYMENT; WAGE DETAIL.** Data maintained by the commissioner of employment and economic security development pursuant to the administration of the Minnesota Unemployment Insurance Law are classified under and may be disseminated as provided in section 268.19, subdivision 1. Wage and employment data gathered pursuant to section 268.044 may be disseminated as provided in section 268.19, subdivision 1a.

Sec. 7. Minnesota Statutes 2003 Supplement, 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, 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. 8. Minnesota Statutes 2002, section 13.4965, is amended by adding a subdivision to read:

Subd. 2a. **UNIFORM ASSESSMENT DATA.** Data on property shared to promote uniform assessment is governed by section 273.061, subdivision 8a.

Sec. 9. Minnesota Statutes 2002, section 13.4967, is amended by adding a subdivision to read:

Subd. 2b. **SUSTAINABLE FOREST INCENTIVE.** Data collected under section 290C.04 are classified and may be shared as provided in paragraph (d) of that section.

Sec. 10. Minnesota Statutes 2002, section 13.7411, subdivision 5, is amended to read:

Subd. 5. **ENVIRONMENTAL RESPONSE AND LIABILITY.** (a) **RESPONSIBLE PERSONS.** Certain data obtained by the Pollution Control Agency from a

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person who may be responsible for a release are classified in section 115B.17, subdivision 5.

(b) **HAZARDOUS WASTE GENERATORS.** Data exchanged between the Pollution Control Agency and the Department of Revenue under sections 115B.24 and 116.075, subdivision 2, are classified under section 115B.24, subdivision 5.

(e) **HARMFUL SUBSTANCE COMPENSATION.** Access to data collected and maintained in connection with harmful substance compensation reimbursement is governed by sections 115B.28, subdivision 2; and 115B.35, subdivision 2.

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

Sec. 11. Minnesota Statutes 2002, section 15.0591, subdivision 2, is amended to read:

Subd. 2. **BODIES AFFECTED.** A member meeting the qualifications in subdivision 1 must be appointed to the following boards, commissions, advisory councils, task forces, or committees:

- (1) Advisory Council on Battered Women and Domestic Abuse;
- (2) Advisory Task Force on the Use of State Facilities;
- (3) Alcohol and Other Drug Abuse Advisory Council;
- (4) Board of Examiners for Nursing Home Administrators;
- (5) Board on Aging;
- (6) Chiropractic Examiners Board;
- (7) Consumer Advisory Council on Vocational Rehabilitation;
- (8) Council on Disability;
- (9) Council on Affairs of Chicano/Latino People;
- (10) Council on Black Minnesotans;
- (11) Dentistry Board;
- (12) Department of Economic Security Advisory Council;
- (13) Higher Education Services Office;
- (14) Housing Finance Agency;
- (15) Indian Advisory Council on Chemical Dependency;
- (16) Medical Practice Board;
- (17) Medical Policy Directional Task Force on Mental Health;
- ~~(18) Minnesota Employment and Economic Development Task Force;~~
- ~~(19)~~ (18) Minnesota State Arts Board;

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- (20) (19) Nursing Board;
- (21) (20) Optometry Board;
- (22) (21) Pharmacy Board;
- (23) (22) Board of Physical Therapy;
- (24) (23) Podiatry Board;
- (25) (24) Psychology Board;
- (26) Veterans Advisory Committee.

Sec. 12. Minnesota Statutes 2002, section 18F.02, subdivision 2a, is amended to read:

Subd. 2a. **AGRICULTURALLY RELATED ORGANISM.** "Agriculturally related organism" means any organism that is used in agricultural production or processing of agricultural products. It includes livestock and livestock products; dairy animals and dairy products; poultry and poultry products; domestic fur-bearing animals; animal feeds; horticultural stock; nursery stock, as defined in section 18.46, subdivision 3 18G.02, subdivision 17; fruit; vegetables; forage grain; wild rice; seeds; bees; apiary products; and products for the control or mitigation of noxious weeds. It excludes vaccines and drugs for use in humans; genetic engineering of human germ cells and human somatic cells intended for use in human gene therapy; vaccines for use in livestock, dairy animals, poultry, domestic fur-bearing animals, or private aquatic life; genetically engineered wild animals; and forestry products.

Sec. 13. Minnesota Statutes 2003 Supplement, section 18G.14, subdivision 1, is amended to read:

Subdivision 1. **DECLARATION OF POLICY.** The abatement or suppression of mosquitoes is advisable and necessary for the maintenance and improvement of the health, welfare, and prosperity of the people. Areas where mosquitoes incubate or hatch are declared to be public nuisances and may be abated under this section. Mosquito abatement may be undertaken under ~~sections 18.041 to 18.161~~ this section anywhere in the state by any governmental unit.

Sec. 14. Minnesota Statutes 2003 Supplement, section 18G.14, subdivision 8, is amended to read:

Subd. 8. **POWERS OF BOARD.** A mosquito abatement board and a joint board established under this section ~~18.131~~ may, either by board action or through its members, officers, agents, or employees, as may be appropriate:

- (1) enter any property within the governmental unit at reasonable times to determine whether mosquito breeding exists;
- (2) take necessary and proper steps for the abatement of mosquitoes and other insects and arachnids, such as ticks, mites, and spiders, as the commissioner may designate;

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(3) subject to the paramount control of county and state authorities, lagoon and clean up any stagnant pool of water and clean up shores of lakes and streams and other mosquito breeding places;

(4) spray with insecticides, approved by the commissioner, areas in the governmental unit found to be breeding places for mosquitoes or other insects or arachnids designated under clause (2);

(5) purchase supplies and equipment and employ persons necessary and proper for mosquito abatement;

(6) accept gifts of money or equipment to be used for mosquito abatement; and

(7) enter into contracts necessary to accomplish mosquito abatement.

Sec. 15. Minnesota Statutes 2003 Supplement, section 37.31, subdivision 4, is amended to read:

Subd. 4. **RESOLUTION AND TERMS OF SALE.** The bonds of the society must be authorized by a resolution or resolutions adopted by the society. The bonds must bear the date or dates, mature at the time or times, bear interest at a fixed or variable rate, including a rate varying periodically at the time or times and on the terms determined by the society, or any combination of fixed and variable rates, be in the denominations, be in the form, carry the registration privileges, be executed in the manner, be payable in lawful money of the United States, at the place or places within or without the state, and be subject to the terms of redemption or purchase before maturity as the resolutions or certificates provide. If, for any reason existing at the date of issue of the bonds or existing at the date of making or purchasing any loan or securities from the proceeds or after that date, the interest on the bonds is or becomes subject to federal income taxation, this fact does not affect the validity or the provisions made for the security of the bonds. The society may make covenants and take or have taken actions that are in its judgment necessary or desirable to comply with conditions established by federal law or regulations for the exemption of interest on its obligations. The society may refrain from compliance with those conditions if in its judgment this would serve the purposes and policies set forth in this chapter with respect to any particular issue of bonds, unless this would violate covenants made by the society. The maximum maturity of a bond, whether or not issued for the purpose of refunding, must be 30 years from its date. The bonds of the society may be sold at public or private sale, at a price or prices determined by the society; provided that:

(1) the aggregate price at which an issue of bonds is initially offered by underwriters to investors, as stated in the ~~authority's~~ society's official statement with respect to the offering, must not exceed by more than three percent the aggregate price paid by the underwriters to the society at the time of delivery;

(2) the commission paid by the society to an underwriter for placing an issue of bonds with investors must not exceed three percent of the aggregate price at which the issue is offered to investors as stated in the society's offering statement; and

(3) the spread or commission must be an amount determined by the society to be reasonable in light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters.

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Sec. 16. Minnesota Statutes 2003 Supplement, section 62J.692, subdivision 10, is amended to read:

Subd. 10. **TRANSFERS FROM UNIVERSITY OF MINNESOTA.** Of the funds dedicated to the Academic Health Center under section 297F.10, subdivision 1, ~~paragraph (b)~~, clause (1), \$4,850,000 shall be transferred annually to the commissioner of health no later than April 15 of each year for distribution under subdivision 4, paragraph (f).

Sec. 17. Minnesota Statutes 2003 Supplement, section 62J.694, subdivision 1, is amended to read:

Subdivision 1. **CREATION; USE OF CASH RESERVES.** (a) The medical education endowment fund is created in the state treasury. The State Board of Investment shall invest the fund under section 11A.24. All earnings of the fund must be credited to the fund. The principal of the fund must be maintained inviolate, except that the principal may be used to make expenditures from the fund for the purposes specified in this section when the market value of the fund falls below 105 percent of the cumulative total of the tobacco settlement payments received by the state and credited to the tobacco settlement fund under Minnesota Statutes 2002, section 16A.87, subdivision 2. For purposes of this section, "principal" means an amount equal to the cumulative total of the tobacco settlement payments received by the state and credited to the tobacco settlement fund under Minnesota Statutes 2002, section 16A.87, subdivision 2.

(b) If the commissioner of finance determines that probable receipts to the general fund will be sufficient to meet the need for expenditures from the general fund for a fiscal biennium, after using the cash reserves of the tobacco use prevention and local public health endowment fund, excluding an amount sufficient to meet the annual appropriations in section 144.395, subdivision 2, the commissioner may use cash reserves of the medical education endowment fund, excluding the amounts needed to meet the appropriations described in subdivisions 2 and 2a, to pay expenses of the general fund. If cash reserves are transferred to the general fund to meet cash flow needs, the amount transferred, plus interest at a rate comparable to the rate earned by the state on invested commissioner of finance cash, as determined monthly by the commissioner, must be returned to the endowment fund as soon as sufficient cash balances are available in the general fund, but in any event before the end of the fiscal biennium. An amount necessary to pay the interest is appropriated from the general fund. If cash reserves of the endowment fund are used to pay expenses for the general fund, notwithstanding subdivision 2, paragraph (d), the Academic Health Center shall be held harmless to the extent possible. When determining the fair market value of the fund, for the purposes described in subdivisions 2 and 2a, the value of the cash reserves transferred to the general fund must be included in the determination.

(c) The Academic Health Center account is created as a separate account in the medical education endowment fund. The account is invested under paragraph (a). All earnings of the account must be credited to the account. The principal of the account must be maintained inviolate, except that the principal may be used to make

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expenditures from the account for the purposes specified in subdivision 2a when the value of the account falls below an amount equal to deposits made to the account under Minnesota Statutes, section 16A.87, subdivision 3, paragraph (b).

Sec. 18. Minnesota Statutes 2002, section 82.34, subdivision 15, is amended to read:

Subd. 15. **APPROPRIATION.** Any sums received by the commissioner pursuant to any provisions of this section shall be deposited in the state treasury, and credited to the real estate education, research and recovery fund, and said sums shall be allocated exclusively for the purposes provided in this section. All moneys in the fund are appropriated annually to the commissioner for the purposes of this section.

All money credited to the fund under section 462A.201 may only be used for purposes under subdivision 6, clause ~~(g)~~ (f). Beginning in 1990, the commissioner must, on February 1 of each year, review the amount of money spent or allocated for uses under subdivision 6, clause ~~(g)~~ (f), for the previous calendar year. If the amount spent or allocated is less than the amount credited to the fund under section 462A.201 during the same calendar year, the difference must be transferred from the fund to the housing trust fund account established in section 462A.201. If the fund balance exceeds \$4,000,000, the commissioner may suspend the fee imposed under subdivision 3.

Sec. 19. Minnesota Statutes 2002, section 85.053, subdivision 2, is amended to read:

Subd. 2. **REQUIREMENT.** Except as provided in section 85.054, a motor vehicle may not enter a state park, state recreation area, or state wayside over 50 acres in area, without a state park permit issued under this section. Except for vehicles permitted under subdivision 7, paragraph (a), clause ~~(3)~~ (2), the state park permit must be affixed to the lower right corner windshield of the motor vehicle and must be completely affixed by its own adhesive to the windshield.

Sec. 20. Minnesota Statutes 2002, section 89.391, is amended to read:

89.391 NURSERY INSPECTION CERTIFICATES; LIMITATIONS ON ISSUANCE.

No certificate of inspection shall be issued pursuant to section ~~18.54~~ 18H.05 by the commissioner of agriculture to a person who is determined by the commissioner of natural resources to have purchased trees pursuant to sections 89.35 to 89.39 and who is selling, giving, removing, or permitting the removal of the trees with roots attached, in violation of section 89.38.

Sec. 21. Minnesota Statutes 2002, section 97A.055, subdivision 4, is amended to read:

Subd. 4. **ANNUAL REPORTS.** (a) By November 15 each year, the commissioner shall submit to the legislative committees having jurisdiction over appropriations and the environment and natural resources reports on each of the following:

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(1) the amount of revenue from the following and purposes for which expenditures were made:

- (i) the small game license surcharge under section 97A.475, subdivision 4;
 - (ii) the Minnesota migratory waterfowl stamp under section 97A.475, subdivision 5, clause (1);
 - (iii) the trout and salmon stamp under section 97A.475, subdivision 10;
 - (iv) the pheasant stamp under section 97A.475, subdivision 5, clause (2); and
 - (v) the turkey stamp under section 97A.475, subdivision 5, clause (3);
- (2) the amounts available under section 97A.075, subdivision 1, paragraphs (b) and (c), and the purposes for which these amounts were spent;
- (3) money credited to the game and fish fund under this section and purposes for which expenditures were made from the fund;
- (4) outcome goals for the expenditures from the game and fish fund; and
- (5) summary and comments of citizen oversight committee reviews under subdivision 4a 4b.

(b) The report must include the commissioner's recommendations, if any, for changes in the laws relating to the stamps and surcharge referenced in paragraph (a).

Sec. 22. Minnesota Statutes 2003 Supplement, section 97A.482, is amended to read:

97A.482 LICENSE APPLICATIONS; COLLECTION OF SOCIAL SECURITY NUMBERS.

(a) All applicants for individual noncommercial game and fish licenses under this chapter and chapters 97B and 97C must include the applicant's social security number on the license application. If an applicant does not have a Social Security number, the applicant must certify that the applicant does not have a Social Security number.

(b) The Social Security numbers collected by the commissioner on game and fish license applications are private data under section ~~13.49~~ 13.355, subdivision 1, and must be provided by the commissioner to the commissioner of human services for child support enforcement purposes. Title IV-D of the Social Security Act, United States Code, title 42, section 666(a)(13), requires the collection of Social Security numbers on game and fish license applications for child support enforcement purposes.

Sec. 23. Minnesota Statutes 2002, section 103B.101, subdivision 10, is amended to read:

Subd. 10. **COMMITTEE FOR DISPUTE RESOLUTION.** A committee of the board is established to hear and resolve disputes, appeals, and interventions under sections 103A.301 to 103A.341; 103B.231, subdivision 9; 103B.345; and 103D.535; 103D.537; and 103G.2242, subdivision 9. The committee consists of two of the three citizen members; one county commissioner member; one soil and water conservation

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district supervisor member; and one watershed district or watershed management organization representative member. The committee is appointed by the board chair.

Sec. 24. Minnesota Statutes 2002, section 115B.16, subdivision 4, is amended to read:

Subd. 4. **PENALTIES.** (a) Any person who knowingly violates the provisions of subdivision 1 is subject to a civil penalty in an amount determined by the court of not more than \$100,000, and shall be liable under sections 115B.04 and 115B.05 for any release or threatened release of any hazardous substance resulting from the violation.

(b) Any person who knowingly fails to record an affidavit as required by subdivision 2 shall be liable under sections 115B.04 and 115B.05 for any release or threatened release of any hazardous substance from a facility located on that property.

(c) A civil penalty may be imposed and recovered by an action brought by a county attorney or by the attorney general in the district court of the county in which the property is located.

(d) Any civil fines recovered under this subdivision shall be deposited in the account remediation fund.

Sec. 25. Minnesota Statutes 2002, section 115B.18, subdivision 1, is amended to read:

Subdivision 1. **CIVIL PENALTIES.** Any person responsible for a release or threatened release from a facility of a pollutant or contaminant which presents an imminent and substantial danger to the public health or welfare or the environment or for a release or threatened release of a hazardous substance from a facility shall forfeit and pay to the state a civil penalty in an amount to be determined by the court of not more than \$20,000 per day for each day that the person fails to take reasonable and necessary response actions or to make reasonable progress in completing response actions requested as provided in subdivision 3.

The penalty provided under this subdivision may be recovered by an action brought by the attorney general in the name of the state in connection with an action to recover expenses of the agency under section 115B.17, subdivision 6, or by a separate action in the District Court of Ramsey County. All penalties recovered under this subdivision shall be deposited in the remediation fund.

Sec. 26. Minnesota Statutes 2003 Supplement, section 115B.31, subdivision 1, is amended to read:

Subdivision 1. **SUBSEQUENT ACTION OR CLAIM PROHIBITED IN CERTAIN CASES.** (a) A person who has settled a claim for an eligible injury or eligible property damage with a responsible person, either before or after bringing an action in court for that injury or damage, may not file a claim with the ~~account~~ fund for the same injury or damage. A person who has received a favorable judgment in a court action for an eligible injury or eligible property damage may not file a claim with the fund for the same injury or damage, unless the judgment cannot be satisfied in whole or in part against the persons responsible for the release of the harmful

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substance. A person who has filed a claim with the agency or its predecessor, the Harmful Substance Compensation Board, may not file another claim with the agency for the same eligible injury or damage, unless the claim was inactivated by the agency or board as provided in section 115B.32, subdivision 1.

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

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

Sec. 27. Minnesota Statutes 2003 Supplement, section 116J.966, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The programs and activities of the commissioner of employment and economic development and the Minnesota Trade Division may not duplicate programs and activities of the commissioner of agriculture or the Minnesota World Trade Center.

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

Sec. 28. Minnesota Statutes 2002, section 119A.05, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY FOR FUNDING CONSOLIDATION.** Notwithstanding existing law governing allocation of funds by local grantees, mode of service delivery, grantee planning and reporting requirements, and other procedural requirements for the grant programs identified in this section, a local grantee may elect to consolidate all or a portion of funding received from the programs under subdivision 5 in a collaboration funding plan, if all conditions specified in this section are satisfied. County boards, school boards, or governing boards of other grantees may elect not to consolidate funding for a program.

For grantees electing consolidation, the commissioner may, with the approval of the ~~Board of Government Innovation and Cooperation~~, waive all provisions of rules inconsistent with the intent of this section. This waiver authority does not apply to rules governing client protections, due process, or inclusion of clients, parents, cultures, and ethnicities in decision making. Funding to a local grantee must be determined according to the funding formulas or allocation rules governing the individual programs listed in section 119A.04.

Sec. 29. Minnesota Statutes 2003 Supplement, section 119B.125, subdivision 2, is amended to read:

Subd. 2. **PERSONS WHO CANNOT BE AUTHORIZED.** (a) A person who meets any of the conditions under paragraphs (b) to (n) must not be authorized as a legal nonlicensed family child care provider. For purposes of this subdivision, a finding that a delinquency petition is proven in juvenile court must be considered a conviction in state district court.

(b) The person has been convicted of one of the following offenses or has admitted to committing or a preponderance of the evidence indicates that the person has committed an act that meets the definition of one of the following offenses:

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sections 609.185 to 609.195, murder in the first, second, or third degree; 609.2661 to 609.2663, murder of an unborn child in the first, second, or third degree; 609.322, solicitation, inducement, or promotion of prostitution; ~~609.323~~, or receiving profit from prostitution; 609.342 to 609.345, criminal sexual conduct in the first, second, third, or fourth degree; 609.352, solicitation of children to engage in sexual conduct; 609.365, incest; 609.377, felony malicious punishment of a child; 617.246, use of minors in sexual performance; 617.247, possession of pictorial representation of a minor; 609.2242 to 609.2243, felony domestic assault; a felony offense of spousal abuse; a felony offense of child abuse or neglect; a felony offense of a crime against children; or an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes; or an offense in any other state or country where the elements are substantially similar to any of the offenses listed in this paragraph.

(c) Less than 15 years have passed since the discharge of the sentence imposed for the offense and the person has received a felony conviction for one of the following offenses, or the person has admitted to committing or a preponderance of the evidence indicates that the person has committed an act that meets the definition of a felony conviction for one of the following offenses: sections 609.20 to 609.205, manslaughter in the first or second degree; 609.21, criminal vehicular homicide; 609.215, aiding suicide or aiding attempted suicide; 609.221 to 609.2231, assault in the first, second, third, or fourth degree; 609.224, repeat offenses of fifth degree assault; 609.228, great bodily harm caused by distribution of drugs; 609.2325, criminal abuse of a vulnerable adult; 609.2335, financial exploitation of a vulnerable adult; 609.235, use of drugs to injure or facilitate a crime; 609.24, simple robbery; 617.241, repeat offenses of obscene materials and performances; 609.245, aggravated robbery; 609.25, kidnapping; 609.255, false imprisonment; 609.2664 to 609.2665, manslaughter of an unborn child in the first or second degree; 609.267 to 609.2672, assault of an unborn child in the first, second, or third degree; 609.268, injury or death of an unborn child in the commission of a crime; 609.27, coercion; 609.275, attempt to coerce; 609.324, subdivision 1, other prohibited acts, minor engaged in prostitution; 609.3451, repeat offenses of criminal sexual conduct in the fifth degree; 609.378, neglect or endangerment of a child; 609.52, theft; 609.521, possession of shoplifting gear; 609.561 to 609.563, arson in the first, second, or third degree; 609.582, burglary in the first, second, third, or fourth degree; 609.625, aggravated forgery; 609.63, forgery; 609.631, check forgery, offering a forged check; 609.635, obtaining signature by false pretenses; 609.66, dangerous weapon; 609.665, setting a spring gun; 609.67, unlawfully owning, possessing, or operating a machine gun; 609.687, adulteration; 609.71, riot; 609.713, terrorist threats; 609.749, harassment, stalking; ~~260.221~~ 260C.301, grounds for termination of parental rights; 152.021 to 152.022, controlled substance crime in the first or second degree; 152.023, subdivision 1, clause (3) or (4), or 152.023, subdivision 2, clause (4), controlled substance crime in third degree; 152.024, subdivision 1, clause (2), (3), or (4), controlled substance crime in fourth degree; 617.23, repeat offenses of indecent exposure; an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes; or an offense in any other state or country where the elements are substantially similar to any of the offenses listed in this paragraph.

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(d) Less than ten years have passed since the discharge of the sentence imposed for the offense and the person has received a gross misdemeanor conviction for one of the following offenses or the person has admitted to committing or a preponderance of the evidence indicates that the person has committed an act that meets the definition of a gross misdemeanor conviction for one of the following offenses: sections 609.224, fifth degree assault; 609.2242 to 609.2243, domestic assault; 518B.01, subdivision 14, violation of an order for protection; 609.3451, fifth degree criminal sexual conduct; 609.746, repeat offenses of interference with privacy; 617.23, repeat offenses of indecent exposure; 617.241, obscene materials and performances; 617.243, indecent literature, distribution; 617.293, disseminating or displaying harmful material to minors; 609.71, riot; 609.66, dangerous weapons; 609.749, harassment, stalking; 609.224, subdivision 2, paragraph (c), fifth degree assault against a vulnerable adult by a caregiver; 609.23, mistreatment of persons confined; 609.231, mistreatment of residents or patients; 609.2325, criminal abuse of a vulnerable adult; 609.2335, financial exploitation of a vulnerable adult; 609.233, criminal neglect of a vulnerable adult; 609.234, failure to report maltreatment of a vulnerable adult; 609.72, subdivision 3, disorderly conduct against a vulnerable adult; 609.265, abduction; 609.378, neglect or endangerment of a child; 609.377, malicious punishment of a child; 609.324, subdivision 1a, other prohibited acts, minor engaged in prostitution; 609.33, disorderly house; 609.52, theft; 609.582, burglary in the first, second, third, or fourth degree; 609.631, check forgery, offering a forged check; 609.275, attempt to coerce; an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes; or an offense in any other state or country where the elements are substantially similar to any of the offenses listed in this paragraph.

(e) Less than seven years have passed since the discharge of the sentence imposed for the offense and the person has received a misdemeanor conviction for one of the following offenses or the person has admitted to committing or a preponderance of the evidence indicates that the person has committed an act that meets the definition of a misdemeanor conviction for one of the following offenses: sections 609.224, fifth degree assault; 609.2242, domestic assault; 518B.01, violation of an order for protection; 609.3232, violation of an order for protection; 609.746, interference with privacy; 609.79, obscene or harassing telephone calls; 609.795, letter, telegram, or package opening, harassment; 617.23, indecent exposure; 609.2672, assault of an unborn child, third degree; 617.293, dissemination and display of harmful materials to minors; 609.66, dangerous weapons; 609.665, spring guns; an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes; or an offense in any other state or country where the elements are substantially similar to any of the offenses listed in this paragraph.

(f) The person has been identified by the county's child protection agency or by the statewide child protection database as the person allegedly responsible for physical or sexual abuse of a child within the last seven years.

(g) The person has been identified by the county's adult protection agency or by the statewide adult protection database as the person responsible for abuse or neglect of a vulnerable adult within the last seven years.

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(h) The person has refused to give written consent for disclosure of criminal history records.

(i) The person has been denied a family child care license or has received a fine or a sanction as a licensed child care provider that has not been reversed on appeal.

(j) The person has a family child care licensing disqualification that has not been set aside.

(k) The person has admitted or a county has found that there is a preponderance of evidence that fraudulent information was given to the county for application purposes or was used in submitting bills for payment.

(l) The person has been convicted or there is a preponderance of evidence of the crime of theft by wrongfully obtaining public assistance.

(m) The person has a household member age 13 or older who has access to children during the hours that care is provided and who meets one of the conditions listed in paragraphs (b) to (l).

(n) The person has a household member ages ten to 12 who has access to children during the hours that care is provided; information or circumstances exist which provide the county with articulable suspicion that further pertinent information may exist showing the household member meets one of the conditions listed in paragraphs (b) to (l); and the household member actually meets one of the conditions listed in paragraphs (b) to (l).

Sec. 30. Minnesota Statutes 2003 Supplement, section 144.395, subdivision 1, is amended to read:

Subdivision 1. **CREATION.** (a) The tobacco use prevention and local public health endowment fund is created in the state treasury. The State Board of Investment shall invest the fund under section 11A.24. All earnings of the fund must be credited to the fund. The principal of the fund must be maintained inviolate, except that the principal may be used to make expenditures from the fund for the purposes specified in this section when the market value of the fund falls below 105 percent of the cumulative total of the tobacco settlement payments received by the state and credited to the tobacco settlement fund under Minnesota Statutes 2002, section 16A.87, subdivision 2. For purposes of this section, "principal" means an amount equal to the cumulative total of the tobacco settlement payments received by the state and credited to the tobacco settlement fund under Minnesota Statutes 2002, section 16A.87, subdivision 2.

(b) If the commissioner of finance determines that probable receipts to the general fund will be sufficient to meet the need for expenditures from the general fund for a fiscal biennium, the commissioner may use cash reserves of the tobacco use prevention and local public health endowment fund, excluding an amount sufficient to meet the annual appropriations in subdivision 2, to pay expenses of the general fund. If cash reserves are transferred to the general fund to meet cash flow needs, the amount transferred, plus interest at a rate comparable to the rate earned by the state on invested

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commissioner of finance cash, as determined monthly by the commissioner, must be returned to the endowment fund as soon as sufficient cash balances are available in the general fund, but in any event before the end of the fiscal biennium. An amount necessary to pay the interest is appropriated from the general fund. If cash reserves of the endowment fund are used to pay expenses for the general fund, the recipients of the grants shall be held harmless to the extent possible in the following order: (1) local public health; (2) local tobacco prevention; and (3) statewide tobacco prevention. When determining the fair market value of the fund, for the purposes described in subdivision 2, the value of the cash reserves transferred to the general fund must be included in the determination.

Sec. 31. Minnesota Statutes 2002, section 168.12, subdivision 2d, is amended to read:

Subd. 2d. **READY RESERVE; SPECIAL PLATES.** (a) The registrar shall issue special license plates to an applicant who is not eligible for special license plates under subdivision 2c, who is a member of the United States Armed Forces Ready Reserve as described in United States Code, title 10, section ~~268~~ 10142 or 10143, and is an owner or joint owner of a passenger automobile, van, or pickup truck, on paying a fee of \$10, paying the registration tax required by law, and complying with other laws of this state relating to registration and licensing of motor vehicles and drivers. The commissioner of veterans affairs shall design these special plates subject to the approval of the registrar. No applicant may be issued more than two sets of plates for vehicles owned or jointly owned by the applicant. The commissioner of veterans affairs shall estimate the number of special plates that will be required and submit the estimate to the registrar.

(b) Special plates issued under this subdivision may only be used during the period that the owner or joint owner of the vehicle is a member of the ready reserve. When the person is no longer a member, the special plates must be removed from the vehicle and returned to the registrar. On returning the special plates, the owner or purchaser of the vehicle is entitled to receive regular plates for the vehicle without cost for the rest of the registration period for which the special plates were issued. While the person is a member of the ready reserve, plates issued under this subdivision may be transferred to another motor vehicle owned or jointly owned by that person on paying a fee of \$5.

(c) The fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

(d) The registrar may adopt rules under the Administrative Procedure Act to govern the issuance and use of the special plates authorized by this subdivision.

Sec. 32. Minnesota Statutes 2002, section 181.953, subdivision 1, is amended to read:

Subdivision 1. **USE OF LICENSED, ACCREDITED, OR CERTIFIED LABORATORY REQUIRED.** (a) An employer who requests or requires an employee or job applicant to undergo drug or alcohol testing shall use the services of

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a testing laboratory that meets one of the following criteria for drug testing:

(1) is certified by the National Institute on Drug Abuse as meeting the mandatory guidelines published at 54 53 Federal Register 11970 to 11989, April 11, 1988;

(2) is accredited by the College of American Pathologists, 325 Waukegan Road, Northfield, Illinois, 60093-2750, under the forensic urine drug testing laboratory program; or

(3) is licensed to test for drugs by the state of New York, Department of Health, under Public Health Law, article 5, title V, and rules adopted under that law.

(b) For alcohol testing, the laboratory must either be:

(1) licensed to test for drugs and alcohol by the state of New York, Department of Health, under Public Health Law, article 5, title V, and the rules adopted under that law; or

(2) accredited by the College of American Pathologists, 325 Waukegan Road, Northfield, Illinois, 60093-2750, in the laboratory accreditation program.

Sec. 33. Minnesota Statutes 2003 Supplement, section 192.501, subdivision 2, is amended to read:

Subd. 2. TUITION AND TEXTBOOK REIMBURSEMENT GRANT PROGRAM. (a) The adjutant general shall establish a program to provide tuition and textbook reimbursement grants to eligible members of the Minnesota National Guard within the limitations of this subdivision.

(b) Eligibility is limited to a member of the National Guard who:

(1) is serving satisfactorily as defined by the adjutant general;

(2) is attending a postsecondary educational institution, as defined by section 136A.15, subdivision 6, including a vocational or technical school operated or regulated by this state or another state or province; and

(3) provides proof of satisfactory completion of coursework, as defined by the adjutant general.

In addition, if a member of the Minnesota National Guard is killed in the line of state active service or federally funded state active service, as defined in section 190.05, subdivisions 5a and 5b, the member's surviving spouse, and any surviving dependent who has not yet reached 24 years of age, is eligible for a tuition and textbook reimbursement grant.

The adjutant general may, within the limitations of this paragraph and other applicable laws, determine additional eligibility criteria for the grant, and must specify the criteria in department regulations and publish changes as necessary.

(c) The amount of a tuition and textbook reimbursement grant must be specified on a schedule as determined and published in department regulations by the adjutant general, but is limited to a maximum of an amount equal to the greater of:

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(1) ~~75~~ 80 percent of the cost of tuition for lower division programs in the College of Liberal Arts at the Twin Cities campus of the University of Minnesota in the most recent academic year; or

(2) ~~50~~ 80 percent of the cost of tuition for the program in which the person is enrolled at that Minnesota public institution, or if that public institution is outside the state of Minnesota, for the cost of a comparable program at the University of Minnesota, except that in the case of a survivor as defined in paragraph (b), the amount of the tuition and textbook reimbursement grant for coursework satisfactorily completed by the person is limited to 100 percent of the cost of tuition for postsecondary courses at a Minnesota public educational institution.

Paragraph (b) notwithstanding, a person is no longer eligible for a grant under this subdivision once the person has received grants under this subdivision for the equivalent of 208 quarter credits or 144 semester credits of coursework.

(d) Tuition and textbook reimbursement grants received under this subdivision may not be considered by the Minnesota Higher Education Services Office or by any other state board, commission, or entity in determining a person's eligibility for a scholarship or grant-in-aid under sections 136A.095 to 136A.1311.

(e) If a member fails to complete a term of enlistment during which a tuition and textbook reimbursement grant was paid, the adjutant general may seek to recoup a prorated amount as determined by the adjutant general.

EFFECTIVE DATE. This section is effective retroactively from June 30, 2003.

Sec. 34. Minnesota Statutes 2002, section 214.03, subdivision 1, is amended to read:

Subdivision 1. **STANDARDIZED TESTS USED.** All state examining and licensing boards, other than the State Board of Law Examiners, the state Board of Lawyers Professional Responsibility Board or any other board established by the Supreme Court to regulate the practice of law and judicial functions, shall use national standardized tests for the objective, nonpractical portion of any examination given to prospective licensees to the extent that such national standardized tests are appropriate, except when the subject matter of the examination relates to the application of Minnesota law to the profession or calling being licensed.

Sec. 35. Minnesota Statutes 2003 Supplement, section 216C.41, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) The definitions in this subdivision apply to this section.

(b) "Qualified hydroelectric facility" means a hydroelectric generating facility in this state that:

(1) is located at the site of a dam, if the dam was in existence as of March 31, 1994; and

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(2) begins generating electricity after July 1, 1994, or generates electricity after substantial refurbishing of a facility that begins after July 1, 2001.

(c) "Qualified wind energy conversion facility" means a wind energy conversion system in this state that:

(1) produces two megawatts or less of electricity as measured by nameplate rating and begins generating electricity after December 31, 1996, and before July 1, 1999;

(2) begins generating electricity after June 30, 1999, produces two megawatts or less of electricity as measured by nameplate rating, and is:

(i) owned by a resident of Minnesota or an entity that is organized under the laws of this state, is not prohibited from owning agricultural land under section 500.24, and that owns the land where the facility is sited;

(ii) owned by a Minnesota small business as defined in section 645.445;

(iii) owned by a Minnesota nonprofit organization;

(iv) owned by a tribal council if the facility is located within the boundaries of the reservation;

(v) owned by a Minnesota municipal utility or a Minnesota cooperative electric association; or

(vi) owned by a Minnesota political subdivision or local government, including, but not limited to, a county, statutory or home rule charter city, town, school district, or any other local or regional governmental organization such as a board, commission, or association; or

(3) begins generating electricity after June 30, 1999, produces seven megawatts or less of electricity as measured by nameplate rating, and:

(i) is owned by a cooperative organized under chapter 308A other than a Minnesota cooperative electric association; and

(ii) all shares and membership in the cooperative are held by an entity that is not prohibited from owning agricultural land under section 500.24.

(d) "Qualified on-farm biogas recovery facility" means an anaerobic digester system that:

(1) is located at the site of an agricultural operation;

(2) is owned by an entity that is not prohibited from owning agricultural land under section 500.24 and that owns or rents the land where the facility is located; and

(3) begins generating electricity after July 1, 2001.

(e) "Anaerobic digester system" means a system of components that processes animal waste based on the absence of oxygen and produces gas used to generate electricity.

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Sec. 36. Minnesota Statutes 2003 Supplement, section 246.014, is amended to read:

246.014 SERVICES.

The measure of services established and prescribed by section 246.012, are:

(a) The commissioner of human services shall develop and maintain state-operated services in a manner consistent with sections 245.461, 245.487, and 253.28, and chapters ~~252A~~ 252, 254A, and 254B. State-operated services shall be provided in coordination with counties and other vendors. State-operated services shall include regional treatment centers, specialized inpatient or outpatient treatment programs, enterprise services, community-based services and programs, community preparation services, consultative services, and other services consistent with the mission of the Department of Human Services. These services shall include crisis beds, waived homes, intermediate care facilities, and day training and habilitation facilities. The administrative structure of state-operated services must be statewide in character. The state-operated services staff may deliver services at any location throughout the state.

(b) The commissioner of human services shall create and maintain forensic services programs. Forensic services shall be provided in coordination with counties and other vendors. Forensic services shall include specialized inpatient programs at secure treatment facilities as defined in section 253B.02, subdivision 18a, consultative services, aftercare services, community-based services and programs, transition services, or other services consistent with the mission of the Department of Human Services.

(c) Community preparation services as identified in paragraphs (a) and (b) are defined as specialized inpatient or outpatient services or programs operated outside of a secure environment but are administered by a secured treatment facility.

(d) The commissioner of human services may establish policies and procedures which govern the operation of the services and programs under the direct administrative authority of the commissioner.

Sec. 37. Minnesota Statutes 2003 Supplement, section 256.954, subdivision 3, is amended to read:

Subd. 3. **DEFINITIONS.** For the purpose of this section, the following terms have the meanings given them.

(a) "Commissioner" means the commissioner of human services.

(b) "Manufacturer" means a manufacturer as defined in section 151.44, paragraph (c).

(c) "Covered prescription drug" means a prescription drug as defined in section 151.44, paragraph (d), that is covered under medical assistance as described in section 256B.0625, subdivision 13, and that is provided by a manufacturer that has a fully executed rebate agreement with the commissioner under this section and complies with that agreement.

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(d) "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue an individual or group policy of accident and sickness insurance as defined in section 62A.01; a nonprofit health service plan corporation operating under chapter 62C; a health maintenance organization operating under chapter 62D; a joint self-insurance employee health plan operating under chapter 62H; a community integrated systems network licensed under chapter 62N; a fraternal benefit society operating under chapter 64B; a city, county, school district, or other political subdivision providing self-insured health coverage under section 461.617 471.617 or sections 471.98 to 471.982; and a self-funded health plan under the Employee Retirement Income Security Act of 1974, as amended.

(e) "Participating pharmacy" means a pharmacy as defined in section 151.01, subdivision 2, that agrees to participate in the prescription drug discount program.

(f) "Enrolled individual" means a person who is eligible for the program under subdivision 4 and has enrolled in the program according to subdivision 5.

Sec. 38. Minnesota Statutes 2003 Supplement, section 256B.0943, subdivision 5, is amended to read:

Subd. 5. **PROVIDER ENTITY ADMINISTRATIVE INFRASTRUCTURE REQUIREMENTS.** (a) To be an eligible provider entity under this section, a provider entity must have an administrative infrastructure that establishes authority and accountability for decision making and oversight of functions, including finance, personnel, system management, clinical practice, and performance measurement. The provider must have written policies and procedures that it reviews and updates every three years and distributes to staff initially and upon each subsequent update.

(b) The administrative infrastructure written policies and procedures must include:

(1) personnel procedures, including a process for: (i) recruiting, hiring, training, and retention of culturally and linguistically competent providers; (ii) conducting a criminal background check on all direct service providers and volunteers; (iii) investigating, reporting, and acting on violations of ethical conduct standards; (iv) investigating, reporting, and acting on violations of data privacy policies that are compliant with federal and state laws; (v) utilizing volunteers, including screening applicants, training and supervising volunteers, and providing liability coverage for volunteers; and (vi) documenting that each mental health professional, mental health practitioner, or mental health behavioral aide meets the applicable provider qualification criteria, training criteria under subdivision 8, and clinical supervision or direction of a mental health behavioral aide requirements under subdivision 6;

(2) fiscal procedures, including internal fiscal control practices and a process for collecting revenue that is compliant with federal and state laws;

(3) if a client is receiving services from a case manager or other provider entity, a service coordination process that ensures services are provided in the most appropriate manner to achieve maximum benefit to the client. The provider entity must ensure coordination and nonduplication of services consistent with county board

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coordination procedures established under section 245.4881, subdivision 5;

(4) a performance measurement system, including monitoring to determine cultural appropriateness of services identified in the individual treatment plan, as determined by the client's culture, beliefs, values, and language, and family-driven services; and

(5) a process to establish and maintain individual client records. The client's records must include:

- (i) the client's personal information;
- (ii) forms applicable to data privacy;
- (iii) the client's diagnostic assessment, updates, results of tests, individual treatment plan, and individual behavior plan, if necessary;
- (iv) documentation of service delivery as specified under subdivision 6;
- (v) telephone contacts;
- (vi) discharge plan; and
- (vii) if applicable, insurance information.

Sec. 39. Minnesota Statutes 2003 Supplement, section 256B.0943, subdivision 7, is amended to read:

Subd. 7. QUALIFICATIONS OF INDIVIDUAL AND TEAM PROVIDERS.

(a) An individual or team provider working within the scope of the provider's practice or qualifications may provide service components of children's therapeutic services and supports that are identified as medically necessary in a client's individual treatment plan.

(b) An individual provider and multidisciplinary team includes must be qualified as:

- (1) a mental health professional as defined in subdivision 1, paragraph (m); or
- (2) a mental health practitioner as defined in section 245.4871, subdivision 26. The mental health practitioner must work under the clinical supervision of a mental health professional; or
- (3) a mental health behavioral aide working under the direction of a mental health professional to implement the rehabilitative mental health services identified in the client's individual treatment plan. A level I mental health behavioral aide must:
 - (i) be at least 18 years old;
 - (ii) have a high school diploma or general equivalency diploma (GED) or two years of experience as a primary caregiver to a child with severe emotional disturbance within the previous ten years; and
 - (iii) meet preservice and continuing education requirements under subdivision 8. A level II mental health behavioral aide must:

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- (i) be at least 18 years old;
- (ii) have an associate or bachelor's degree or 4,000 hours of experience in delivering clinical services in the treatment of mental illness concerning children or adolescents; and
- (iii) meet preservice and continuing education requirements in subdivision 8;

(4) (c) A preschool program multidisciplinary team that ~~includes~~ must include at least one mental health professional and one or more of the following individuals under the clinical supervision of a mental health professional:

- (i) a mental health practitioner; or
- (ii) a program person, including a teacher, assistant teacher, or aide, who meets the qualifications and training standards of a level I mental health behavioral aide; ~~or.~~

~~(5)~~ (d) A day treatment multidisciplinary team that ~~includes~~ must include at least one mental health professional and one mental health practitioner.

Sec. 40. Minnesota Statutes 2003 Supplement, section 256B.0943, subdivision 9, is amended to read:

Subd. 9. **SERVICE DELIVERY CRITERIA.** (a) In delivering services under this section, a certified provider entity must ensure that:

(1) each individual provider's caseload size permits the provider to deliver services to both clients with severe, complex needs and clients with less intensive needs. The provider's caseload size should reasonably enable the provider to play an active role in service planning, monitoring, and delivering services to meet the client's and client's family's needs, as specified in each client's individual treatment plan;

(2) site-based programs, including day treatment and preschool programs, provide staffing and facilities to ensure the client's health, safety, and protection of rights, and that the programs are able to implement each client's individual treatment plan;

(3) a day treatment program is provided to a group of clients by a multidisciplinary ~~staff team~~ under the clinical supervision of a mental health professional. The day treatment program must be provided in and by: (i) an outpatient hospital accredited by the Joint Commission on Accreditation of Health Organizations and licensed under sections 144.50 to 144.55; (ii) a community mental health center under section 245.62; and (iii) an entity that is under contract with the county board to operate a program that meets the requirements of sections 245.4712, subdivision 2, and 245.4884, subdivision 2, and Minnesota Rules, parts 9505.0170 to 9505.0475. The day treatment program must stabilize the client's mental health status while developing and improving the client's independent living and socialization skills. The goal of the day treatment program must be to reduce or relieve the effects of mental illness and provide training to enable the client to live in the community. The program must be available at least one day a week for a minimum three-hour time block. The three-hour time block must include, at least one hour, but no more than two hours, of individual or group psychotherapy. The remainder of the three-hour time block may include recreation

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therapy, socialization therapy, or independent living skills therapy, but only if the therapies are included in the client's individual treatment plan. Day treatment programs are not part of inpatient or residential treatment services; and

(4) a preschool program is a structured treatment program offered to a child who is at least 33 months old, but who has not yet reached the first day of kindergarten, by a preschool multidisciplinary team in a day program licensed under Minnesota Rules, parts 9503.0005 to 9503.0175. The program must be available at least one day a week for a minimum two-hour time block. The structured treatment program may include individual or group psychotherapy and recreation therapy, socialization therapy, or independent living skills therapy, if included in the client's individual treatment plan.

(b) A provider entity must deliver the service components of children's therapeutic services and supports in compliance with the following requirements:

(1) individual, family, and group psychotherapy must be delivered as specified in Minnesota Rules, part 9505.0323;

(2) individual, family, or group skills training must be provided by a mental health professional or a mental health practitioner who has a consulting relationship with a mental health professional who accepts full professional responsibility for the training;

(3) crisis assistance must be ~~intense~~, time-limited, and designed to resolve or stabilize crisis through arrangements for direct intervention and support services to the child and the child's family. Crisis assistance must utilize resources designed to address abrupt or substantial changes in the functioning of the child or the child's family as evidenced by a sudden change in behavior with negative consequences for well being, a loss of usual coping mechanisms, or the presentation of danger to self or others;

(4) medically necessary services that are provided by a mental health behavioral aide must be designed to improve the functioning of the child and support the family in activities of daily and community living. A mental health behavioral aide must document the delivery of services in written progress notes. The mental health behavioral aide must implement goals in the treatment plan for the child's emotional disturbance that allow the child to acquire developmentally and therapeutically appropriate daily living skills, social skills, and leisure and recreational skills through targeted activities. These activities may include:

(i) assisting a child as needed with skills development in dressing, eating, and toileting;

(ii) assisting, monitoring, and guiding the child to complete tasks, including facilitating the child's participation in medical appointments;

(iii) observing the child and intervening to redirect the child's inappropriate behavior;

(iv) assisting the child in using age-appropriate self-management skills as related to the child's emotional disorder or mental illness, including problem solving, decision making, communication, conflict resolution, anger management, social skills, and recreational skills;

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(v) implementing deescalation techniques as recommended by the mental health professional;

(vi) implementing any other mental health service that the mental health professional has approved as being within the scope of the behavioral aide's duties; or

(vii) assisting the parents to develop and use parenting skills that help the child achieve the goals outlined in the child's individual treatment plan or individual behavioral plan. Parenting skills must be directed exclusively to the child's treatment; and

(5) direction of a mental health behavioral aide must include the following:

(i) a total of one hour of on-site observation by a mental health professional during the first 12 hours of service provided to a child;

(ii) ongoing on-site observation by a mental health professional or mental health practitioner for at least a total of one hour during every 40 hours of service provided to a child; and

(iii) immediate accessibility of the mental health professional or mental health practitioner to the mental health behavioral aide during service provision.

Sec. 41. Minnesota Statutes 2003 Supplement, section 256B.0943, subdivision 12, is amended to read:

Subd. 12. **EXCLUDED SERVICES.** The following services are not eligible for medical assistance payment as children's therapeutic services and supports:

(1) service components of children's therapeutic services and supports simultaneously provided by more than one provider entity unless prior authorization is obtained;

(2) children's therapeutic services and supports provided in violation of medical assistance policy in Minnesota Rules, part 9505.0220;

(3) mental health behavioral aide services provided by a personal care assistant who is not qualified as a mental health behavioral aide and employed by a certified children's therapeutic services and supports provider entity;

(4) services that are the responsibility of a residential or program license holder, including foster care providers under the terms of a service agreement or administrative rules governing licensure; and

(5) up to 15 hours of children's therapeutic services and supports provided within a six-month period to a child with severe emotional disturbance who is residing in a hospital, a group home as defined in Minnesota Rules, part 9560.0520, subpart 4, a residential treatment facility licensed under Minnesota Rules, parts 9545.0900 to 9545.1090, a regional treatment center, or other institutional group setting or who is participating in a program of partial hospitalization are eligible for medical assistance payment if part of the discharge plan; and

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(6) adjunctive activities that may be offered by a provider entity but are not otherwise covered by medical assistance, including:

(i) a service that is primarily recreation oriented or that is provided in a setting that is not medically supervised. This includes sports activities, exercise groups, activities such as craft hours, leisure time, social hours, meal or snack time, trips to community activities, and tours;

(ii) a social or educational service that does not have or cannot reasonably be expected to have a therapeutic outcome related to the client's emotional disturbance;

(iii) consultation with other providers or service agency staff about the care or progress of a client;

(iv) prevention or education programs provided to the community; and

(v) treatment for clients with primary diagnoses of alcohol or other drug abuse.

Sec. 42. Minnesota Statutes 2003 Supplement, section 256B.0943, is amended by adding a subdivision to read:

Subd. 13. EXCEPTION TO EXCLUDED SERVICES. Notwithstanding subdivision 12, up to 15 hours of children's therapeutic services and supports provided within a six-month period to a child with severe emotional disturbance who is residing in a hospital; a group home as defined in Minnesota Rules, part 9560.0520, subpart 4; a residential treatment facility licensed under Minnesota Rules, parts 9545.0900 to 9545.1090; a regional treatment center; or other institutional group setting or who is participating in a program of partial hospitalization are eligible for medical assistance payment if part of the discharge plan.

Sec. 43. Minnesota Statutes 2002, section 256D.03, subdivision 8, is amended to read:

Subd. 8. PRIVATE INSURANCE POLICIES. (a) Private accident and health care coverage for medical services is primary coverage and must be exhausted before general assistance medical care is paid. When a person who is otherwise eligible for general assistance medical care has private accident or health care coverage, including a prepaid health plan, the private health care benefits available to the person must be used first and to the fullest extent. General assistance medical care payment will not be made when either covered charges are paid in full by a third party or the provider has an agreement to accept payment for less than charges as payment in full. Payment for patients that are simultaneously covered by general assistance medical care and a liable third party other than Medicare will be determined as the lesser of clauses (1) to (3):

(1) the patient liability according to the provider/insurer agreement;

(2) covered charges minus the third party payment amount; or

(3) the general assistance medical care rate minus the third party payment amount.

A negative difference will not be implemented.

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(b) When a parent or a person with an obligation of support has enrolled in a prepaid health care plan under section 518.171, subdivision 1, the commissioner of human services shall limit the recipient of general assistance medical care to the benefits payable under that prepaid health care plan to the extent that services available under general assistance medical care are also available under the prepaid health care plan.

(c) Upon furnishing general assistance medical care or general assistance to any person having private accident or health care coverage, or having a cause of action arising out of an occurrence that necessitated the payment of assistance, the state agency shall be subrogated, to the extent of the cost of medical care, subsistence, or other payments furnished, to any rights the person may have under the terms of the coverage or under the cause of action. For purposes of this subdivision, "state agency" includes prepaid health plans under contract with the commissioner according to subdivision 4, paragraph (c), and sections 256B.69, 256D.03, subdivision 4, paragraph (d), and 256L.12; children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities under section 256B.77; nursing homes under the alternative payment demonstration project under section 256B.434; and county-based purchasing entities under section 256B.692.

This right of subrogation includes all portions of the cause of action, notwithstanding any settlement allocation or apportionment that purports to dispose of portions of the cause of action not subject to subrogation.

(d) To recover under this section, the attorney general may institute or join a civil action to enforce the subrogation rights the commissioner established under this section.

Any prepaid health plan providing services under subdivision 4, paragraph (c), and sections 256B.69, 256D.03, subdivision 4, paragraph (d), and 256L.12; children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities under section 256B.77; nursing homes under the alternative payment demonstration project under section 256B.434; or the county-based purchasing entity providing services under section 256B.692 may retain legal representation to enforce the subrogation rights created under this section or, if no action has been brought, may initiate and prosecute an independent action on their behalf against a person, firm, or corporation that may be liable to the person to whom the care or payment was furnished.

(e) The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable in damages, or otherwise obligated to pay part or all of the costs related to an injury when the state agency has paid or become liable for the cost of care or payments related to the injury. Notice must be given as follows:

(i) Applicants for general assistance or general assistance medical care shall notify the state or county agency of any possible claims when they submit the application. Recipients of general assistance or general assistance medical care shall notify the state or county agency of any possible claims when those claims arise.

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(ii) A person providing medical care services to a recipient of general assistance medical care shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.

(iii) A person who is party to a claim upon which the state agency may be entitled to subrogation under this section shall notify the state agency of its potential subrogation claim before filing a claim, commencing an action, or negotiating a settlement. A person who is a party to a claim includes the plaintiff, the defendants, and any other party to the cause of action.

Notice given to the county agency is not sufficient to meet the requirements of paragraphs (b) and (c).

(f) Upon any judgment, award, or settlement of a cause of action, or any part of it, upon which the state agency has a subrogation right, including compensation for liquidated, unliquidated, or other damages, reasonable costs of collection, including attorney fees, must be deducted first. The full amount of general assistance or general assistance medical care paid to or on behalf of the person as a result of the injury must be deducted next and paid to the state agency. The rest must be paid to the public assistance recipient or other plaintiff. The plaintiff, however, must receive at least one-third of the net recovery after attorney fees and collection costs.

Sec. 44. Minnesota Statutes 2002, section 260B.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 ~~260B.151, subdivision 5~~ 260C.151, subdivision 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 260B.154;

(b) In accordance with the laws relating to arrests; or

(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.

Sec. 45. Minnesota Statutes 2002, section 270B.01, subdivision 8, is amended to read:

Subd. 8. **MINNESOTA TAX LAWS.** For purposes of this chapter only, unless expressly stated otherwise, "Minnesota tax laws" means the taxes, refunds, and fees administered by or paid to the commissioner under chapters 115B ~~(except taxes imposed under sections 115B.21 to 115B.24)~~, 289A (except taxes imposed under sections 298.01, 298.015, and 298.24), 290, 290A, 291, 295, 297A, and 297H, or any similar Indian tribal tax administered by the commissioner pursuant to any tax agreement between the state and the Indian tribal government, and includes any laws for the assessment, collection, and enforcement of those taxes, refunds, and fees.

Sec. 46. Minnesota Statutes 2003 Supplement, section 270B.03, subdivision 6, is amended to read:

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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 data on individuals or protected nonpublic data, as defined in section 13.02, subdivisions 3 and 13, during an investigation. When the investigation becomes inactive, as defined in section 13.82, subdivision 7, the data is private data on individuals or nonpublic data, as defined in section 13.02, subdivisions 9 and 12.

..Sec. 47. Minnesota Statutes 2002, section 290.191, subdivision 5, is amended to read:

Subd. 5. **DETERMINATION OF SALES FACTOR.** For purposes of this section, the following rules apply in determining the sales factor.

(a) The sales factor includes all sales, gross earnings, or receipts received in the ordinary course of the business, except that the following types of income are not included in the sales factor:

- (1) interest;
- (2) dividends;
- (3) sales of capital assets as defined in section 1221 of the Internal Revenue Code;
- (4) sales of property used in the trade or business, except sales of leased property of a type which is regularly sold as well as leased;
- (5) sales of debt instruments as defined in section 1275(a)(1) of the Internal Revenue Code or sales of stock; and
- (6) royalties, fees, or other like income of a type which qualify for a subtraction from federal taxable income under section 290.01, subdivision ~~19(d)(11)~~ 19d(10).

(b) Sales of tangible personal property are made within this state if the property is received by a purchaser at a point within this state, and the taxpayer is taxable in this state, regardless of the f.o.b. point, other conditions of the sale, or the ultimate destination of the property.

(c) Tangible personal property delivered to a common or contract carrier or foreign vessel for delivery to a purchaser in another state or nation is a sale in that state or nation, regardless of f.o.b. point or other conditions of the sale.

(d) Notwithstanding paragraphs (b) and (c), when intoxicating liquor, wine, fermented malt beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by a state or political subdivision to resell this property only within the state of ultimate destination, the sale is made in that state.

(e) Sales made by or through a corporation that is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code are not considered to have been made within this state.

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(f) Sales, rents, royalties, and other income in connection with real property is attributed to the state in which the property is located.

(g) Receipts from the lease or rental of tangible personal property, including finance leases and true leases, must be attributed to this state if the property is located in this state and to other states if the property is not located in this state. Receipts from the lease or rental of moving property including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are included in the numerator of the receipts factor to the extent that the property is used in this state. The extent of the use of moving property is determined as follows:

(1) A motor vehicle is used wholly in the state in which it is registered.

(2) The extent that rolling stock is used in this state is determined by multiplying the receipts from the lease or rental of the rolling stock by a fraction, the numerator of which is the miles traveled within this state by the leased or rented rolling stock and the denominator of which is the total miles traveled by the leased or rented rolling stock.

(3) The extent that an aircraft is used in this state is determined by multiplying the receipts from the lease or rental of the aircraft by a fraction, the numerator of which is the number of landings of the aircraft in this state and the denominator of which is the total number of landings of the aircraft.

(4) The extent that a vessel, mobile equipment, or other mobile property is used in the state is determined by multiplying the receipts from the lease or rental of the property by a fraction, the numerator of which is the number of days during the taxable year the property was in this state and the denominator of which is the total days in the taxable year.

(h) Royalties and other income not described in paragraph (a), clause (6), received for the use of or for the privilege of using intangible property, including patents, know-how, formulas, designs, processes, patterns, copyrights, trade names, service names, franchises, licenses, contracts, customer lists, or similar items, must be attributed to the state in which the property is used by the purchaser. If the property is used in more than one state, the royalties or other income must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the royalties or other income must be excluded from both the numerator and the denominator. Intangible property is used in this state if the purchaser uses the intangible property or the rights therein in the regular course of its business operations in this state, regardless of the location of the purchaser's customers.

(i) Sales of intangible property are made within the state in which the property is used by the purchaser. If the property is used in more than one state, the sales must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the sale must be excluded from both the numerator and the denominator of the sales factor. Intangible property is used in this state if the purchaser used the intangible property in the regular course of its business operations in this state.

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(j) Receipts from the performance of services must be attributed to the state where the services are received. For the purposes of this section, receipts from the performance of services provided to a corporation, partnership, or trust may only be attributed to a state where it has a fixed place of doing business. If the state where the services are received is not readily determinable or is a state where the corporation, partnership, or trust receiving the service does not have a fixed place of doing business, the services shall be deemed to be received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the services shall be deemed to be received at the office of the customer to which the services are billed.

Sec. 48. Minnesota Statutes 2002, section 290C.04, is amended to read:

290C.04 APPLICATIONS.

(a) A landowner may apply to enroll forest land for the sustainable forest incentive program under this chapter. The claimant must complete, sign, and submit an application to the commissioner by September 30 in order for the land to become eligible beginning in the next year. The application shall be on a form prescribed by the commissioner and must include the information the commissioner deems necessary. At a minimum, the application must show the following information for the land and the claimant: (i) the claimant's Social Security number or state or federal business tax registration number and date of birth, (ii) the claimant's address, (iii) the claimant's signature, (iv) the county's parcel identification numbers for the tax parcels that completely contain the claimant's forest land that is sought to be enrolled, (v) the number of acres eligible for enrollment in the program, (vi) the approved plan writer's signature and identification number, and (vii) proof, in a form specified by the commissioner, that the claimant has executed and acknowledged in the manner required by law for a deed, and recorded, a covenant that the land is not and shall not be developed in a manner inconsistent with the requirements and conditions of this chapter. The covenant shall state in writing that the covenant is binding on the claimant and the claimant's successor or assignee, and that it runs with the land for a period of not less than eight years. The commissioner shall specify the form of the covenant and provide copies upon request. The covenant must include a legal description that encompasses all the forest land that the claimant wishes to enroll under this section or the certificate of title number for that land if it is registered land.

(b) In all cases, the commissioner shall notify the claimant within 90 days after receipt of a completed application that either the land has or has not been approved for enrollment. A claimant whose application is denied may appeal the denial as provided in section 290C.11, paragraph (a).

(c) Within 90 days after the denial of an application, or within 90 days after the final resolution of any appeal related to the denial, the commissioner shall execute and acknowledge a document releasing the land from the covenant required under this chapter. The document must be mailed to the claimant and is entitled to be recorded.

(d) The Social Security numbers collected from individuals under this section are private data as provided in section ~~13.49~~ 13.355. The state or federal business tax

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registration number and date of birth data collected under this section are also private data on individuals or nonpublic data, as defined in section 13.02, subdivisions 9 and 12, but may be shared with county assessors for purposes of tax administration and with county treasurers for purposes of the revenue recapture under chapter 270A.

Sec. 49. Minnesota Statutes 2003 Supplement, section 297A.668, subdivision 3, is amended to read:

Subd. 3. LEASE OR RENTAL OF TANGIBLE PERSONAL PROPERTY.

The lease or rental of tangible personal property, other than property identified in subdivision 4 or 5, shall be sourced as required in paragraphs (a) to (c).

(a) For a lease or rental that requires recurring periodic payments, the first periodic payment is sourced the same as a retail sale in accordance with the provisions of subdivision 6 2. Periodic payments made subsequent to the first payment are sourced to the primary property location for each period covered by the payment. The primary property location must be as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of this address does not constitute bad faith. The property location must not be altered by intermittent use at different locations, such as use of business property that accompanies employees on business trips and service calls.

(b) For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with the provisions of subdivision 2.

(c) This subdivision does not affect the imposition or computation of sales or use tax on leases or rentals based on a lump sum or accelerated basis, or on the acquisition of property for lease.

EFFECTIVE DATE. This section is effective for sales and purchases made on or after January 1, 2004.

Sec. 50. Minnesota Statutes 2003 Supplement, section 297A.669, subdivision 16, is amended to read:

Subd. 16. **SERVICE ADDRESS.** "Service address," for purposes of this section, means:

(1) the location of the telecommunications equipment to which a customer's call is charged and from which the call originates or terminates, regardless of where the call is billed or paid;

(2) if the location in paragraph (a) clause (1) is not known, service address means the origination point of the signal of the telecommunications services first identified by either the seller's telecommunications system or in information received by the seller from its service provider, where the system used to transport the signals is not that of the seller; or

(3) if the location in paragraphs (a) and (b) clauses (1) and (2) is not known, the service address means the location of the customer's place of primary use.

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EFFECTIVE DATE. This section is effective for sales and purchases made on or after January 1, 2004.

Sec. 51. Minnesota Statutes 2003 Supplement, section 308B.201, is amended to read:

308B.201 ORGANIZATIONAL PURPOSE.

A cooperative may be formed and organized on a cooperative plan for any lawful purpose, including:

(1) to market, process, or otherwise change the form or marketability of products, including crops, livestock, and other agricultural products, the manufacturing and further processing of those products, other purposes that are necessary or convenient to facilitate the production or marketing of products by patron members and others, and other purposes that are related to the business of the cooperative;

(2) to provide products, supplies, and services to its members; and

(3) for any other purposes that cooperatives are authorized to perform by law.

Sec. 52. Minnesota Statutes 2003 Supplement, section 308B.311, subdivision 6, is amended to read:

Subd. 6. **PENALTIES FOR CONTRACT INTERFERENCE AND FALSE REPORTS.** Any person who knowingly induces or attempts to induce any patron member or patron of a cooperative organized under this chapter to breach a marketing contract with the cooperative, or who maliciously and knowingly spreads false reports about the cooperative's finances or management, is guilty of a misdemeanor and subject to a fine of not less than \$100, and not more than \$1,000, for each such offense.

Sec. 53. Minnesota Statutes 2003 Supplement, section 308B.471, subdivision 2, is amended to read:

Subd. 2. **INDEMNIFICATION.** (a) Subject to the provisions of subdivision 4, a cooperative shall indemnify a person made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person against judgments, penalties, fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorney fees and disbursements incurred by the person in connection with the proceeding, if, with respect to the acts or omissions of the person complained of in the proceeding, the person:

(1) has not been indemnified by another organization or employee benefit plan for the same judgments, penalties, fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorney fees and disbursements incurred by the person in connection with the proceeding with respect to the same acts or omissions;

(2) acted in good faith;

(3) received no improper personal benefit and the person has not committed an act for which liability cannot be eliminated or limited under section 308B.465, subdivision 2;

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(4) in the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful; and

(5) in the case of acts or omissions occurring in the official capacity described in subdivision 1, paragraph (c), clause (1) or (2), reasonably believed that the conduct was in the best interests of the cooperative, or in the case of acts or omissions occurring in the official capacity described in subdivision 1, paragraph (c), clause (3), reasonably believed that the conduct was not opposed to the best interests of the cooperative. If the person's acts or omissions complained of in the proceeding relate to conduct as a director, officer, trustee, employee, or agent of an employee benefit plan, the conduct is not considered to be opposed to the best interests of the cooperative if the person reasonably believed that the conduct was in the best interests of the participants or beneficiaries of the employee benefit plan.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent does not, of itself, establish that the person did not meet the criteria set forth in this subdivision.

Sec. 54. Minnesota Statutes 2003 Supplement, section 308B.735, subdivision 1, is amended to read:

Subdivision 1. **ALTERNATE PROCEDURE TO DISBURSE PROPERTY.** A cooperative may, in lieu of paying or delivering to the state the unclaimed property specified in its report of unclaimed property, distribute the unclaimed property to a business entity or organization that is exempt from taxation. A cooperative making the election to distribute unclaimed property shall file with the secretary of state Department of Commerce:

(1) a verified written explanation of the proof of claim of an owner establishing a right to receive the abandoned property;

(2) any error in the presumption of abandonment;

(3) the name, address, and exemption number of the business entity or organization to which the property was or is to be distributed; and

(4) the approximate date of distribution.

Sec. 55. Minnesota Statutes 2002, section 325F.19, subdivision 3, is amended to read:

Subd. 3. **COMMISSIONER.** "Commissioner" means the commissioner of energy and economic development commerce.

Sec. 56. Minnesota Statutes 2002, section 325F.69, subdivision 1, is amended to read:

Subdivision 1. **FRAUD, MISREPRESENTATION, DECEPTIVE PRACTICES.** The act, use, or employment by any person of any fraud, false pretense, false promise, misrepresentation, misleading statement or deceptive practice, with the intent that others rely thereon in connection with the sale of any merchandise, whether or not

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any person has in fact been misled, deceived, or damaged thereby, is enjoined as provided herein in section 325F.70.

Sec. 57. Minnesota Statutes 2002, section 325F.69, subdivision 4, is amended to read:

Subd. 4. **SOLICITATION OF MONEY FOR MERCHANDISE NOT ORDERED OR SERVICES NOT PERFORMED.** The act, use, or employment by any person of any solicitation for payment of money by another by any statement or invoice, or any writing that could reasonably be interpreted as a statement or invoice, for merchandise not yet ordered or for services not yet performed and not yet ordered, whether or not any person has in fact been misled, deceived, or damaged thereby, is enjoined as provided herein in section 325F.70.

Sec. 58. Minnesota Statutes 2002, section 326.10, subdivision 1, is amended to read:

Subdivision 1. **ISSUANCE.** (a) The board shall on application therefor on a prescribed form, and upon payment of a fee prescribed by rule of the board, issue a license or certificate as an architect, engineer, land surveyor, landscape architect, geoscientist, or certified interior designer. A separate fee shall be paid for each profession licensed.

(1) To any person over 25 years of age, who is of good moral character and repute, and who has the experience and educational qualifications which the board by rule may prescribe.

(2) To any person who holds an unexpired certificate of registration or license issued by proper authority in the District of Columbia, any state or territory of the United States, or any foreign country, in which the requirements for registration or licensure of architects, engineers, land surveyors, landscape architects, geoscientists, or certified interior designers, respectively, at the time of registration or licensure in the other jurisdiction, were equal, in the opinion of the board, to those fixed by the board and by the laws of this state, and in which similar privileges are extended to the holders of certificates of registration or licensure issued by this state. The board may require such person to submit a certificate of technical qualification from the National Council of Architectural Registration Boards in the case of an architect, from the National Council of Engineering Examiners for Engineering and Surveying in the case of an engineer, from the National Council of Landscape Architects Architectural Registration Board Boards in the case of a landscape architect, and from the National Council for Interior Design Qualifications Qualification in the case of a certified interior designer.

(b) Notwithstanding paragraph (a), for one year from the effective date of rules adopted by the board with respect to the discipline of professional geoscience, the board may accept as evidence that the applicant is qualified for licensing in the discipline of professional geoscience:

(1) a record of graduation with a baccalaureate degree from a school or college having accreditation defined by the board and a geoscience or associated science curriculum approved by the board; and

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(2) at least five years of active professional practice in the discipline of professional geoscience as approved by the board.

Sec. 59. Minnesota Statutes 2002, section 326.10, subdivision 7, is amended to read:

Subd. 7. ENGINEER-IN-TRAINING; LAND SURVEYOR-IN-TRAINING; ~~LANDSCAPE ARCHITECT-IN-TRAINING; GEOSCIENTIST-IN-TRAINING.~~

(1) An applicant for certification as an engineer-in-training who is a graduate with a bachelor of engineering degree from a school or college having an engineering curriculum accredited by the engineers' council for professional development or whose education, in the opinion of the board, is equivalent thereto, shall receive from the board, upon passing an examination in fundamental engineering subjects, a certificate stating that the applicant has passed such examination and that the applicant's name has been recorded as an engineer-in-training.

(2) An applicant for certification as a land surveyor-in-training who is a graduate with a bachelor's degree from a school or college having an accredited engineering or land surveying curriculum or who has equivalent education, in the opinion of the board, shall receive from the board, upon passing a written examination in the fundamentals of mathematics and the basic principles of land surveying, a certificate stating that the applicant has passed such examination and that the applicant's name has been recorded as a land surveyor-in-training.

(3) ~~Any applicant for certification as a landscape architect-in-training who is a graduate with a degree from a school or college having a landscape architecture curriculum accredited by the American Society of Landscape Architects committee on education or who has had equivalent education or experience or a combination thereof of a grade and character acceptable to the board shall receive from the board, upon passing an examination in fundamental landscape architectural subjects, a certificate stating that the applicant has passed that examination and that the applicant's name has been recorded as a landscape architect-in-training.~~

(4) An applicant for certification as a geoscientist-in-training who is a graduate with a baccalaureate degree from a school or college having accreditation defined by the board and a geoscience or associated science curriculum approved by the board, shall receive from the board, upon passing the appropriate examination in fundamental geoscience subjects for the applicant's discipline as approved by the board, a certificate stating that the applicant's name has been recorded as a geoscientist-in-training with the appropriate geoscientist-in-training legend as approved by the board.

Sec. 60. Minnesota Statutes 2002, section 326.12, subdivision 2, is amended to read:

Subd. 2. **SEAL.** Each licensee or certificate holder may, upon registration licensure or certification, obtain a seal of a design approved by the board, bearing the licensee's or certificate holder's name and the legend "licensed architect," "licensed professional engineer," "licensed land surveyor," "licensed landscape architect," the appropriate licensed professional geoscientist legend as defined by the board, or

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“certified interior designer.” Plans, specifications, plats, reports, and other documents prepared by a licensee or certificate holder may be stamped with the seal during the life of the license or certificate. A rubber stamp facsimile thereof may be used in lieu of the seal on tracings from which prints are to be made or on papers which would be damaged by the regular seal. It shall be unlawful for any one to stamp or seal any document with the stamp or seal after the license of the registrant named thereon or certificate has expired, been revoked or suspended, unless said license or certificate shall have been renewed or reissued.

Sec. 61. Minnesota Statutes 2002, section 326.13, is amended to read:

326.13 PRACTICE EXEMPT.

Practice of architecture, engineering, landscape architecture, land surveying, or geoscience, or use of the title certified interior designer in this state prior to licensure or certification by the board shall be permitted under the following conditions and limitations:

(1) By any person or firm not a resident of and having no established place of business in this state, or any person or firm resident in this state, but whose arrival in the state is recent; provided, however, such person or a person connected with such firm:

(i) is registered or licensed and qualified to practice such profession in a state or country to which the board grants registration or licensure or certification by comity in accordance with the provisions of section 326.10, subdivision 1, clause (2); and

(ii) shall have filed an application for licensure as an architect, an engineer, a geoscientist, or a certified interior designer shall have paid the fee provided for in section 326.10, and shall have been notified by the board that the applicant meets the requirements for licensure or certification in this state and is entitled to receive a license or certificate, and has applied for and been granted a temporary permit to practice. Temporary permits shall be granted to do a specific job for the period stipulated on the permit.

(2) By a nonresident applicant who seeks to provide architecture, engineering, land surveying, landscape architecture, geoscience, or certified interior design services in this state if the applicant offers to practice only for the purpose of seeking to provide services, without having first been registered or certified by the state, if the applicant:

(i) is registered and qualified to practice such profession in a state or country to which the board grants registration or licensure by comity in accordance with section 326.10, subdivision 1, clause (2);

(ii) notified the board in writing that the applicant is not currently registered in this state, but will be present in this state for the purpose of seeking to provide services;

(iii) delivers a copy of the notice referred to in clause (ii) to every potential client for whom the applicant is seeking to provide services; and

(iv) applies within ten days to the board for licensure or certification if selected as the design professional for a project in this state; the applicant is prohibited from

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actually rendering services as defined within the terms of sections 326.02 to 326.15 until the applicant is licensed or certified, or obtains a temporary permit as described in clause (1).

(3) Practice as an architect, an engineer, a land surveyor, a landscape architect, or a geoscientist, or use of the title certified interior designer solely as an officer or employee of the United States.

(4) Practice as a geoscientist by a person who would be qualified under sections 326.02 to 326.15 by virtue of experience and education while (i) engaged in exploration, development, extraction, and reclamation of minerals and mineral deposits or energy resources including sand, gravel, peat, industrial minerals, metallic minerals, iron ore, coal, oil, and gas and other mineral fuels; (ii) an employee of a corporation or agency engaged in such exploration, development, extraction, and reclamation of minerals and mineral deposits; (iii) acting in accordance with the provisions of section 82B.035, subdivision 3; 103I.205, subdivision 4; or 103I.601, subdivision 2; or (iv) engaged in academic geoscience research.

Sec. 62. Minnesota Statutes 2002, section 326.15, is amended to read:

326.15 FALSE IMPERSONATION.

It shall be unlawful for any person to present or attempt to use as the person's own the seal or certificate of another, or to give false or forged evidence of any kind to the board, or any member thereof, or to falsely impersonate any registrant licensee or certificate holder of like or different name, or to use or attempt to use as the person's own the license of another issued by any authority outside of this state, or to use or attempt to use an expired or revoked or suspended license.

Sec. 63. Minnesota Statutes 2002, section 336.9-531, is amended to read:

336.9-531 ELECTRONIC ACCESS; LIABILITY; RETENTION.

(a) **ELECTRONIC ACCESS.** The secretary of state may allow private parties to have electronic access to the central filing system and to other computerized records maintained by the secretary of state on a fee basis, except that: (1) visual access to electronic display terminals at the public counters at the Secretary of State's Office must be without charge and must be available during public counter hours; and (2) access by law enforcement personnel, acting in an official capacity, must be without charge. If the central filing system allows a form of electronic access to information regarding the obligations of debtors, the access must be available 24 hours a day, every day of the year. Notwithstanding section ~~13.49~~ 13.355, private parties who have electronic access to computerized records may view the Social Security number information about a debtor that is of record.

Notwithstanding section ~~13.49~~ 13.355, a filing office may include Social Security number information in an information request response under section 336.9-523 or a search of other liens in the central filing system. A filing office may also include Social Security number information on a photocopy or electronic copy of a record whether

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provided in an information request response or in response to a request made under section 13.03.

(b) **LIABILITY.** The secretary of state, county recorders, and their employees and agents are not liable for any loss or damages arising from errors in or omissions from information entered into the central filing system as a result of the electronic transmission of tax lien notices under sections 268.058, subdivision 1, paragraph (c); 270.69, subdivision 2, paragraph (b), clause (2); 272.483; and 272.488, subdivisions 1 and 3.

The state, the secretary of state, counties, county recorders, and their employees and agents are immune from liability that occurs as a result of errors in or omissions from information provided from the central filing system.

(c) **RETENTION.** Once the image of a paper record has been captured by the central filing system, the secretary of state may remove or direct the removal from the files and destroy the paper record.

Sec. 64. Minnesota Statutes 2002, section 357.021, subdivision 5, is amended to read:

Subd. 5. **EXEMPTION FOR GOVERNMENT AGENCIES.** Notwithstanding any other provision of the law to the contrary, no fee otherwise required to be paid to the court administrator of district court by a defendant or defendants when filing the first paper for that party in an action, shall be paid by the state of Minnesota, or any department or agency thereof, or when the state or a department or agency as plaintiff enters judgment pursuant to a confession of judgment executed by the defendant.

Sec. 65. Minnesota Statutes 2003 Supplement, section 469.339, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Qualified research expenses" means qualified research expenses and basic research payments as defined in section 41(b) and (e) of the Internal Revenue Code.

(c) "Qualified research" means activities in the fields of biotechnology or health sciences that are "qualified research" as defined in section 41(d) of the Internal Revenue Code, except that the term does not include qualified research conducted outside the biotechnology and health sciences industry zone.

(d) "Base amount" means base amount as defined in section 4~~(e)~~ 41(c) of the Internal Revenue Code, except that the average annual gross receipts must be calculated using Minnesota sales or receipts under section 290.191 and the definitions contained in paragraphs (b) and (c) apply.

(e) "Liability for tax" for purposes of this section means the tax imposed under this chapter for the taxable year reduced by the sum of the nonrefundable credits allowed under this chapter.

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Sec. 66. Minnesota Statutes 2002, section 609.3452, subdivision 2, is amended to read:

Subd. 2. **ACCESS TO DATA.** Notwithstanding section 13.384, 13.85, 144.335, 260B.171, 260C.171, or 626.556, the assessor has access to the following private or confidential data on the person if access is relevant and necessary for the assessment:

- (1) medical data under section ~~43.42~~ 13.384;
- (2) corrections and detention data under section 13.85;
- (3) health records under section 144.335;
- (4) juvenile court records under sections 260B.171 and 260C.171; and
- (5) local welfare agency records under section 626.556.

Data disclosed under this section may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

Sec. 67. Laws 2003, First Special Session chapter 11, article 2, section 21, is amended to read:

Sec. 21. INDEPENDENT STUDY ON INTERMITTENT RESOURCES.

The commission shall order the electric utility subject to Minnesota Statutes, section 216B.1691, subdivision ~~7~~ 6, to contract with a firm selected by the commissioner of commerce for an independent engineering study of the impacts of increasing wind capacity on its system above the 825 megawatts of nameplate wind energy capacity to which the utility is already committed, to evaluate options available to manage the intermittent nature of this renewable resource. The study shall be completed by June 1, 2004, and incorporated into the utility's next resource plan filing. The costs of the study, options pursued by the utility to manage the intermittent nature of wind energy, and the costs of complying with Minnesota Statutes, section 216B.1691, subdivision ~~7~~ 6, shall be recoverable under Minnesota Statutes, section 216B.1645.

EFFECTIVE DATE. This section is effective retroactively from May 30, 2003.

Sec. 68. Laws 2003, First Special Session chapter 21, article 8, section 10, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective for sales made after June 30, ~~2007~~ 2003.

Sec. 69. CERTAIN STATUTES REVIVED AND REENACTED.

Minnesota Statutes, sections 169.829, subdivision 3, and 169.87, subdivisions 5 and 6, are expressly revived and reenacted as specifically provided according to Minnesota Statutes, section 645.36, effective retroactively and without interruption from April 25, 2000.

Sec. 70. SEWAGE DISPOSAL SYSTEM CHARGES; CLEARWATER RIVER WATERSHED DISTRICT.

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The Clearwater River Watershed District may collect charges for maintenance, repair, operation, and use of sewer systems, sewage treatment systems, and other facilities, whether created as projects of the district or acquired by the district, for disposing of sewage, industrial waste, or other wastes as prescribed under Minnesota Statutes, section 444.075, subdivision 2a.

EFFECTIVE DATE. This section is effective retroactively from August 1, 2003.

Sec. 71. REVISOR'S INSTRUCTION; WETLAND RULES.

The revisor of statutes shall make the following changes in Minnesota Rules:

(1) in part 8420.0110, subpart 30, items A and B, insert "or soil and water conservation district" to conform to Laws 2003, chapter 128, article 1, section 111;

(2) in part 8420.0544, item A, the first sentence, replace the clause beginning with "statewide" with the language in Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), clause (5), to conform with the amendment to that section in Laws 2003, chapter 128, article 1, section 113;

(3) in part 8420.0544, replace item C with the language in Minnesota Statutes, section 103G.22, paragraph (k), to conform with the amendment to that section in Laws 2003, chapter 128, article 1, section 112; and

(4) in part 8420.0720, add two new subparts containing the language in Minnesota Statutes, section 103G.2242, subdivisions 14 and 15, to conform with the amendment adding those subdivisions in Laws 2003, chapter 128, article 1, sections 114 and 115.

Sec. 72. REVISOR'S INSTRUCTION; MISDEMEANORS.

Subdivision 1. CONSTRUCTION. The instructions in this section are intended to correct sections that specify the amounts of fines for gross misdemeanors, misdemeanors, and petty misdemeanors so that the fine specified in each section is in accord with the increases in fines enacted in Laws 1983, chapter 331, and Laws 2000, chapter 488, article 5, and codified in Minnesota Statutes, sections 609.033 (misdemeanors), 609.0331 (petty misdemeanors), and 609.0341, subdivision 1 (gross misdemeanors).

Subd. 2. GROSS MISDEMEANORS. The revisor shall identify every section of Minnesota Statutes that specifies that an offense is a gross misdemeanor but states a maximum criminal penalty amount lower than \$3,000 for that offense. The revisor shall prepare a bill for the 2005 legislative session that corrects the penalty amounts in the identified sections. The corrections must be in accordance with the penalty amounts in Laws 1983, chapter 331; Laws 2000, chapter 488, article 5; and Minnesota Statutes, section 609.0341, subdivision 1.

Subd. 3. MISDEMEANORS. (a) In the following sections, the revisor shall change "\$700" to "\$1,000" when the amount specifies the maximum amount of a fine: Minnesota Statutes, sections 12.45; 21.122; 62C.22; 116J.871; 127A.10; 168.275; 169.21; 177.43; 181.30; 234.23; 235.10; 256.045; 260B.198; 260B.225; 299F.80; 299F.82; 299F.831; 325F.73; 412.231; 518B.01; 609.27; 609.324; 609.375; 609.50;

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609.52; 609.526; 609.535; 609.5632; 609.576; 609.597; 609.615; 609.65; 609.66; 609.662; 609.665; 609.748; 609.855; 609.86; 609.88; 609.89; 609.891; 609.893; 624.25; and 624.68.

(b) The revisor shall identify every section of Minnesota Statutes that specifies that an offense is a misdemeanor but states a maximum criminal penalty amount lower than \$1,000 for that offense. The revisor shall prepare a bill for the 2005 legislative session that corrects the penalty amounts in the identified sections. The corrections must be in accordance with the penalty amount in Laws 2000, chapter 488, article 5, and codified in Minnesota Statutes, section 609.033 (misdemeanors).

Subd. 4. PETTY MISDEMEANORS. (a) In the following section and subdivision, the revisor shall change "\$200" to "\$300" when the amount specifies the maximum amount of a fine: Minnesota Statutes, sections 152.07, subdivision 4; and 624.7162.

(b) The revisor shall identify every section of Minnesota Statutes that specifies that an offense is a petty misdemeanor but states a maximum fine amount lower than \$300 for that petty offense. The revisor shall prepare a bill for the 2005 legislative session that corrects the penalty amounts in the identified sections. The corrections must be in accordance with the penalty amount in Laws 2000, chapter 488, article 5, and codified in Minnesota Statutes, section 609.0331 (petty misdemeanors).

Sec. 73. REVISOR'S INSTRUCTION; OBSOLETE HAZARDOUS WASTE GENERATOR TAX.

The revisor of statutes shall replace "115B.24" with "115B.20" in the following sections of Minnesota Statutes: 115B.01, 115B.40, 115B.405, 115B.50, and 116J.554.

Sec. 74. REVISOR'S INSTRUCTION; TACIP.

The revisor of statutes shall change the term "telecommunications access for communications-impaired persons" to "telecommunications access Minnesota" wherever it appears in Minnesota Statutes or Minnesota Rules.

Sec. 75. REVISOR'S INSTRUCTION; GENERAL ASSISTANCE REFERENCES.

The revisor of statutes shall change the reference "256D.03, subdivision 4, paragraph (d)" to "256D.03, subdivision 4, paragraph (c)" in Minnesota Statutes, sections 62A.045, paragraph (b); 256.015, subdivisions 1 and 3; 256B.042, subdivisions 1 and 3; 256B.056, subdivision 6; 256B.37, subdivision 2; 256B.69, subdivisions 26, paragraphs (b) and (d), and 27; 256L.03, subdivision 6; and 256L.12, subdivision 5.

Sec. 76. REPEALERS.

Subdivision 1. NOXIOUS WEED QUARANTINE. Minnesota Statutes 2002, section 18.79, subdivision 11, is repealed.

Subd. 2. 115B.241; EFFECTIVE DATE. Minnesota Statutes 2002, section 115B.241, is repealed.

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Subd. 3. **INTERSTATE HIGHWAY SYSTEM; EDITORIAL CONFLICT.** Laws 2001, chapter 161, section 29, is repealed.

Subd. 4. **PUBLIC TRANSIT ASSISTANCE; EDITORIAL CONFLICT.** Laws 2001, First Special Session chapter 5, article 3, section 9, is repealed.

Subd. 5. **TRUCK LOAD WEIGHTS; EDITORIAL CONFLICT.** Laws 2002, chapter 364, section 15, is repealed.

Subd. 6. **BROWNFIELD CLEANUP; EDITORIAL CONFLICT.** Laws 2002, chapter 380, article 4, section 1, is repealed.

Subd. 7. **COUNTY AID OFFSET; EDITORIAL CONFLICT.** Laws 2003, chapter 127, article 5, section 19, is repealed.

Subd. 8. **STATE PROPERTY TAX SETTLEMENT AND PAYMENT; EDITORIAL CONFLICT.** Laws 2003, chapter 112, article 2, section 35, is repealed.

Subd. 9. **CHAPTER 115B; EDITORIAL CONFLICT.** Laws 2003, chapter 127, article 7, section 1; and Laws 2003, chapter 128, article 2, section 13, are repealed.

Subd. 10. **RENEWABLE ENERGY; EDITORIAL CONFLICT.** Laws 2003, chapter 128, article 3, section 44, is repealed.

Subd. 11. **ATTACHED MACHINERY AID; EDITORIAL CONFLICT.** Laws 2003, First Special Session chapter 9, article 5, section 29, is repealed.

Subd. 12. **INTERGOVERNMENTAL INFORMATION SYSTEMS ADVISORY COUNCIL RULES.** Minnesota Rules, parts 1220.0200; 1220.0300; 1220.0400; 1220.0500; 1220.0600; 1220.0700; 1220.0800; and 1220.0900, are repealed.

Subd. 13. **HEALTH CARE EQUIPMENT LOAN PROGRAM.** Minnesota Rules, parts 7380.0200; 7380.0210; 7380.0220; 7380.0230; and 7380.0240, are repealed.

ARTICLE 2

TERMINOLOGY CLARIFICATION

Section 1. Minnesota Statutes 2002, section 60A.23, subdivision 5, is amended to read:

Subd. 5. **PROVISIONS AS TO FIDELITY AND SURETY COMPANIES.** (1) **REQUIREMENTS AND ACCEPTABILITY.** No company for guaranteeing the fidelity of persons in fiduciary positions, public or private, or for acting as surety, shall transact any business in this state until it shall have satisfied the commissioner that it has complied with all the provisions of law and obtained the commissioner's certificate

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to that effect. Thereupon it shall be authorized to execute as sole or joint surety any bond, undertaking, or recognizance which, by any municipal or other law, or by the rules or regulations of any municipal or other board, body, organization, or officer, is required or permitted to be made, given, tendered, or filed for the security or protection of any person, corporation, or municipality, or any department thereof, or of any other organization, conditioned for the doing or omitting of anything in such bond or other instrument specified or provided; and any and all courts, judges, officers, and heads of departments, boards, and municipalities required or permitted to accept or approve of the sufficiency of any such bond or instrument may in their discretion accept the same when executed, or the conditions thereof guaranteed solely or jointly by any such company, and the same shall be in all respects full compliance with every law or other provisions for the execution or guaranty by one surety or by two or more sureties, or that sureties shall be residents or householders, or ~~freeholders~~ landowners, or all or either.

(2) **LIMITS OF RISK.** No fidelity or surety company shall insure or reinsure in a single risk, less any portion thereof reinsured, a larger sum than one-tenth of its net assets.

Sec. 2. Minnesota Statutes 2002, section 116A.11, subdivision 1, is amended to read:

Subdivision 1. **APPOINTMENT.** Following the filing of the order for a detailed survey the board or court shall make an order appointing as viewers three disinterested resident ~~freeholders~~ landowners of the county or counties affected.

Sec. 3. Minnesota Statutes 2002, section 163.16, subdivision 1, is amended to read:

Subdivision 1. **COMPLAINT.** When a written complaint, signed by five or more ~~freeholders~~ landowners of any town is presented to the county board stating that a described town road in or on the line of the town has not been opened and constructed or is not properly maintained, and because of such neglect is not reasonably passable, the county board by resolution, shall fix a time and place for hearing the complaint. The county auditor shall mail a copy of the complaint, together with notice of the time and place of hearing on the complaint, to the town clerk. All persons signing the complaint shall also be notified of the time and place of the hearing by the county auditor.

Sec. 4. Minnesota Statutes 2002, section 163.161, is amended to read:

163.161 IMPASSABLE CITY THOROUGHFARE.

When a written complaint signed by five or more ~~freeholders~~ landowners of a statutory city of not more than 5,000 population is presented to the county board stating that a city thoroughfare located outside an urban area as defined in section 169.01, subdivision 59 has not been properly maintained and because of the improper maintenance is not reasonably passable the county board shall consider and act upon the complaint in the same manner provided for a complaint under section 163.16.

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Sec. 5. Minnesota Statutes 2002, section 164.05, subdivision 3, is amended to read:

Subd. 3. **PETITION; NOTICE; VOTE AT TOWN MEETING.** When a petition signed by ten or more ~~freeholders~~ landowners and voters of a town shall be presented to the town clerk at least 20 days before the time of holding the annual town meeting, praying that the question of authorizing the town board to levy and assess a town road drainage tax be submitted to the voters of such town, the town clerk shall include in the notice of such annual town meeting a notice that such question will be voted on at such meeting. Such question shall be voted on by ballot and it shall be the duty of the clerk to provide at the expense of the town a suitable number of ballots, which may be printed or written or partly printed and partly written, in substantially the following form:

“Shall the town board be authorized to levy and assess a Town Road Drainage Tax?”

(Yes ..) (No ..)”

Sec. 6. Minnesota Statutes 2002, section 164.08, subdivision 1, is amended to read:

Subdivision 1. **PERMITTED ESTABLISHMENT; CONDITIONS.** The town board by resolution may establish a cartway two rods wide and not more than one-half mile in length upon petition presented to the town board signed by at least five voters, ~~freeholders~~ landowners of the town, requesting the cartway on a section line to serve a tract or tracts of land consisting of at least 150 acres of which at least 100 acres are tillable. If the petition is granted the proceedings of the town board shall be in accordance with section 164.07.

Sec. 7. Minnesota Statutes 2002, section 237.39, is amended to read:

237.39 ACQUIRING OR SELLING TELEPHONE SYSTEM.

When, under the provisions of sections 237.33 to 237.40, a township telephone system is established in any township in which any of the inhabitants of the town are already provided with telephone service furnished by any other telephone company or person, the town shall, when so requested by the telephone company or person, acquire from the telephone company all telephone equipment used by the telephone company or person in furnishing telephone service to the inhabitants of the town exclusively. For the purpose of determining the purchase price of the equipment, application shall be made to the department which shall determine the just compensation which the owner of the telephone equipment is entitled to receive for it from the town. Before deciding upon the compensation, the department shall, at a public meeting, which may be adjourned from time to time, hear all interested persons of the question involved. The department shall by order fix the compensation and furnish a copy of its order to the town, and to the telephone company or person concerned. An appeal may be taken to the district court of the county in which the town is situated from that part of the order fixing the compensation to be paid, within 30 days, by either party. The appeal shall be tried in the same manner as other appeals hereunder. If no appeal is taken, the order

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of the department shall become final at the end of 30 days.

When, under the provisions of sections 237.33 to 237.40 a township telephone system has been established in any town, and it has been determined by the board of supervisors of the town to be for the best interest of public service and all persons concerned, to sell and transfer the township telephone system to any telephone company or person giving service organized for that purpose and qualified to purchase the system and operate it, the board of supervisors may sell, transfer, and convey the township telephone system upon such reasonable price and terms as it may determine; provided, that there shall be presented to the board of supervisors by a petition signed by at least 25 percent of the freeholders landowners of the town asking for the sale. If the sale and agreed sale price are approved at an annual or special town meeting, it being stated in the notice of the annual and special meeting that the proposition will be considered at it, by 66 percent of the legal voters attending the meeting.

If any township telephone lines are sold under the provisions of sections 237.33 to 237.40, and the town has previously issued bonds for their construction, and any part of the bonds are then outstanding and unpaid, the entire consideration received from the sale, or such part as may be necessary, shall be held and applied only for the payment and retirement of the bonds.

Sec. 8. Minnesota Statutes 2002, section 306.32, is amended to read:

306.32 TRUSTEES OF FUND.

The trustees shall choose by ballot and appoint by deed of the association a board of at least three and not more than five trustees of the fund. They shall be resident freeholders landowners of this state during all the time they exercise the powers of the trust. If any of those appointed fails to qualify within 30 days after appointment, the one or more who have qualified shall appoint by deed other persons to be trustees in their places. If any of those appointed fails to qualify within 30 days, another shall be appointed in the same manner. Every appointment to fill a vacancy must be by unanimous vote of those acting. However, instead of appointing a board, the trustees of the association may designate any trust company of the state to act as the trustee during a time determined by the board. All instruments of appointment of trustees must be recorded with the secretary.

Sec. 9. Minnesota Statutes 2002, section 344.20, is amended to read:

344.20 TOWN OPTION.

If eight or more freeholders landowners in a town petition the town board for a vote on a partition fence policy, the town board may adopt its own policy and procedures for dealing with partition fences, including enforcement procedures. The policy must be approved by the electors of the town at an annual or special town meeting, in which case this chapter does not apply in that town.

This chapter applies to any partition fence lying on the boundary between a town which has adopted its own partition fence policy and any other political subdivision unless the other political subdivision is a town which has adopted a similar policy.

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

Sec. 10. Minnesota Statutes 2002, section 348.02, is amended to read:

348.02 CLAIM AND PROOF.

The claimant shall file with the county auditor a plat giving the government subdivision, and the position of the trees thereon. If the number of trees be increased, supplemental plats shall be filed. The claimant shall show ownership of the land, and make oath to the planting and maintaining of the trees, as prescribed in section 348.01; and the proof shall be supported by the affidavit of at least two ~~freeholders~~ landowners residing in the same town, who have personal knowledge of the facts. Such proofs shall be filed with the county auditor between July 1 and July 15, of the year for which compensation is claimed.

Sec. 11. Minnesota Statutes 2003 Supplement, section 365.52, subdivision 1, is amended to read:

Subdivision 1. **HOW CALLED; STATEMENT; PETITION.** A special town meeting may be held to conduct any lawful business. To call a special meeting, the supervisors and town clerk, or any two of them together with at least 12 other town ~~freeholders~~ landowners, shall file a statement in the town clerk's office. The statement must tell why the meeting is called, the particular business to be transacted, and that the interests of the town require the meeting. A special town meeting may also be called on petition of 20 percent of the electors of the town. The percentage is of the number of voters at the last general election.

Sec. 12. Minnesota Statutes 2002, section 365.59, is amended to read:

365.59 COUNTY TO APPOINT OFFICERS IF NONE ELECTED.

Subdivision 1. **SECOND MEETING TRY.** If a town fails to organize or fails to elect officers at the annual town meeting, 12 ~~freeholders~~ landowners of the town may call a town meeting for these purposes. The meeting is called by giving ten days' posted notice of it. The notice must include the time, place, and purpose of the meeting.

Subd. 2. **30-DAY WAIT; AFFIDAVIT.** If the notice under subdivision 1 is not posted within 30 days after the date for the annual town meeting, the county board shall appoint officers for the town. The officers shall hold their offices until their successors qualify. The county board shall act only after an affidavit of a freeholder landowner of the town is filed with the county auditor. The affidavit must state the facts that require the county board to act.

Sec. 13. Minnesota Statutes 2002, section 366.17, is amended to read:

366.17 PLANNING AND ZONING COMMISSION.

To carry out sections 366.10 to 366.18, the town board may appoint a planning and zoning commission, all of whom shall be freeholders landowners. The number of commissioners shall be determined by the board. The planning and zoning commission shall act as an adviser to the town board. The commission may be empowered to employ a civil engineer or city planner as required to establish the districts or zones of any parts of the town.

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Sec. 14. Minnesota Statutes 2002, section 368.85, subdivision 9, is amended to read:

Subd. 9. **DISSOLUTION.** A special fire protection district may be dissolved in the following manner. The town board may submit the question of dissolution of a district at any annual town meeting. It must submit that question at the next annual town meeting on the signed petition of electors residing in the district equal in number to at least one-half of the number of ~~freeholders landowners~~ in the district according to the tax record in the county auditor's office filed with the town clerk not less than 45 days before the annual meeting. Notice that the question will be submitted shall be posted by the town clerk in three public places within the special district not less than two weeks before the annual meeting at which it will be submitted. Only voters residing in the district shall vote on the question of dissolution. A separate ballot box shall be provided for votes on the question. The town board shall provide ballots for the question of dissolution which shall be in the same form as provided in subdivision 4 except that the question shall be "Shall Special Fire Protection District No. be dissolved?". If a majority vote of those voting on the question vote in the affirmative, the district shall be dissolved. In that event the results of the election shall be certified by the chair of the town board to the county auditor. There shall be no further special levy for fire protection in the district, but dissolution shall not relieve the property in the special district from any taxes levied under this section before dissolution.

Sec. 15. Minnesota Statutes 2002, section 385.09, is amended to read:

385.09 BONDS OF DEPOSITORIES.

Every bank or banker, before being designated as a depository, shall deposit with the county treasurer a bond, to be approved by the county board, in at least double the amount to be deposited, payable to such county, and signed by not less than five resident ~~freeholders landowners~~ as sureties; who shall, in the aggregate, qualify for the full penalty named in such bond. Any county in which there is no such bank or banker may be exempt from the foregoing provisions which relate to depositing its funds, if in the judgment of the county board such deposit would be detrimental to its interests. In cases where the bond furnished by the depository is that of a surety company authorized to do business in this state, the amount of such bond need not be more than the amount to be deposited in such depository.

Sec. 16. Minnesota Statutes 2002, section 395.14, is amended to read:

395.14 SEED AND FEED LOANS.

Authority is granted to any county in the state to lend money to residents of the county who are citizens of the United States or resident aliens or who have declared their intention of becoming citizens of the United States, for the purpose of purchasing seed and feed for teams whenever there has been a total or partial failure of crops in the county, by reason of hail, flood, drought, fire, or other cause. Qualified residents must own, or hold under contract for deed, land previously under cultivation and cropped and in condition capable of being cropped during the ensuing year, but must be unable to procure seed for planting their land and feed for their teams while doing

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the planting and must be in imminent danger of losing their property. If not less than 25 resident ~~freeholders~~ landowners of the county, before March first next following the crop failure, present to the auditor of the county a petition signed by them asking that the county lend money to residents suffering by reason of the crop failure, for the purpose of purchasing seed and feed, the auditor shall receive and file the petition and at once call a meeting of the county board to consider the petition. The county board shall, on or before the second Monday in March, next following, meet and consider the petition and may enter an order that the county lend, from its general fund, sums as it deems necessary for the purpose; however, the amount shall not, with the existing indebtedness of the county, exceed the amount of indebtedness fixed by the laws of this state.

ARTICLE 3

OBSOLETE PROPERTY TAX REFERENCES

Section 1. Minnesota Statutes 2002, section 126C.48, subdivision 8, is amended to read:

Subd. 8. **TACONITE PAYMENT AND OTHER REDUCTIONS.** (1) Reductions in levies pursuant to ~~sections~~ section 126C.48, subdivision 1, and ~~273-138~~, must be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 298.018; 298.225; 298.28, except an amount distributed under section 298.28, subdivision 4, paragraph (c), clause (ii); 298.34 to 298.39; 298.391 to 298.396; 298.405; and any law imposing a tax upon severed mineral values; or recognized revenue under section 477A.15 must not include a portion of these aids in their permissible levies pursuant to those sections, but instead must reduce the permissible levies authorized by this chapter and chapters 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections or revenue recognized under section 477A.15 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections or revenue recognized under section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue times five percent.

For levy year 2002 only, 77 percent of the amounts distributed under section 298.225 and 298.28, and 100 percent of the amounts distributed under sections 298.018; 298.34 to 298.39; 298.391 to 298.396; 298.405; and any law imposing a tax upon severed mineral values, or recognized revenue under section 477A.15, shall be

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used for purposes of the calculations under this paragraph. For levy year 2003 only, the levy reductions under this subdivision must be calculated as if section 298.28, subdivision 4, paragraph (f), did not apply for the 2003 distribution.

(3) The amount of any voter approved referendum, facilities down payment, and debt levies shall not be reduced by more than 50 percent under this subdivision. In administering this paragraph, the commissioner shall first reduce the nonvoter approved levies of a district; then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved referendum levies authorized under section 126C.17; then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved facilities down payment levies authorized under section 123B.63 and then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved debt levies.

(4) Before computing the reduction pursuant to this subdivision of the health and safety levy authorized by sections 123B.57 and 126C.40, subdivision 5, the commissioner shall ascertain from each affected school district the amount it proposes to levy under each section or subdivision. The reduction shall be computed on the basis of the amount so ascertained.

(5) To the extent the levy reduction calculated under paragraph (2) exceeds the limitation in paragraph (3), an amount equal to the excess must be distributed from the school district's distribution under sections 298.225, 298.28, and 477A.15 in the following year to the cities and townships within the school district in the proportion that their taxable net tax capacity within the school district bears to the taxable net tax capacity of the school district for property taxes payable in the year prior to distribution. No city or township shall receive a distribution greater than its levy for taxes payable in the year prior to distribution. The commissioner of revenue shall certify the distributions of cities and towns under this paragraph to the county auditor by September 30 of the year preceding distribution. The county auditor shall reduce the proposed and final levies of cities and towns receiving distributions by the amount of their distribution. Distributions to the cities and towns shall be made at the times provided under section 298.27.

Sec. 2. Minnesota Statutes 2003 Supplement, section 127A.45, subdivision 10, is amended to read:

Subd. 10. **PAYMENTS TO SCHOOL NONOPERATING FUNDS.** Each fiscal year state general fund payments for a district nonoperating fund must be made at 80 percent of the estimated entitlement during the fiscal year of the entitlement. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement must be paid prior to October 31 of the following school year. The commissioner may make advance payments of debt service equalization aid or homestead and agricultural credit aid for a district's debt service fund earlier than would occur under the preceding schedule if the district submits evidence showing a

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serious cash flow problem in the fund. The commissioner may make earlier payments during the year and, if necessary, increase the percent of the entitlement paid to reduce the cash flow problem.

Sec. 3. Minnesota Statutes 2002, section 162.081, subdivision 4, is amended to read:

Subd. 4. FORMULA FOR DISTRIBUTION TO TOWNS; PURPOSES. Money apportioned to a county from the town road account must be distributed to the treasurer of each town within the county, according to a distribution formula adopted by the county board. The formula must take into account each town's levy for road and bridge purposes, its population and town road mileage, and other factors the county board deems advisable in the interests of achieving equity among the towns. Distribution of town road funds to each town treasurer must be made by March 1, annually, or within 30 days after receipt of payment from the commissioner. Distribution of funds to town treasurers in a county which has not adopted a distribution formula under this subdivision must be made according to a formula prescribed by the commissioner by rule. A formula adopted by a county board or by the commissioner must provide that a town, in order to be eligible for distribution of funds from the town road account in a calendar year, must have levied ~~before the deduction of homestead and agricultural credit aid certified under section 273.1398, subdivision 2,~~ for taxes payable in the previous year for road and bridge purposes at least 0.04835 percent of taxable market value. For purposes of this eligibility requirement, taxable market value means taxable market value for taxes payable two years prior to the aid distribution year.

Money distributed to a town under this subdivision may be expended by the town only for the construction, reconstruction, and gravel maintenance of town roads within the town.

Sec. 4. Minnesota Statutes 2002, section 272.0212, subdivision 2, is amended to read:

Subd. 2. LIMITS ON EXEMPTION. Property in a zone is not exempt under this section from the following:

- (1) special assessments;
- (2) ad valorem property taxes specifically levied for the payment of principal and interest on debt obligations; and
- (3) all taxes levied by a school district, except equalized school referendum levies as defined in section 273.1398, subdivision 4, paragraph (e) 126C.17.

Sec. 5. Minnesota Statutes 2003 Supplement, section 273.1392, is amended to read:

273.1392 PAYMENT; SCHOOL DISTRICTS.

The amounts of conservation tax credits under section 273.119; disaster or emergency reimbursement under section 273.123; ~~attached machinery aid under~~

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section 273.138; homestead and agricultural credits under section 273.1384; aids and credits under section 273.1398; wetlands reimbursement under section 275.295; enterprise zone property credit payments under section 469.171; and metropolitan agricultural preserve reduction under section 473H.10 for school districts, shall be certified to the Department of Education by the Department of Revenue. The amounts so certified shall be paid according to section 127A.45, subdivisions 9 and 13.

Sec. 6. Minnesota Statutes 2002, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, or 276A.01, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, or 276A.06, subdivision 7, for the municipality, as defined in section 473F.02, subdivision 8, or 276A.01, subdivision 8, in which the unique taxing jurisdiction is located; (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(d) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study, conducted by the Department of Revenue pursuant to section 127A.48 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(e) "Equalized school levies" means the amounts levied for:

- (1) general education under section 126C.13, subdivision 2;
- (2) supplemental revenue under section 126C.10, subdivision 10;
- (3) transition revenue under section 126C.10, subdivision 20; and
- (4) referendum revenue under section 126C.17.

(f) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which

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aids are being calculated by the total previous net tax capacity of the unique taxing jurisdiction.

(g) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total net tax capacity based taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

"Taxes levied" excludes equalized school levies.

(h) "Household adjustment factor" means the number of households, for the year most recently determined as of July 1 in the aid calculation year, divided by the number of households for the year immediately preceding the year for which the number of households has most recently been determined as of July 1. The household adjustment factor cannot be less than one.

(i) "Growth adjustment factor" means the household adjustment factor in the case of counties. In the case of cities, towns, school districts, and special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(j) "Homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 less any permanent aid reduction in the previous year to homestead and agricultural credit aid.

(k) "Net tax capacity adjustment" means (1) the tax base differential defined in subdivision 1a, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(l) "Fiscal disparity adjustment" means a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), or 276A.06, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, multiplied by the ratio of the tax base differential percent referenced in subdivision 1a for the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies.

Sec. 7. Minnesota Statutes 2002, section 273.1398, subdivision 2d, is amended to read:

Subd. 2d. **AIDS DETERMINED AS OF JUNE 30.** For aid amounts authorized under subdivisions 2 and subdivision 3, and section 273.166: (i) if the effective date for

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a municipal incorporation, consolidation, annexation, detachment, dissolution, or township organization is on or before June 30 of the year preceding the aid distribution year, the change in boundaries or form of government shall be recognized for aid determinations for the aid distribution year; (ii) if the effective date for a municipal incorporation, consolidation, annexation, detachment, dissolution, or township organization is after June 30 of the year preceding the aid distribution year, the change in boundaries or form of government shall not be recognized for aid determinations until the following year.

Sec. 8. Minnesota Statutes 2002, section 273.1398, subdivision 3, is amended to read:

Subd. 3. **DISPARITY REDUCTION AID.** (a) For taxes payable in 2003 and subsequent years, the amount of disparity aid certified for each taxing district within each unique taxing jurisdiction for taxes payable in the prior year shall be multiplied by the ratio of (1) the jurisdiction's tax capacity using the class rates for taxes payable in the year for which aid is being computed, to (2) its tax capacity using the class rates for taxes payable in the year prior to that for which aid is being computed, both based upon market values for taxes payable in the year prior to that for which aid is being computed. For the purposes of this aid determination, disparity reduction aid certified for taxes payable in the prior year for a taxing entity other than a town or school district is deemed to be county government disparity reduction aid. The amount of disparity aid certified to each taxing jurisdiction shall be reduced by any reductions required in the current year or permanent reductions required in previous years under section 477A.0132.

(b) For aid payable in 2003, in each unique taxing jurisdiction where the total tax rate for taxes payable in 2002 exceeds 135 percent of taxable net tax capacity, an amount shall be permanently added to the unique taxing jurisdiction's aid amount under paragraph (a) equal to the lesser of: (i) the amount, if any, by which 87 percent of the aid certified for 2001 exceeds the amount certified for 2002, or (ii) the amount that would be necessary to reduce the total payable 2002 tax rate for the unique taxing jurisdiction to 135 percent of taxable net tax capacity. The amount determined under this paragraph must be added before the class rate adjustment described in paragraph (a).

Sec. 9. Minnesota Statutes 2003 Supplement, section 273.1398, subdivision 4c, is amended to read:

Subd. 4c. **TEMPORARY AID; COURT ADMINISTRATION COSTS.** For calendar years 2004 and 2005, each county in a judicial district that has not been transferred to the state by January 1 of that year shall receive temporary court maintenance of effort cost aid. This amount is in addition to the amount calculated under subdivision 2 and must not be included in the definition of homestead and agricultural credit base under subdivision 1, paragraph (j). The amount of aid is equal to the difference between (1) the amount budgeted for court administration costs in 2001 as determined under subdivision 4b, paragraph (b), multiplied by the maintenance of effort percent for the calendar year as determined under subdivision 4b,

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paragraph (a), and (2) the amount calculated under subdivision 4b, paragraph (a), for calendar year 2003, except that the payment under this section is reduced by 50 percent in the calendar year in which the district is transferred to the state. This additional aid must be used only to fund court administration expenditures as defined in section 480.183, subdivision 3. This amount must be added to the state court's base budget in the year when the court in that judicial district in which the county is located is transferred to the state.

Sec. 10. Minnesota Statutes 2002, section 275.07, subdivision 1, is amended to read:

Subdivision 1. **CERTIFICATION OF LEVY.** (a) Except as provided under paragraph (b), the taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before five working days after December 20 in each year. A town must certify the levy adopted by the town board to the county auditor by September 15 each year. If the town board modifies the levy at a special town meeting after September 15, the town board must recertify its levy to the county auditor on or before five working days after December 20. The taxes certified shall not be reduced by the county auditor by the aid received under section 273.1398, subdivision 2, but shall be reduced by the county auditor by the aid received under section 273.1398, subdivision 3. If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

(b)(i) The taxes voted by counties under sections 103B.241, 103B.245, and 103B.251 shall be separately certified by the county to the county auditor on or before five working days after December 20 in each year. The taxes certified shall not be reduced by the county auditor by the aid received under section 273.1398, subdivisions 2 and subdivision 3. If a county fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

(ii) For purposes of the proposed property tax notice under section 275.065 and the property tax statement under section 276.04, for the first year in which the county implements the provisions of this paragraph, the county auditor shall reduce the county's levy for the preceding year to reflect any amount levied for water management purposes under clause (i) included in the county's levy.

Sec. 11. Minnesota Statutes 2002, section 276.04, subdivision 2, is amended to read:

Subd. 2. **CONTENTS OF TAX STATEMENTS.** (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority and the amount of the state tax from the parcel of real property for which a particular tax statement is prepared. The dollar amounts attributable to the county, the state tax, the voter approved school tax, the other local school tax, the township or municipality, and the total of the metropolitan special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The amounts due all other

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special taxing districts, if any, may be aggregated. If the county levy under this paragraph includes an amount for a lake improvement district as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose must be separately stated from the remaining county levy amount. The amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount. The amount of the tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The amount of market value excluded under section 273.11, subdivision 16, if any, must also be listed on the tax statement.

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

- (1) the property's estimated market value under section 273.11, subdivision 1;
 - (2) the property's taxable market value after reductions under section 273.11, subdivisions 1a and 16;
 - (3) the property's gross tax, calculated by adding the property's total property tax to the sum of the aids enumerated in clause (4);
 - (4) a total of the following aids:
 - (i) education aids payable under chapters 122A, 123A, 123B, 124D, 125A, 126C, and 127A;
 - (ii) local government aids for cities, towns, and counties under chapter 477A; and
 - (iii) disparity reduction aid under section 273.1398; and
 - (iv) ~~homestead and agricultural credit aid under section 273.1398;~~
 - (5) for homestead residential and agricultural properties, the credits under section 273.1384;
 - (6) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"; and
 - (7) the net tax payable in the manner required in paragraph (a).
- (d) If the county uses envelopes for mailing property tax statements and if the county agrees, a taxing district may include a notice with the property tax statement

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notifying taxpayers when the taxing district will begin its budget deliberations for the current year, and encouraging taxpayers to attend the hearings. If the county allows notices to be included in the envelope containing the property tax statement, and if more than one taxing district relative to a given property decides to include a notice with the tax statement, the county treasurer or auditor must coordinate the process and may combine the information on a single announcement.

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clause (4) that local governments will receive in the following year. The commissioner must certify this amount by January 1 of each year.

Sec. 12. Minnesota Statutes 2003 Supplement, section 469.177, subdivision 9, is amended to read:

Subd. 9. DISTRIBUTIONS OF EXCESS TAXES ON CAPTURED NET TAX CAPACITY. (a) If the amount of tax paid on captured net tax capacity exceeds the amount of tax increment, the county auditor shall distribute the excess to the municipality, county, and school district as follows: each governmental unit's share of the excess equals

(1) the total amount of the excess for the tax increment financing district, multiplied by

(2) a fraction, the numerator of which is the current local tax rate of the governmental unit less the governmental unit's local tax rate for the year the original local tax rate for the district was certified (in no case may this amount be less than zero) and the denominator of which is the sum of the numerators for the municipality, county, and school district.

If the entire increase in the local tax rate is attributable to a taxing district, other than the municipality, county, or school district, then the excess must be distributed to the municipality, county, and school district in proportion to their respective local tax rates.

The school district's tax rate must be divided into the portion of the tax rate attributable (1) to state equalized levies, and (2) unequalized levies. As used in this subdivision, "equalized levies" means the "equalized school levies" which are defined in section 273.1398, subdivision 1, for aids payable in the year following the year in which the excess taxes on captured net tax capacity are due and payable. Unequalized levies mean the rest of the school district's levies. The calculations under clause (2) must determine the amount of excess taxes attributable to each portion of the school district's tax rate. If one of the portions of the change in the school district tax rate is less than zero and the combined change is greater than zero, the combined rate must be used and all the school district's share of excess taxes allocated to that portion of the tax rate.

(b) The amounts distributed shall be deducted in computing the levy limits of the taxing district for the succeeding taxable year. In the case of a school district, only the proportion of the excess taxes attributable to unequalized levies that are subject to a fixed dollar amount levy limit shall be deducted from the levy limit.

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(c) In the case of distributions to a school district that are attributable to state equalized levies, the county auditor shall report amounts distributed to the commissioner of education in the same manner as provided for excess increments under section 469.176, subdivision 2, and the distribution shall be deducted from the school district's state aid payments.

Sec. 13. Minnesota Statutes 2003 Supplement, section 473.253, subdivision 1, is amended to read:

Subdivision 1. **SOURCES OF FUNDS.** The council shall credit to the livable communities demonstration account the revenues provided in this subdivision. This tax shall be levied and collected in the manner provided by section 473.13. The levy shall not exceed the following amount for the years specified:

(a)(1) for taxes payable in 1997 through 2003, the product of (i) the property tax levy limit under this subdivision for the previous year multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located in the metropolitan area for the previous taxes payable year;

(2) for taxes payable in 2004 and 2005, \$8,259,070; and

(3) (2) for taxes payable in 2006 and subsequent years, the product of (i) the property tax levy limit under this subdivision for the previous year multiplied by (ii) one plus a percentage equal to the growth in the implicit price deflator as defined in section 275.70, subdivision 2.

(b) The Metropolitan Council, for the purposes of the fund, is considered a unique taxing jurisdiction for purposes of receiving aid pursuant to section 273.1398. For aid to be received in 1996, the fund's homestead and agricultural credit base shall equal 50 percent of the metropolitan mosquito control commission's certified homestead and agricultural credit aid for 1995, determined under section 273.1398, subdivision 2, less any permanent aid reduction under section 477A.0132. For aid to be received under section 273.1398 in 1997 and subsequent years, the fund's homestead and agricultural credit base shall be determined in accordance with section 273.1398, subdivision 1.

Sec. 14. Minnesota Statutes 2002, section 477A.011, subdivision 21, is amended to read:

Subd. 21. **EQUALIZED MARKET VALUES.** "Equalized market values" are equalized market values as defined in section 273.1398, subdivision 4 means market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the Department of Revenue pursuant to section 127A.48 in the second year prior to that in which the aid is payable. The equalized market values equal the unequalized market values divided by the assessment sales ratio.

Sec. 15. Minnesota Statutes 2002, section 477A.011, subdivision 27, is amended to read:

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Subd. 27. **REVENUE BASE.** "Revenue base" means the amount levied for taxes payable in the previous year, including the levy on the fiscal disparity distribution under section 276A.06, subdivision 3, paragraph (a), or 473F.08, subdivision 3, paragraph (a); and before reduction for the homestead and agricultural credit aid under section 273.1398, subdivision 2, equalization aid under section 477A.013, subdivision 5, and disparity reduction aid under section 273.1398, subdivision 3; plus the originally certified local government aid in the previous year under sections 477A.011 and 477A.013; and the taconite aids received in the previous year under sections 298.28 and 298.282.

Sec. 16. Minnesota Statutes 2002, section 477A.011, subdivision 35, is amended to read:

Subd. 35. **TAX EFFORT RATE.** "Tax effort rate" means the sum of (1) the net levy for all cities plus (2) for aid payable in 2002 only, the total aid payments to all cities under section 273.1398 in the previous year; divided by the sum of the city net tax capacity for all cities. For purposes of this section, "net levy" means the city levy, after all adjustments, used for calculating the local tax rate under section 275.08 for taxes payable in the year prior to the aid distribution. The fiscal disparity distribution levy under chapter 276A or 473F is included in net levy.

Sec. 17. Minnesota Statutes 2002, section 477A.015, is amended to read:

477A.015 PAYMENT DATES.

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in two installments on July 20 and December 26 annually.

When the commissioner of public safety determines that a local government has suffered financial hardship due to a natural disaster, the commissioner of public safety shall notify the commissioner of revenue, who shall make payments of homestead and agricultural credit aid under section 273.1398 and aids under sections 477A.011 to 477A.014, which are otherwise due on December 26, as soon as is practical after the determination is made but not before July 20.

The commissioner may pay all or part of the payments of homestead and agricultural credit aid under section 273.1398 and aids under sections 477A.011 to 477A.014, which are due on December 26 at any time after August 15 if a local government requests such payment as being necessary for meeting its cash flow needs.

Sec. 18. REPEALER.

Minnesota Statutes 2002, sections 273.1398, subdivisions 1a and 2e; and 275.07, subdivisions 1a and 5, are repealed.

Presented to the governor May 15, 2004

Signed by the governor May 19, 2004, 12:05 p.m.

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