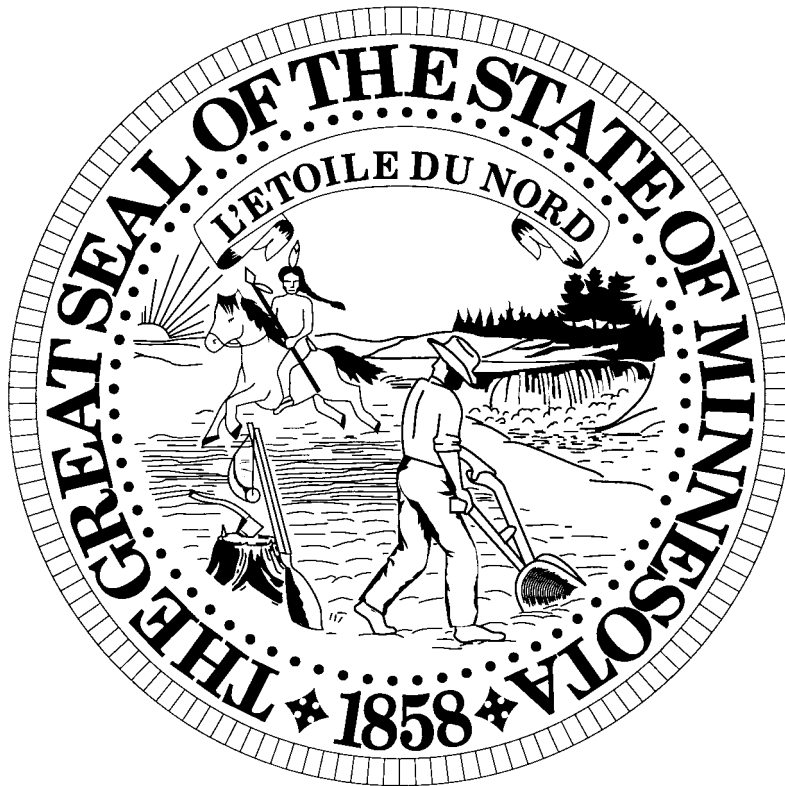


State of Minnesota

# State Register

Rules and Official Notices Edition



Published every Monday (Tuesday when Monday is a holiday) by the  
Department of Administration – Communications Media Division

Monday 19 April 2004

Volume 28, Number 42

Pages 1285 - 1326

# State Register

## Judicial Notice Shall Be Taken of Material Published in the *State Register*

The *State Register* is the official publication of the State of Minnesota, published weekly to fulfill the legislative mandate set forth in *Minnesota Statutes* § 14.46. The *State Register* contains:

- proposed, adopted, exempt, expedited emergency and withdrawn rules
- executive orders of the governor
- appointments
- proclamations and commendations
- commissioners' orders
- revenue notices
- official notices
- state grants and loans
- contracts for professional, technical and consulting services
- non-state public bids, contracts and grants
- certificates of assumed name, registration of insignia and marks

**PUBLISHING NOTICES IN THE *State Register*:** Submit TWO COPIES of your notice, typed double-spaced. State agency submissions must include a "State Register Printing Order" form, and a "Certification/Internal Contract Negotiation" form with contracts for professional, technical and consulting services. Non-State Agencies should submit TWO COPIES, with a letter on your letterhead stationery requesting publication and date to be published. FAXED submissions to (651) 297-8260 are received to meet deadline requirements, but must be followed by originals and applicable forms or letters to be accepted. The charge is \$14.40 per tenth of a page (columns are seven inches wide). About 2-1/2 pages typed double-spaced on 8-1/2"x11" paper equal one typeset page in the *State Register*. Contact the editor if you have questions.

**SUBSCRIPTION SERVICES:** Copies are available at Minnesota's Bookstore, 660 Olive Street, St. Paul, MN 55155. Order by phone: Metro area: (651) 297-3000 Toll free (800) 657-3757. TTY relay service phone number: (800) 627-3529. **NO REFUNDS.** Subscribers who do not receive a copy of an issue should notify the *State Register* Subscription Office immediately at (651) 297-8774. Copies of back issues may not be available more than two weeks after publication. Both editions are delivered postpaid to points in the United States, Periodicals Postage Paid for the *State Register* at St. Paul, MN, first class for the *Solicitation Announcements*.

**POSTMASTER:** Send address changes to Minnesota's Bookstore, 660 Olive Street, St. Paul, Minnesota 55155. See the *State Register* and *Solicitation Announcements* at **website:** <http://www.comm.media.state.mn.us> Click on "Minnesota's Bookstore."

- *State Register* -- Rules and Official Notices Edition (published every Monday, or Tuesday if Monday is a holiday) One year, hard copy, paper subscription: \$160.00. This subscription will end June 28, 2004. E-mail subscriptions will be all that is available.
- **On-line subscription** – \$180, includes links, index, sidebar table of contents and *State Register* SENT TO YOU via Email.
- *Solicitation Announcements* -- State Register Supplement (published every Tuesday and Friday) One year subscription: \$135.00 via first class mail, \$150.00 via fax or through our website. Users agree not to redistribute without authorization.
- **13-week trial subscription** which includes both the *State Register* and *Solicitation Announcements* \$65.00
- **Single issues** are available for a limited time: *State Register* \$5.00, *Solicitation Announcements* \$1.00. Shipping is \$3.00 per order.

"Affidavit of Publication" costs \$10.00 and includes a notarized "Affidavit" and a copy of the issue.

## Printing Schedule and Submission Deadlines

Vol. 28 Issue Number	PUBLISH DATE	Deadline for: Emergency Rules, Executive and Commissioner's Orders, Revenue and Official Notices, State Grants, Professional-Technical-Consulting Contracts, Non-State Bids and Public Contracts	Deadline for Both Adopted and Proposed RULES
#42	Monday 19 April	Noon Tuesday 13 April	Noon Wednesday 7 April
#43	Monday 26 April	Noon Tuesday 20 April	Noon Wednesday 14 April
#44	Monday 3 May	Noon Tuesday 27 April	Noon Wednesday 21 April
#45	Monday 10 May	Noon Tuesday 4 May	Noon Wednesday 28 April

Copyright © 2004 Communications Media Division, Department of Administration, State of Minnesota.

Publication Number: 326630 (ISSN 0146-7751)

**THE STATE REGISTER IS PUBLISHED** by Communications Media Division, Department of Administration, State of Minnesota, pursuant to *Minnesota Statutes* § 14.46 and is available at the main branch of county libraries in Minnesota and all "State Depository Libraries": State University and Community College libraries; the University of Minnesota libraries; St. Paul, Minneapolis and Duluth Public Libraries; the Legislative Reference Library; State Law Library; Minnesota Historical Society Library; and the Library Development Service at the State Department of Children, Families and Learning.

Tim Pawlenty, Governor (651) 296-3391  
Carol L. Molnau, Lt. Governor (651) 296-3391  
Department of Administration:  
Brian Lamb, Commissioner (651) 296-1424

Mike Hatch, Attorney General (651) 297-4272  
Patricia Awada, State Auditor (651) 297-3670  
Communications Media Division:  
Mary Mikes, Director (651) 297-3979

Mary Kiffmeyer, Secretary of State (651) 296-2079  
Robin PanLener, Editor (651) 297-7963  
Jessie Rahmeyer, Subscriptions (651) 297-8774

## Legislative Information

Senate Public Information Office (651) 296-0504  
State Capitol, Room 231, St. Paul, MN 55155  
**Website:** [www.senate.leg.state.mn.us/departments/secretary/seninfo.htm](http://www.senate.leg.state.mn.us/departments/secretary/seninfo.htm)

House Information Office (651) 296-2146: State Office Building, Room 175,  
Rev. Dr. Martin Luther King Jr Blvd., St. Paul, MN 55155  
**Website:** [www.house.leg.state.mn.us/hinfo/hinfo.htm](http://www.house.leg.state.mn.us/hinfo/hinfo.htm)

## Federal Register

Office of the Federal Register (202) 512-1530; or (888) 293-6498  
U.S. Government Printing Office – Fax: (202) 512-1262  
**Website:** [http://www.access.gpo.gov/su\\_docs/aces/aces140.html](http://www.access.gpo.gov/su_docs/aces/aces140.html)

## Minnesota State Court System

Court Information Office (651) 296-6043  
Minnesota Judicial Center, Room 135, 25 Rev. Dr. Martin Luther King Jr Blvd.,  
St. Paul, MN 55155 **Website:** [www.courts.state.mn.us](http://www.courts.state.mn.us)

## Minnesota Rules: Amendments & Additions

Monday 19 April 2004, Volume 28, Issues #40-42..... 1288

## Proposed Rules

### Revenue Department

Proposed rules on the application of the sales and use tax laws to veterinarians ..... 1289

## Adopted Rules

### Education Department

Due process hearings for special education ..... 1292

## Exempt Rules

### Revenue Department

Valuation and assessment of railroads ..... 1297

## Commissioners' Orders

### Transportation Department

Order #87725: Amended Order and Notice of Street and Highway routes designated and permitted to carry the gross weights allowed..... 1309

## Official Notices

### Commerce Department

Minnesota consumer credit code and regulated loan act adjustment of dollar amounts ..... 1310

Restrictions on deficiency judgements and Minnesota property exemption adjustment of dollar amounts ..... 1311

Public hearing on the state delivery plan for FY 2004 Weatherization Assistance for low-income persons program grant ..... 1312

### Employment and Economic Development Department

Job Opportunity Building Zones (JOBZ) modifications ..... 1312

### Health Department

Adoption of the "CMS 1500 Manual" as defined by the Commissioner of Health..... 1313

### Human Services Department

Public notice of maximum allowable costs of medical assistance outpatient prescribed drugs ..... 1313

### Natural Resources Department

Division of Fish and Wildlife: Notice of fish and wildlife habitat stamp act contests ..... 1314

## State Grants & Loans

### Colleges and Universities, Minnesota State (MnSCU)

Request for proposals and notice of availability of funds for nontraditional training and employment ..... 1315

Request for proposals and notice of availability of funds to support vocational educational services and activities ..... 1316

### Human Services Department

Request for proposals for alternative payment for nursing facility services ..... 1316

## State Contracts

### Administration Department

Communications Media Division: State Register Correction and subscriptions ..... 1317

Contract available for state agency business analysis and recommendation RFP ..... 1317

Contract available for state agency technology analysis and recommendation RFP ..... 1318

Request for information on information security..... 1318

### Corrections Department

MINNCOR Industries: Request for proposals for graphic design ..... 1320

### Finance Department

Request for proposals for real estate brokers depository and lockbox services ..... 1321

### State Lottery

Proposals sought for auditing services..... 1321

### Transportation Department

Potential availability of contracting opportunities for a variety of highway related technical activities ..... 1322

Professional/technical contract opportunities..... 1322

## Non-State Contracts & Grants

### Metropolitan Council

Invitation for bids for the repair of process control unit parts for the metro wastewater treatment plant..... 1323

### Metropolitan Council - Metro Transit

Invitation for Bids for 3-post in-ground hoist ..... 1323

### Ramsey-Washington Metro Watershed District

Request for proposals for development management services ..... 1323

### University of Minnesota

Bid Information Service (BIS) available for all potential vendors ..... 1324

Request for information for transportation technical assistance services to assist with the delivery of the Minnesota Local Technical Assistance Program, (MN LTAP) Center for Transportation Studies ..... 1324

Commodity, Service and Construction Contracts are published Tuesday and Friday in a bulletin, the *Solicitation Announcements*. Award results are available from the Materials Management Helpline (651) 296-2600. **Website:** [www.mmd.admin.state.mn.us](http://www.mmd.admin.state.mn.us)

Individual copies and subscriptions to the *State Register* and *Solicitations Announcements* are available through Minnesota's Bookstore, (651) 297-3000, or (800) 657-3757.

# Minnesota Rules: Amendments and Additions

## NOTICE: How to Follow State Agency Rulemaking in the State Register

The *State Register* is the official source, and only complete listing, for all state agency rulemaking in its various stages. State agencies are required to publish notice of their rulemaking action in the *State Register*. Published every Monday, the *State Register* makes it easy to follow and participate in the important rulemaking process. Approximately 80 state agencies have the authority to issue rules. Each agency is assigned specific **Minnesota Rule** chapter numbers. Every odd-numbered year the **Minnesota Rules** are published. The current 1999 set is a 13-volume bound collection of all adopted rules in effect at the time. Supplements are published to update this set of rules. Generally speaking, proposed and adopted exempt rules do not appear in this set because of their short-term nature, but are published in the *State Register*.

An agency must first solicit **Comments on Planned Rules** or **Comments on Planned Rule Amendments** from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency (*Minnesota Statutes* §§ 14.101). It does this by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, or within 60 days of the effective date of any new statutory grant of required rulemaking.

When rules are first drafted, state agencies publish them as **Proposed Rules**, along with a notice of hearing, or a notice of intent to adopt rules without a hearing in the case of noncontroversial rules. This notice asks for comment on the rules as proposed. Proposed emergency rules and withdrawn proposed rules are also published in the *State Register*. After proposed rules have gone through the comment period, and have been rewritten into their final form, they again appear in the *State Register* as **Adopted Rules**. These final adopted rules are not printed in their entirety in the *State Register*, only the changes made since their publication as Proposed Rules. To see the full rule, as adopted and in effect, a person simply needs two issues of the *State Register*, the issue the rule appeared in as proposed, and later as adopted. For a more detailed description of the rulemaking process, see the most current edition of the *Minnesota Guidebook to State Agency Services*.

The *State Register* features partial and cumulative listings of rules in this section on the following schedule: issues #1-13 inclusive; issues #14-25 inclusive; issue #26 cumulative for issues #1-26; issues #27-38 inclusive; issue #39, cumulative for issues #1-39; issues #40-51 inclusive; and issues #1-52 (or 53 in some years), cumulative for issues #1-52 (or 53). An annual subject matter index for rules was separately printed usually in August, but starting with Volume 19 now appears in the final issue of each volume. For copies or subscriptions to the *State Register*, contact Minnesota's Bookstore, 117 University Avenue, St. Paul, MN 55155 (612) 297-3000, or toll-free 1-800-657-3757.

## Volume 28, Issues #40-42

### Education Department

3525.0210; .3600; .3700; .3750; .3900; 4010; .4110; .4300; .4420;  
.4700; .4770 (proposed)..... 1292

### Health Department

4647.0100; .0200; .0300; .0400; 4667.0005; .0010; .0015; .0020;  
.0025; .0030; 4685.1010, s. 8; 4700.2600; .2700; .2800; .2900;  
.3000; .3100; .3200; .3300; .3400; .3500; .3600; .3700; .3800;  
.3900; .4000; 4735.0200; 4761.1230; 9000.0050; .0100; s. 2, 3, 7;  
.0110; .0120; .0130; .0140; .0150; .0160; .0190 (repealed) ..... 1249

### Labor and Industry Department

5221.4030 (adopted exempt) ..... 1209

### Natural Resources Department

6232.2800; .2900; .3055 (adopted expedited emergency) ..... 1213

### Pollution Control Agency

7000.0050; .0075; .0100; .0200; .0300; .0400; .0500; .0550; .0650;  
.0750; .0755; .0800; .0850; .1200; .1300; .1750; .1800; .1900;  
.2000; .2100; .5000; .7000; .9000; .9100 (proposed) ..... 1249  
7000.1300 s.5 (repealed) ..... 1249

### Revenue Department

8106.0100; .0300; .0400; .0600; .0700; .0800 (adopted exempt) .... 1297  
8106.0100 s.9; .0300 s.2 (repealed exempt) ..... 1297  
8130.8700 (proposed) ..... 1289

### Water and Soil Resources Board

8415.0100; .0110; .0120 (adopted exempt) ..... 1251

### Veterans Homes Board

9050.0040; .0200; .0600; .0650; .0720; .0750; .0800; .0900; .1070  
(adopted) ..... 1254

# Proposed Rules

## Comments on Planned Rules or Amendments

An agency must first solicit **Comments on Planned Rules** or **Comments on Planned Rules Amendments** from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency (*Minnesota Statutes* § § 14.101). It does this by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking.

## Rules to be Adopted After a Hearing

After receiving comments and deciding to hold a public hearing on the rule, an agency drafts its rules. It then publishes its rules with a notice of hearing. All persons wishing to make a statement must register at the hearing. Anyone who wishes to submit written comments may do so at the hearing, or within five working days of the close of the hearing. Administrative law judges may, during the hearing, extend the period for receiving comments up to 20 calendar days. For five business days after the submission period the agency and interested persons may respond to any new information submitted during the written submission period and the record is then closed. The administrative law judge prepares a report within 30 days, stating findings of fact, conclusions and recommendations. After receiving the report, the agency decides whether to adopt, withdraw or modify the proposed rule based on consideration of the comments made during the rule hearing procedure and the report of the administrative law judge. The agency must wait five days after receiving the report before taking any action.

## Rules to be Adopted Without a Hearing

Pursuant to *Minnesota Statutes* § 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing. An agency must first solicit **Comments on Planned Rules** or **Comments on Planned Rules Amendments** from the public. The agency then publishes a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

## Department of Revenue

### Proposed Permanent Rules Governing the Application of the Sales and Use Tax Laws to Veterinarians

**DUAL NOTICE: Notice of Intent to Adopt Rules Without a Public Hearing Unless 25 or More Persons Request a Hearing, and Notice Of Hearing if 25 or More Requests for Hearing Are Received**

**Proposed Amendment of Rules Governing the Application of the Sales and Use Tax Laws to Veterinarians, *Minnesota Rules*, part 8130.8700**

**Introduction.** The Department of Revenue intends to adopt rules without a public hearing following the procedures set forth in the rules of the Office of Administrative Hearings, *Minnesota Rules*, parts 1400.2300 to 1400.2310 and in the Administrative Procedure Act, *Minnesota Statutes*, sections 14.22 to 14.28. If, however, 25 or more persons submit a written request for a hearing on the rules by 4:30 p.m. on Wednesday, May 19, 2004, a public hearing will be held at two locations: (1) at the Minnesota Department of Revenue, Room 2000 (Skjegstad Room), 2nd Floor, Stassen Building, 600 North Robert Street, St. Paul, Minnesota 55146, starting at 9:30 a.m., Monday, June 1, 2004, and (2) simultaneously via teleconference at South Central Technical College, Room E-125, 1920 Lee Boulevard, North Mankato, Minnesota 56003, starting at 9:30 a.m., Monday, June 1, 2004. To find out whether the rules will be adopted without a hearing or if the hearing will be held, you should contact the agency contact person after May 19, 2004, and before Monday, June 1, 2004.

**Agency Contact Person.** Comments or questions on the rules and written requests for a public hearing on the rules must be submitted to the agency contact person. The agency contact person is:

Susan Barry, Attorney  
Minnesota Department of Revenue  
600 North Robert Street  
Mail Station 2220  
St. Paul, Minnesota 55146-2220  
**Telephone:** (651) 556-4062  
**Fax:** (651) 296-8229  
**E-mail:** [susan.barry@state.mn.us](mailto:susan.barry@state.mn.us)  
Minnesota Relay (TTY) users may call #711

**KEY: PROPOSED RULES SECTION** – Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated “all new material.” **ADOPTED RULES SECTION** – Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# Proposed Rules

---

---

**Subject of Rule and Statutory Authority.** The Minnesota Department of Revenue is proposing a rule relating to the administration of sales and use tax as it applies to veterinarians. Since the rule was originally published in 1974, the governing statute and related statutes have changed several times to provide that sales to veterinarians of materials used or consumed in the care of agricultural production animals and horses are exempt; that pet grooming services and boarding services for animals other than horses are taxable and that the materials used in providing these services are exempt; and that the sale or purchase of horses and the materials used or consumed in the breeding, raising, owning, boarding, and keeping of horses are exempt. The changes in the proposed rules will affect veterinarians and those who use their services. The proposed changes involve updating the obsolete portions of the rule to current statutory provisions and making technical changes.

The statutory authority to adopt the rules is *Minnesota Statutes*, section 270.06, clause (14), which provides that the Commissioner of Revenue shall make, publish, and distribute rules for the administration and enforcement of state tax laws.

A copy of the proposed rule is published in the *State Register* and attached to this notice as mailed.

**Comments.** You have until 4:30 p.m. on Wednesday, May 19, 2004, to submit written comment in support of or in opposition to the proposed rules or any part or subpart of the rules. Your comment must be in writing and received by the agency contact person by the due date. Comment is encouraged. Your comments should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed. You are encouraged to propose any change desired. Any comments that you would like to make on the legality of the proposed rules must also be made during this comment period.

**Request for a Hearing.** In addition to submitting comments, you may also request that a hearing be held on the rules. Your request for a public hearing must be in writing and must be received by the agency contact person by 4:30 p.m. on Wednesday, May 19, 2004. Your written request for a public hearing must include your name and address. You must identify the portion of the proposed rules to which you object or state that you oppose the entire set of rules. Any request that does not comply with these requirements is not valid and cannot be counted by the agency for determining whether a public hearing must be held. You are also encouraged to state the reason for the request and any changes you want made to the proposed rules.

**Withdrawal of Requests.** If 25 or more persons submit a written request for a hearing, a public hearing will be held unless a sufficient number withdraw their requests in writing. If enough requests for hearing are withdrawn to reduce the number below 25, the agency must give written notice of this to all persons who requested a hearing, explain the actions the agency took to effect the withdrawal, and ask for written comments on this action. If a public hearing is required, the agency will follow the procedures in *Minnesota Statutes*, sections 14.131 to 14.20.

**Alternative Format/Accommodation.** Upon request, this notice can be made available in an alternative format, such as large print, Braille, or cassette tape. To make such a request or if you need an accommodation to make this hearing accessible, please contact the agency contact person at the address or telephone number listed above.

**Modifications.** The proposed rules may be modified, either as a result of public comment or as a result of the rule hearing process. Modifications must be supported by data and views submitted to the agency or presented at the hearing and the adopted rules may not be substantially different than these proposed rules. If the proposed rules affect you in any way, you are encouraged to participate in the rulemaking process.

**Cancellation of Hearing.** The hearing scheduled for Monday, June 1, 2004, will be canceled if the agency does not receive requests from 25 or more persons that a hearing be held on the rules. If you requested a public hearing, the agency will notify you before the scheduled hearing whether or not the hearing will be held. You may also call the agency contact person at (651) 556-4062 after May 19, 2004, to find out whether the hearing will be held.

**Notice of Hearing.** If 25 or more persons submit written requests for a public hearing on the rules, a hearing will be held following the procedures in *Minnesota Statutes*, sections 14.131 to 14.20. The hearing will be held on the date and at the time and places listed above. The hearing will continue until all interested persons have been heard. Administrative Law Judge Steve M. Mihalchick is assigned to conduct the hearing. Judge Mihalchick can be reached at: the Office of Administrative Hearings, 100 Washington Square, Suite 1700, Minneapolis, Minnesota 55401-2138, telephone: (612) 349-2544, and FAX: (612) 349-2665.

**Hearing Procedure.** If a hearing is held, you and all interested or affected persons, including representatives of associations or other interested groups, will have an opportunity to participate. You may present your views either orally at the hearing, or in writing, at any time before the close of the hearing record. All evidence presented should relate to the proposed rules. You may also submit written material to the Administrative Law Judge to be recorded in the hearing record for five working days after the public hearing ends. This five-day comment period may be extended for a longer period not to exceed 20 calendar days if ordered by the Administrative Law Judge at the hearing. Following the comment period, there is a five-working-day rebuttal period during which the agency and any interested person may respond in writing to any new information submitted. No additional evidence may be submitted during the five-day rebuttal period. All comments and responses submitted to the Administrative Law Judge must be received at the Office of Administrative Hearings no later than 4:30 p.m. on the due date. All comments or responses received will be available for review at the Office of Administrative Hearings. This rule hearing procedure is governed by *Minnesota Rules*, parts

---

---

# Proposed Rules

1400.2000 to 1400.2240, and *Minnesota Statutes*, sections 14.131 to 14.20. Questions about procedure may be directed to the Administrative Law Judge.

The agency requests that any person submitting written views or data to the Administrative Law Judge prior to the hearing or during the comment or rebuttal period also submit a copy of the written views or data to the agency contact person at the address stated above.

**Statement of Need and Reasonableness.** A statement of need and reasonableness is now available from the agency contact person. This statement contains a summary of the justification for the proposed rules, including a description of who will be affected by the proposed rules and an estimate of the probable cost of the proposed rules. This statement will be posted on the agency's website, [www.taxes.state.mn.us](http://www.taxes.state.mn.us), on or after April 19, 2004. The statement may also be reviewed and copies obtained at the cost of reproduction from the agency.

**Lobbyist Registration.** *Minnesota Statutes*, chapter 10A, requires each lobbyist to register with the State Campaign Finance and Public Disclosure Board. Questions regarding this requirement may be directed to the Campaign Finance and Public Disclosure Board at: Suite 190, Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155, telephone (651) 296-5148 or 1-800-657-3889.

**Adoption Procedure if No Hearing.** If no hearing is required, the agency may adopt the rules after the end of the comment period. The rules and supporting documents will then be submitted to the Office of Administrative Hearings for review for legality. You may ask to be notified of the date the rules are submitted to the office. If you want to be so notified, or want to receive a copy of the adopted rules, or want to register with the agency to receive notice of future rule proceedings, submit your request to the agency contact person listed above.

**Adoption Procedure After a Hearing.** If a hearing is held, after the close of the hearing record, the Administrative Law Judge will issue a report on the proposed rules. You may ask to be notified of the date when the Administrative Law Judge's report will become available, and can make this request at the hearing or in writing to the Administrative Law Judge. You may also ask to be notified of the date on which the agency adopts the rules and the date on which the rules are filed with the Secretary of State, and can make this request at the hearing or in writing to the agency contact person stated above.

**Order.** I order that the rulemaking hearing be held at the date, time, and location listed above.

Dated: April 1, 2004

Daniel A. Salomone  
Commissioner of Revenue

## 8130.8700 VETERINARIANS.

Subpart 1. **In general.** The veterinarian is primarily engaged in the business of rendering professional services to the owners of ~~domestic~~ animals, through care, medication, and treatment of such animals. The veterinarian is the user and consumer of all ~~such items of~~ tangible personal property such as drugs, medicines, bandages and dressings, serums, tonics, and vitamins used in connection with the performance of services unless the veterinarian bills the customer separately for the services rendered and the materials used in the course of rendering such services. Except for the agricultural production exemptions provided in *Minnesota Statutes*, section 297A.69, and except as provided otherwise in this part, the veterinarian ~~may accept unit or blanket exemption certificates from persons engaged in agricultural production for such sales that are billed separately or for other retail sales of the above items where services are not rendered in connection with the sales~~ must pay sales or use tax on items used to provide services and must collect and report sales tax on retail sales of taxable goods and services.

Subp. 2. **Retail sale.** Retail sales by the veterinarian of ~~items tangible personal property and taxable services~~ that are not used or consumed in agricultural production ~~or are not used to provide a taxable service~~ are taxable. For example, worm pills sold for treatment of the family pet dog would be taxable. The veterinarian may accept exemption certificates from persons engaged in agricultural production, or in the boarding, breeding, raising, owning, or keeping of horses, or in providing taxable services such as pet grooming or the furnishing of lodging, board, and care services for animals, for retail sales of items that are used or consumed in those endeavors.

Subp. 3. **Mixed Bundled transaction.** If the veterinarian ~~both sells and~~ administers a drug ~~or~~ medicine, ~~or~~ supply to an animal, ~~other than an agricultural production animal or horse and~~ merely charges for services and absorbs the cost of drugs and other materials in a service charge, no tax should be charged by the veterinarian. The veterinarian is the consumer of such drugs and materials and the sale of the drugs or material by the supplier to the veterinarian is a taxable retail sale. If the veterinarian both sells a drug, medicine, or supply and administers it to an animal other than an agricultural production animal or horse, and also separate-

**KEY: PROPOSED RULES SECTION** – Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated “all new material.” **ADOPTED RULES SECTION** – Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# Proposed Rules

ly states the charges for such items and the charge for the veterinary service, then the sale of such drugs and materials by the veterinarian is a taxable retail sale. The veterinarian may purchase these items exempt for resale and must charge tax on the sales price to the customer. "Administers" means the item is injected, fed, or applied to the animal.

Subp. 4. **Use tax reporting period.** If the sales tax was not paid on purchases of such items at the time of purchase from suppliers because they are purchased for resale or for an exempt use, and the veterinarian afterward puts the items to taxable use, then the veterinarian must report the use tax due thereon in the sales and use tax return covering the period in which professional taxable use was made of the item by the veterinarian.

Subp. 5. **Agricultural animal practice and horses.** Materials purchased by a veterinarian to be used or consumed in the care, medication, and treatment of horses and agricultural production animals may be purchased exempt from tax by providing the retailer with an exemption certificate. Materials are used or consumed when the materials, following their use by the veterinarian in the care, medication, and treatment of a horse or an agricultural production animal, are substantially without value and of no further practical use.

A. Examples of materials that may be purchased exempt by veterinarians if used or consumed in the care, medication, and treatment of horses and agricultural production animals include, but are not limited to, antiseptics; bandages; disposable blades, needles, and syringes; drugs; magnets; mastitis treatments and tubes; nitrogen; tattoo ink; vaccines; diagnostic and testing supplies; and lab chemicals and reagents.

B. Examples of items that are taxable when purchased by veterinarians, either because they are not used in the care, medication, and treatment of a horse or an agricultural production animal or because after such use they are not substantially without value and are of further practical use, include, but are not limited to, administrative and office supplies, informational pamphlets and videos, as well as machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture, fixtures, laboratory and surgical equipment, truck boxes, head gates, semen tanks, medical instruments, and other durable items. See part 8130.5500, subpart 13, for more detail regarding the agricultural production exemption.

Subp. 6. **Items given away.** Taxable items given to customers as part of a service, for good will purposes, or donated to a charitable or civic organization, are taxable to the veterinarian. Veterinarians do not owe sales or use tax if the items given away have been received from a vendor as a free sample or promotional item.

Subp. 7. **Boarding and pet grooming services.** Boarding and pet grooming services are taxable. Materials and supplies used or consumed in providing taxable boarding and pet grooming services are exempt. Materials and supplies are used or consumed when the materials, following their use by the veterinarian in boarding and pet grooming services, are substantially without value and of no further practical use.

A. Durable supplies and equipment used to provide these services are taxable, since following the boarding or pet grooming service they are not substantially without value and are of further practical use. Examples of durable supplies and equipment include collars, leashes, cages, grooming tables, clippers, combs, and scissors.

B. Pet grooming services include, but are not limited to, shampooing, clipping, trimming, and nail cutting. If these services are performed by a veterinarian for surgical preparation or for treating or preventing illness or disease, they are not taxable. Pet grooming services do not include grooming services for horses and horseshoeing and hoof trimming services.

C. Boarding services for horses and for hospitalization, observation, or other veterinary purposes are not taxable. Boarding for hospitalization, observation, or other veterinary purposes does not include boarding when medication is administered to a pet by the veterinarian that could normally be administered by the pet owner.

## Adopted Rules

A rule becomes effective after the requirements of *Minnesota Statutes* §§ 14.05-14.28 have been met and five working days after the rule is published in the *State Register*, unless a later date is required by statutes or specified in the rule.

If an adopted rule is identical to its proposed form as previously published, a notice of adoption and a citation to its previous *State Register* publication will be printed.

If an adopted rule differs from its proposed form, language which has been deleted will be printed with strikeouts and new language will be underlined. The rule's previous *State Register* publication will be cited.

## Department of Education

### Adopted Permanent Rules Relating to Due Process Hearings for Special Education

The rules proposed and published at *State Register*, Volume 28, Number 19, pages 599-609, November 10, 2003 (28 SR 599), are adopted with the following modifications:



## 3525.0210 DEFINITIONS.

Subp. 4. **Alternative dispute resolution (ADR).** “Alternative dispute resolution” (ADR) means any voluntary process used to resolve a special education dispute which is not a due process hearing or a state complaint.

Subp. 8. **Conciliation conference.** “Conciliation conference” means a meeting, ~~which follows an IEP team meeting,~~ held for the purpose of resolving a dispute between the parents and district over identification, evaluation, educational placement, manifestation determination, interim alternative educational placement, or the provision of a free appropriate public education (FAPE) to a child with a disability. A conciliation conference must have in attendance, at a minimum, a parent and a district staff person with authority to resolve the dispute.

Subp. 20. **Facilitated IEP meeting.** “Facilitated IEP meeting” means an IEP/IFSP/IIIP meeting ~~that includes an impartial state provided facilitator who promotes effective communication, addresses conflicts that arise, and assists~~ moderated by an impartial state-provided facilitator to promote effective communication, address conflicts as they arise, and assist a team in developing an IEP/IFSP/IIIP.

Subp. 34. **Parent.** “Parent” means:

- ~~A. an individual who is the child’s legal guardian and has the right to make education decisions for the child;~~
- ~~B. the child if 18 years of age or older and no other legal guardian has been appointed; or~~
- ~~C. a surrogate parent appointed by the district.~~
- A. a natural or adoptive parent of a child;
- B. a guardian, but not the state if the child is a ward of the state;
- C. a person acting in the place of a parent, such as a grandparent or stepparent with whom the child lives, or a person who is legally responsible for the child’s welfare;
- D. a surrogate parent who has been appointed by the district; or
- E. a foster parent if:
  - (1) the natural parents’ authority to make educational decisions on the child’s behalf has been extinguished under state law;
  - (2) the foster parent has an ongoing, long-term parental relationship with the child;
  - (3) the foster parent is willing to make the educational decisions required of parents under the Individuals with Disabilities Act; and
  - (4) the foster parent has no interest that would conflict with the interests of the child.

## 3525.3600 PRIOR WRITTEN NOTICE.

When a district proposes or refuses to initiate or change the identification, evaluation, or educational placement of a pupil, or the provision of FAPE to the pupil, the district must serve prior written notice on the parent. The district must serve the notice on the parent within a reasonable time, and in no case less than 14 calendar days before the proposed effective date of change or evaluation. If the notice only includes a refusal of a request, it must be served on the parent within 14 calendar days of the date the request was made.

The notice must meet the requirements of *Minnesota Statutes*, section 125A.091, subdivisions 3 and 4. The notice must also:

- A. inform the parents that the school district will not proceed with the initial placement and provision of services as defined in part 3525.0200 without prior written consent of the pupil’s parents; ~~and~~
- B. inform the parents that except for the initial placement and provision of services, the district will proceed with the proposed placement and provision of services unless the parents object in writing on the enclosed response form or otherwise in writing within 14 calendar days after the receipt of the notice; ~~and~~
- C. inform the parents that if they refuse to provide prior written consent for initial evaluation or initial placement or object in writing to any proposal, or if the district refuses to initiate or change the identification, evaluation, or educational placement or the provision of a free appropriate public education to the pupil, the parent may request a conciliation conference.

The district must provide the parents with a copy of the proposed individual educational program plan as described in part 3525.2810, subpart 1, item A, whenever the district proposes to initiate or change the content of the IEP.

**KEY: PROPOSED RULES SECTION** – Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated “all new material.” **ADOPTED RULES SECTION** – Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# Adopted Rules

---

---

## 3525.3700 CONCILIATION CONFERENCE.

Subp. 1a. **When and where held; results.** A conciliation conference must be held in accordance with items A to E.

A. A conciliation conference must be held within ten calendar days from the district's receipt of the parent's agreement or request to participate in a conciliation conference and at a time and place mutually convenient to the parent and school district representatives.

C. ~~All discussion concerning the contents of Statements made during~~ a conciliation conference must remain confidential and ~~must may~~ not be ~~permitted as~~ admitted in evidence in a due process hearing, except as provided in item D, and except to allow a party to establish at a due process hearing that a particular service or action was requested or offered.

D. Within five business days after the final conciliation conference, the district must serve the parent with a written memorandum that conforms with *Minnesota Statutes*, section 125A.091, subdivisions 3 and 4, and must provide the parent with any proposed IEP ~~following~~ resulting from the conciliation conference. The memorandum and IEP are admissible evidence in a due process hearing.

E. If the proposed action is an initial evaluation or initial placement, the district must not proceed ~~unless provided with informed written consent of the parents~~ until the parents give written informed consent. For all other proposed actions, the district must proceed ~~within~~ ten business days after the memorandum is served on the parents, unless the parent objects in writing to the proposed action within that time period.

## 3525.3750 MEDIATION AND OTHER ALTERNATIVE DISPUTE RESOLUTION.

Pursuant to *Minnesota Statutes*, section 125A.091, and *Code of Federal Regulations*, title 34, section 300.506, districts must make mediation ~~and available~~. Districts must also inform parents of other forms of alternative dispute resolution ~~available to parents~~ to encourage resolution of disputes about any matter described in *Minnesota Statutes*, section 125A.091, subdivision 12. Mediations and other forms of alternative dispute resolution, except for conciliation, are voluntary for both parties. A district must not use a mediation or other form of alternative dispute resolution to unilaterally delay or deny a parent's right to a hearing. Mediation must be conducted in accordance with *Code of Federal Regulations*, title 34, section 300.506. Other forms of alternative dispute resolution must be conducted pursuant to the agreement of the parties.

## 3525.3900 INITIATING A DUE PROCESS HEARING.

Subpart 1. **Request to be filed with department.** A parent or a district is entitled to an impartial due process hearing conducted by the state when a dispute arises over the identification, evaluation, educational placement, manifestation determination, interim alternative educational placement, or the provision of a free appropriate public education to a child with a disability. A request for a due process hearing must be in writing and filed with the department. A school district administrator receiving a request for a due process hearing must immediately file the request with the department and in no case more than two business days following receipt of the request. ~~Within two business days of receipt of a request for a due process hearing, the department shall notify the district of the request.~~ If the request for a due process hearing is filed directly with the department, the department must notify the district of the request immediately and in no case more than two business days following receipt of the request. The department must not deny a request for hearing if it is incomplete. When a district is notified of a due process hearing request it must serve notice on the parent, within two business days, which includes the federally required procedural safeguards notice and the information required under subpart 3, item J, if it has not already done so as part of the pending dispute.

Subp. 2. **Parent request for hearing.** A parent request for hearing must include:

F. a description of the nature of the problem about providing the provision of special education services to the student, including facts relating to the problem; and

Subp. 4. **Requirements of basic procedures and safeguards notice.** The statement of the basic procedures and safeguards in subpart 3, item J, must include:

A. the names and telephone numbers of any free or low-cost legal or other relevant advocacy services available in the area and a statement that both parties have the right to be ~~accompanied and advised~~ assisted by counsel and by individuals with special knowledge or training with respect to the problems of children with disabilities;

C. a statement that the parent will receive notice of the time, date, and place of the evidentiary hearing from the hearing officer at least ten calendar days in advance of the evidentiary hearing. This statement must also state that, with the exception of an expedited hearing, the evidentiary hearing must be held within 30 calendar days from the date the hearing request was filed with the department, at a location within the district responsible for ensuring a free appropriate public education is provided to the student;

F. a statement that the burden of proof ~~is on the district to show that it is in compliance with the law and that the proposed action or refusal is justified on the basis of the pupil's educational needs, current educational performance, or progress, taking into account the presumption that placement in a regular public school class with special education services is preferable to removal~~

---

---

# Adopted Rules

~~from the regular classroom~~ at a due process hearing is on the district to demonstrate, by a preponderance of the evidence, that it is complying with the law and offered or provided a free appropriate public education to the child in the least restrictive environment. If the district has not offered or provided a free appropriate public education in the least restrictive environment and the parent wants the district to pay for a private placement, the burden of proof is on the parent to demonstrate, by a preponderance of the evidence, that the private placement is appropriate;

G. a statement that, with the exception of an expedited hearing for which a decision must be rendered within ten days, the hearing officer will make a written decision based only on evidence received and introduced into the record at the hearing not more than 45 calendar days from the date the hearing request was filed with the department and that the proposed action or refusal will be upheld only upon showing by the school district by a preponderance of the evidence;

H. a statement that the parent or district may appeal a decision of the hearing officer to the Minnesota Court of Appeals with- in 60 calendar days of receipt of the decision or to the United States District Court for the District of Minnesota ~~within 60 calendar days of receipt of the decision;~~

M. a statement that parents prevailing at a hearing may be entitled to reasonable attorney fees at the discretion of the ~~federal District~~ court; and

## 3525.4010 HEARING OFFICERS.

Subpart 1. **Criteria for selection.** An individual must meet, at a minimum, the following criteria to be placed on the department's list of hearing officers:

A. have at least five years of experience practicing law and hold a current license to practice law in the state of Minnesota ~~or at least five years of experience as a special education due process hearing officer;~~ and

B. have litigation experience and an understanding of administrative law; ~~and~~

~~C. swear an oath to support the Constitutions of the United States and the state of Minnesota, adhere to the standards of conduct for hearing officers indicated in subpart 2, and uphold the laws of the federal government and the state of Minnesota.~~

Subp. 2. **Standards of conduct.** ~~Impartial~~ Hearing officers are expected to follow the Professionalism Aspirations for Judges, Referees, and Administrative Law Judges to Lawyers and Parties, as promulgated by the Minnesota Supreme Court, January 2001.

## 3525.4110 PREHEARING CONFERENCE.

Subp. 2. **Purpose.** The hearing officer has the following duties at a prehearing conference:

A. The hearing officer must establish the management, control, and location of the hearing to ensure its fair, efficient, and effective disposition including, but not limited to:

(3) determining the necessity for participation of appropriate ~~education agencies~~ districts, issuing orders to join agencies not already participating and consolidating cases pursuant to part 3525.4350;

(5) requiring and assisting the parties in establishing ~~a list~~ lists of evidence written exhibits and witnesses necessary for each party to make its case, such as responding to requests to hearing officers to compel the attendance of witnesses, determining the necessity of telephone testimony, and stipulating to undisputed facts. A hearing officer may permit a witness to testify via telephone if such a procedure would not prejudice either party.

B. The hearing officer must clearly identify the questions the hearing officer must answer to resolve the dispute and eliminate claims and complaints that are frivolous or beyond a statute of limitations period. If necessary, the hearing officer must assist the parties in identifying the issues for hearing. ~~An issue for hearing must include two parts:~~

(1) ~~an element of law, or an interpretation of law that is in dispute; and~~

(2) ~~the relevant facts of the case to which the law will be applied.~~

D. The hearing officer must determine if the hearing may be disposed of without an evidentiary hearing and set the schedule and procedure accordingly. The hearing officer may dispose of ~~the case by summary judgment~~ any issue without an evidentiary hearing if there are no material facts in dispute, ~~or by the facilitation of.~~ The hearing officer may facilitate a settlement, if possible, including suggesting the parties participate in mediation or another alternative dispute resolution option.

Subp. 3. **Hearing officer authority.** The hearing officer has the authority to take any actions necessary to ensure the compliance with all requirements of law and may dismiss the matter, with or without prejudice, if the party requesting the hearing fails to provide information required or ordered by the hearing officer.

**KEY: PROPOSED RULES SECTION** – Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated “all new material.” **ADOPTED RULES SECTION** – Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# Adopted Rules

Subp. 4. **Subpoenas.** Parties may request subpoenas for witnesses from the hearing officer. ~~Any subpoena must include a statement that the parties have the right, pursuant to federal law, to confront, cross examine, and compel the attendance of witnesses in a special education due process hearing.~~ A subpoena must include a statement that federal law gives parties to a special education due process hearing the right to compel the attendance of witnesses. A hearing officer may refuse to issue a subpoena for a proposed witness who is to offer evidence the hearing officer determines will be incompetent, irrelevant, immaterial, or unduly repetitious.

## 3525.4300 HEARING PROCEDURES.

Subpart 1. **Generally.** The hearing officer shall preside over and conduct the hearing and shall rule on procedural and evidentiary matters. The hearing officer must ensure that issues for hearing are appropriately identified and that evidence is limited to that which is relevant to the issues and ~~is not incompetent, immaterial, cumulative, or irrelevant.~~ The hearing officer must limit the hearing to the amount of time necessary for each party to present its case and must establish the means for doing so. The hearing officer has ~~unlimited~~ authority to question witnesses and request information.

A written record of the hearing shall be made.

Subp. 2. **Protective orders.** When a party is asked to reveal data that ~~is classified as not public pursuant to Minnesota Statutes, chapter 13,~~ and the opposing party is not privileged to see ~~this data,~~ the party from whom the data is requested may bring the matter to the attention of the hearing officer who will review the data in camera and make protective orders that are reasonable and necessary or as otherwise provided by law. The hearing officer may refer the in camera review to another hearing officer if requested to do so by a party.

Subp. 3. **Responding to orders.** If the hearing officer orders that parties do an act or not do an act, the parties must comply with the order. ~~If a party objects to an order, the objection must be stated in advance of the order as part of the record. If the party had no advance knowledge the order was to be issued, any objection must be made as part of the record as soon as the party becomes aware of the order.~~ Objections to orders must be made as part of the record as promptly as possible.

~~Subp. 7. **Participation of nonparties.** With the approval of the hearing officer, any person may offer testimony or other evidence relevant to the case. Any nonparty offering testimony or other evidence may be questioned by parties to the case and by the hearing officer.~~

~~Subp. 8 & 7. **Witnesses.** At the discretion of the hearing officer,~~ Any party may be a witness and may present witnesses on the party's behalf at the hearing. All oral testimony at the hearing must be under oath or affirmation. At the request of a party or upon the hearing officer's own motion, the hearing officer may exclude witnesses from the hearing room so that they cannot hear the testimony of other witnesses. The hearing officer has ~~unlimited~~ authority to question witnesses and request information.

~~Subp. 9. **Direct examination.** The hearing officer may require the parties to submit any or all direct examination of witnesses and responses in writing five calendar days prior to the start of the evidentiary hearing. A witness's testimony must be written in his or her own words and signed by the witness. If a witness is not available for cross-examination, that witness's direct examination must be excluded from the record.~~

## 3525.4420 DECISIONS OF HEARING OFFICER.

The hearing officer must ~~conclude all hearings with~~ issue a written decision or order after the hearing and ~~must~~ serve the decision or order on all parties. This order must include information detailing the right to appeal the decision and the time in which to do so. The hearing officer must maintain the hearing record until the date of the final decision or order and send it to the department within one week of the issuance of the final decision or order. The record must include all pleadings, motions and orders; evidence offered or considered; offers of proof, objections, and rulings thereon; the hearing officer's final decision or order; all memoranda or data submitted by any party in connection with the case; and the transcripts of all proceedings. The date of the final hearing officer's decision or order is the date the hearing is concluded is final on the date the decision is issued.

A decision must:

D. be based on local standards, state statute, the rules of the department, and federal law. A summary disposition based upon stipulation, settlement, or withdrawal of a hearing request need not contain extensive findings or conclusions. An order, to be treated as a consent decree approved by the hearing officer, must expressly state it is a consent ~~decree~~ order.

## 3525.4700 ENFORCEMENT AND APPEALS.

If the district fails to implement the hearing officer's decision, the parent has the right to bring the failure to the attention of the department through the special education complaint process. The department must monitor final orders and ensure they are enforced ~~with or without a complaint and may seek clarification regarding the order from the hearing officer.~~ In accordance with *Minnesota Statutes*, section 127A.42, the commissioner ~~shall~~ may impose sanctions necessary to correct any failure. Once the hearing officer has issued a final decision, the hearing officer lacks authority to amend the decision except for clerical or mathematical errors. ~~Parties may appeal a final decision, within 60 calendar days of receipt, to the Minnesota Court of Appeals or to the United States District Court for the District of Minnesota pursuant to Minnesota Statutes, section 125A.091 and Code of Federal Regulations, title 34, section 300.512.~~ The parent or district may seek review of the hearing officer's decision in the Minnesota

Court of Appeals or in the federal District Court, consistent with federal law. A party must appeal to the Minnesota Court of Appeals within 60 calendar days of receiving the hearing officer's decision.

## 3525.4770 EXPEDITED HEARINGS, TIMELINES.

Subp. 8. **Decision.** A written decision for an expedited hearing shall be rendered by the hearing officer in ten calendar days from the date the hearing was requested. An extension of up to five calendar days may be granted by the hearing officer for good cause shown on the record. The decision is effective upon issuance consistent with *Code of Federal Regulations*, title 34, section 300.514. All regulations in this chapter apply to expedited due process hearings to the extent not modified by this part.

## Exempt Rules

Exempt rules are excluded from the normal rulemaking procedures (*Minnesota Statutes* § 14.386 and 14.388). They are most often of two kinds. One kind is specifically exempted by the Legislature from rulemaking procedures, but approved for form by the Revisor of Statutes, reviewed for legality by the Office of Administrative Hearings, and then published in the *State Register*. These exempt rules are effective for two years only.

The second kind of exempt rule is one adopted where an agency for good cause finds that the rulemaking provisions of *Minnesota Statutes*, Chapter 14 are unnecessary, impracticable, or contrary to the public interest. This exemption can only be used where the rules:

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

These exempt rules are also reviewed for form by the Revisor or Statutes, for legality by the Office of Administrative Hearings and then published in the *State Register*. In addition, the Office of Administrative Hearings must determine whether the agency has provided adequate justification for the use of this exemption. Rules adopted under clauses (1) or (2) above are effective for two years from the date of publication of the rule in the *State Register*. Rules adopted, amended or repealed under clause (3) or (4) are effective upon publication in the *State Register*.

The Legislature may also exempt an agency from the normal rulemaking procedures and establish other procedural and substantive requirements unique to that exemption.

## Department of Revenue

### Adopted Exempt Permanent Rules Relating to Valuation and Assessment of Railroads

#### 8106.0100 DEFINITIONS.

[For text of subs 1 to 4, see M.R.]

Subp. 5. **Book depreciation.** “Book depreciation” means the depreciation shown by a railroad company on its corporate books and allowed the company by the ~~Interstate Commerce Commission~~ Surface Transportation Board.

[For text of subs 6 and 7, see M.R.]

Subp. 8. **Exempt property.** “Exempt property” means property which is nontaxable for ad valorem tax purposes by statutes. ~~Examples~~ An example of such property ~~are approved pollution control equipment for which an exemption has been granted and is~~ personal property otherwise exempt from taxation under *Minnesota Statutes*, chapter 272.

Subp. 9. [See repealer.]

Subp. 10. **Mainline track.** “Mainline track” means all track reported to the ~~ICC~~ STB by the respondent railroad as main line.

[For text of subs 12 and 13, see M.R.]

Subp. 14. **Original cost.** “Original cost” means the amount paid for an asset as recorded on the railroad’s books in accordance with ~~ICC~~ STB accounting rules and regulations.

[For text of subp 17, see M.R.]

Subp. 17a. **STB.** “STB” means the Surface Transportation Board, a federal regulatory agency.

**KEY: PROPOSED RULES SECTION** – Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated “all new material.” **ADOPTED RULES SECTION** – Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# Exempt Rules

[For text of subs 18 to 21, see M.R.]

## 8106.0300 REPORTS REQUIRED.

Subpart 1. **Reports to be filed.** The data used in the valuation, allocation, and apportionment processes will be drawn from reports submitted to the Department of Revenue by the railroad companies. These reports ~~are to be filed with the commissioner on or before April 30 of each year and~~ shall include:

- A. the Minnesota Department of Revenue annual railroad report;
- B. the annual report to the ~~Interstate Commerce Commission~~ STB;
- C. ~~the annual report to the Minnesota Public Utilities Commission;~~
- ~~D.~~ the annual stockholders report; and

~~E. D.~~ other commonly accepted sources of railroad income, expense, capitalization, and debt and stock values such as ~~Standard and Poor's Stock Guide, Standard and Poor's Statistical Service, Moody's Transportation Manual~~ IBBOTSON Associates Inc., and Transportation Statistics in the United States, of Class I Freight Railroads compiled by the ~~Interstate Commerce Commission~~ STB.

Subp. 2. [See repealer.]

[For text of subp 3, see M.R.]

## 8106.0400 VALUATION.

[For text of subpart 1, see M.R.]

Subp. 2. **Cost approach to valuation.** The cost factor that will be considered in the railroad valuation method is the restated cost of the railroad system, plus the restated cost of construction work in progress on the assessment date. The railroad system shall be considered to be made up of the following ~~ICC~~ STB accounts: all road and equipment accounts, including leased equipment accounts; all general expenditures; and other elements of investment and railroad property owned and leased to others as well as railroad property leased from others. Book depreciation and obsolescence shall be allowed as a deduction from the restated cost of the railroad's assets enumerated above. The original cost if known, and the annual lease payments of any leased operating property used by the railroad must be reported to the commissioner in conjunction with the annual railroad report. The commissioner shall incorporate the value of the leased property into the railroad's unit value utilizing this information.

~~If any railroad is not required by the ICC to restate the cost of its assets in accordance with Code of Federal Regulations, title 49, part 1201, the commissioner will make an estimate based upon the best available information of the impact of this restatement on the railroad's assets.~~

Obsolescence will be calculated through the use of the "Blue Chip Method." This method compares the railroad being appraised with the best railroads in the country, the so-called blue chip railroads. Three indicators of obsolescence will be used. First, a five-year average rate of return will be calculated for the railroad under appraisal. This rate of return is computed by dividing the subject's annual net railroad operating income for each of the most recent five years preceding the assessment, by the railroad's total owned transportation property less recorded depreciation and amortization (net investment in railroad property) for each corresponding year. The resulting five rates of return are then averaged using a simple arithmetic average to arrive at a five-year average rate of return. An example of this computation is as follows:

XYZ Railroad			
Year	Net Railroad Operating Income	Net Investment	Indicated Rate of Return
....	\$2,700,000	\$31,500,000	8.57%
....	\$2,900,000	\$32,000,000	9.06%
....	\$3,100,000	\$33,500,000	9.25%
....	\$3,300,000	\$34,000,000	9.70%
....	\$3,530,700	\$35,000,000	10.08%
			Total 46.66%
	Five-year Average Rate of Return		9.33%

A study will then be made of the ~~major~~ Class I railroads operating within the United States for the same five-year period using such informational sources as ~~Standard and Poor's Statistical Service, Moody's Transportation Manual, and Transportation Statistics in the United States~~ information compiled annually by the Wisconsin Department of Revenue known as the "Blue Chip" Obsolescence Study for STB Class I Railroads. Each year the railroad with the highest rate of return will be selected as the blue chip railroad. The resulting five rates of return will then be averaged to find the five-year average blue chip rate of return. An example of this process is as follows:

# Exempt Rules

Year	Railroad	Rate of Return
....	ABC	11.50%
....	FGH	11.27%
....	JKL	10.57%
....	MNO	11.02%
....	XYZ	10.08%
		Total 54.44%
	Five-year Average Blue Chip Rate of Return	10.89%

The five-year average rate of return for the railroad under appraisal will be compared to the five-year average blue chip rate of return. The deviation of the subject railroad's rate of return from the blue chip railroads' rate of return is the amount of indicated obsolescence. The following example illustrates the computation.

XYZ Railroad Five-Year Average Rate of Return	9.33%
Blue Chip Five-Year Average Rate of Return	10.89%
Indicated Obsolescence 1 - (9.33% ÷ 10.89%)	14.30%

Second, a five-year average freight traffic density indicator will be calculated. This indicator is calculated by dividing the subject railroad's ton miles of revenue freight for the most recent five years preceding the assessment by the average miles of road operated for each corresponding year. The resulting five indicators of freight traffic density are then averaged using a simple arithmetic average to arrive at a five-year average of freight traffic density. An example of this computation is as follows:

Year	XYZ Railroad		
	Ton Miles of Revenue Freight	Average Miles of Road Operated	Indicated Freight Traffic Density
....	1,300,000,000	575	2,260,000
....	1,402,500,000	550	2,550,000
....	1,200,000,000	550	2,180,000
....	1,100,000,000	500	2,200,000
....	1,000,000,000	500	2,000,000
			Total 11,190,000
	Five-Year Average Freight Traffic Density		2,238,000

A five-year study is then made of the ~~major~~ Class I railroads operating within the United States in the same manner and using the same sources as the rate of return study with the exception that this study concentrates on the freight traffic density achieved by the various ~~major~~ Class I railroads. Each year the railroad with the highest freight traffic density will be selected as the blue chip railroad. The resulting five freight traffic density amounts will then be averaged to find the five-year average blue chip freight traffic density amount. An example of this process is as follows:

Year	Railroad	Freight Traffic Density
....	JKL	2,280,000
....	FGH	2,600,000
....	FGH	2,200,000
....	MNO	2,900,000
....	ABC	2,280,000
		Total 12,260,000
	Five-year Average Blue Chip Freight Traffic Density	2,452,000

The five-year average freight traffic density indicator of the railroad under appraisal will be compared to the five-year average

**KEY: PROPOSED RULES SECTION** – Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated “all new material.” **ADOPTED RULES SECTION** – Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# Exempt Rules

blue chip freight traffic density indicator. The deviation of the subject railroad's freight traffic density from the blue chip railroad's freight traffic density is the amount of indicated obsolescence. The following example illustrates this computation:

XYZ Railroad Five-Year Average	
Freight Traffic Density	2,238,000
Blue Chip Five-Year Average	
Freight Traffic Density	2,452,000
Indicated Obsolescence	
1 - (2,238,000 ÷ 2,452,000)	8.70%

Third, a five-year average gross profit margin indicator will be calculated. This indicator measures a railroad's ability to convert gross revenue to net profit. This indicator is calculated by dividing net railway operating income, before federal and deferred taxes, by gross revenues. This calculation is performed using the subject railroad income figures for the most recent five years preceding the assessment. The resulting five indicators of gross profit margin are then averaged using a simple arithmetic average to arrive at a five-year average of gross profit margin. An example of this computation is as follows:

XYZ Railroad			
Year	Net Railroad Operating Income Before Taxes	Gross Revenue	Indicated Gross Profit Margin
....	4,050,000	15,000,000	27.0%
....	4,350,000	15,800,000	27.5%
....	4,650,000	16,500,000	28.2%
....	4,950,000	17,300,000	28.6%
....	5,295,000	19,000,000	27.9%
			Total 139.2%
			Five-Year Average Gross Profit Margin 27.8%

A study will then be made of the ~~major~~ Class I railroads operating within the United States for the same five-year period in the same manner and using the same sources in the two previous five-year studies mentioned above. This study will look at the gross profit margin achieved by the various ~~major~~ Class I railroads. Each year the railroad with the highest gross profit margin will be selected as the blue chip railroad. The resulting five gross profit margin percents will then be averaged to find a five-year average blue chip gross profit margin percentage. An example of this process is as follows:

Year	Railroad	Gross Profit Margin
....	ABC	30.0%
....	ABC	31.2%
....	JKL	29.9%
....	FGH	32.6%
....	JKL	33.3%
		Total 157.0%
		Five-Year Average Blue Chip Gross Profit Margin 31.4%

The five-year average gross profit margin percent for the railroad under appraisal will be compared to the five-year average blue chip gross profit margin percent. The deviation of the subject railroad's gross profit margin from the blue chip railroad's gross profit margin is the amount of indicated obsolescence. The following example illustrates this computation:

XYZ Railroad Five-Year Average	
Gross Profit Margin	27.8%
Blue Chip Five-Year Average	
Gross Profit Margin	31.4%
Indicated Obsolescence	
1 - (27.8% ÷ 31.4%)	11.5%

The obsolescence percentage indicated by this comparison of gross profit margins will be added to the obsolescence indicated by a comparison of rates of return and freight traffic density. The total of these three amounts will be averaged and this result will be the overall obsolescence percentage for the subject railroad. The following is an example of this computation:



# Exempt Rules

## XYZ Railroad

Obsolescence Indicated by	
Rate of Return Comparison	14.30%
Obsolescence Indicated by	
Freight Traffic Density Comparison	8.70%
Obsolescence Indicated by	
Gross Profit Margin Comparison	11.50%
	Total 34.50%
Average Obsolescence Percentage	11.50%

The obsolescence percentage will then be applied to the road accounts of the subject railroad, excluding land and personal property, after the allowance for depreciation has been deducted. In no instance shall the allowance for obsolescence exceed 50 percent. The following example illustrates how the cost indicator of value is computed and how the allowance for obsolescence is applied.

## XYZ Railroad

Account		Amount
Road		\$24,000,000
Equipment — Owned and Leased		9,000,000
Construction Work in Progress		4,500,000
General Expenditures		1,823,000
Gross Cost Indicator		39,323,000
Less Depreciation		10,000,000
Net Cost Indicator		\$29,323,000
Road	\$24,000,000	
Less Land and Personal Property	1,000,000	
Adjusted Road	23,000,000	
Adjusted Road		\$23,000,000
Depreciation on Adjusted Road		7,000,000
Net Road		16,000,000
Obsolescence Percent		11.5%
Obsolescence Amount		1,840,000
Adjusted Cost Indicator of Value		\$27,483,000

This cost indicator of value computed in accordance with this part will bear a weighting of 15 percent of the total unit value estimate of the railroad's property, except in the case of bankrupt railroads, or railroads with no income to be capitalized, as provided for in subpart 6, or railroads not meeting the criteria for use of the stock and debt approach to value as specified in subpart 4. These railroads will be valued using a 40 percent weighting for the cost indicator of value.

Subp. 3. **Income approach to valuation.** The income indicator of value will be calculated by averaging the net railway operating income, as ~~determined~~ defined by the ~~ICC~~ STB, of the railroad for the most recent five years preceding the assessment. This average income shall be capitalized by applying to it a capitalization rate which will be computed by using the band of investment method. This method will consider:

- A. the capital structure of railroads, including capital surplus and retained earnings;
- B. the cost of debt or interest rate paying particular attention to imbedded debt of railroads;
- C. the yield on preferred stock of railroads; and
- D. the yield on common stock of railroads.

**KEY: PROPOSED RULES SECTION** – Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated “all new material.” **ADOPTED RULES SECTION** – Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# Exempt Rules

~~For 1986 this capitalization rate will be 14.0 percent.~~ This rate will be ~~re-calculated~~ calculated each year using the method described in this subpart.

An example of a computation of the capitalized income approach to value is as follows:

XYZ Railroad	
Year	Net Railway Operating Income
....	\$ 2,600,000
....	2,700,000
....	3,000,000
....	3,100,000
....	3,492,500
Total	\$14,892,500
Average	\$ 2,978,500

Five-year average Net Railway Operating Income Capitalized at 14.0 percent (2,978,500 ÷ 14.0 percent) equals \$21,275,000.

The income indicator of value computed in accordance with this part shall be weighted 60 percent of the total estimated unit value of the railroad's property except in the case of bankrupt railroads or railroads having no net operating income as provided for in subpart 6.

Subp. 4. **Stock and debt approach to valuation.** The stock and debt approach to value is the third method which will be used to estimate the unit value of the railroad operating property. This approach to value is based on the accounting principle: assets = liabilities + equity. Therefore, when the value of a company's liabilities (debt) is found and this added to the worth of its stock, a value can be established for its assets (property).

The use of this approach to value will be limited to only those railroads meeting qualifications in items A to C:

- A. The stock of the railroad must be traded on either the New York or American Stock Exchange.
- B. The bonds of the railroad must be traded or have a rating by either Standard and Poor's or Moody's rating services.
- C. If the railroad is part of a diversified company, the value of the railroad portion of the total stock price must be able to be separated on an earnings basis using the following method:

### XYZ Railroad

XYZ railroad is wholly owned by ABC Industries Inc.

Net Earnings of ABC Industries	\$5,200,500
Net Earnings of XYZ Railroad	\$2,600,250
Percent of XYZ net earnings to total conglomerate earnings	50%
Value of share of ABC Industries stock	\$ 100
XYZ Railroad portion of stock value	\$ 50

If a railroad has no net earnings, and is part of a conglomerate, then the stock and debt indicator of value will not be used.

The value of the stock used in the stock and debt method shall be an average of the month-ending stock prices for the 12 months immediately preceding the assessment date of January 2. The value of the bonds, equipment obligations, and conditional sales contracts, and other long-term debts shall also be an average of the cost of money quotes for the 12 months immediately preceding the assessment date of January 2. The source for these stock and bond prices shall be Standard and Poor's Stock Guide or other applicable financial service.

An illustration of a computation of the stock and debt approach to value is as follows:

### XYZ Railroad Company

Shares of Common Stock issued x Average price for preceding year	1,000,000 x \$12 = \$12,000,000
Shares of Preferred Stock x Average price for preceding year	100,000 x \$15 = \$ 1,500,000
Rate and face value of bonds x	

# Exempt Rules

Average price for class of bonds  
for preceding year

A rated 8% bonds \$10,000,000 x 99% of par = \$ 9,900,000

Stock and Debt Indicator of Value

\$23,400,000

After the gross stock and debt indicator of value has been computed, an allowance will be made for the effect, if any, of revenue from other than railway operations included in this indicator of value. This allowance shall be based on the ratio of a five-year average of net revenue from railway operations, as determined by the ~~ICC~~ STB, to a similar five-year average of income available for fixed charges as determined by the ~~ICC~~ STB. The five-year average will be the most recent five years preceding the assessment date. An example of this computation is as follows:

## XYZ Railroad Company

Year	Net Revenue from Railway Operations	Income Available for Fixed Charges
....	\$ 3,000,000	\$ 3,500,000
....	4,000,000	4,300,000
....	5,200,000	5,700,000
....	6,000,000	6,800,000
....	5,200,000	5,400,000
	\$23,400,000	\$25,700,000
Average	\$ 4,680,000	\$ 5,140,000
Ratio \$4,680,000 ÷ \$5,140,000 = 91%		
Gross Stock and Debt Indicator of Value		\$23,400,000
Ratio of Operating to Noncarrier Earnings		91%
Net Stock and Debt Indicator of Value		\$21,300,000

The stock and debt indicator of value computed in accordance with this part will bear a weighting of 25 percent of the total unit value of the railroad's property, except in the case of bankrupt railroads, railroads in bankruptcy proceedings, or railroads with no income to be capitalized, as provided for in subpart 6. If no stock and debt indicator of value is computed, the weighting of 25 percent which would have been applied to this indicator of value will be placed on the cost indicator of value.

[For text of subps 5 and 6, see M.R.]

### 8106.0600 ADJUSTMENTS FOR NONFORMULA ASSESSED PROPERTY OR EXEMPT PROPERTY.

After the Minnesota portion of the unit value of the railroad company is determined, property which is either exempt from taxation, such as ~~pollution control equipment and~~ personal property, or classified as nonoperating will be deducted from the Minnesota portion of the unit value to the extent that it has been included in the computation of this value.

Property which has been included in the computation of the unit value but has been defined as nonoperating property will be valued by the local assessor. The Minnesota portion of the unit value will be reduced by the restated cost of this property. Only nonoperating property located within Minnesota will be eligible for this exclusion.

The railroad company shall have the responsibility to submit to the commissioner of revenue, in the form required by the commissioner, such schedules of nonoperating property as the commissioner may require.

In addition to nonoperating property which will be valued and assessed locally, a deduction from the Minnesota portion of the unit value will be made for personal property.

A percentage of the Minnesota portion of the unit value ~~after~~ before deducting nonoperating ~~and exempt~~ property will be excluded as personal property. This percentage will be computed in the following way:

- A. The following ~~ICC~~ STB accounts for property within Minnesota will be totaled:
  - (1) that portion of coal and ore wharves determined to be personal property;
  - (2) communication ~~equipment~~ systems;
  - (3) signals and interlockers;

**KEY: PROPOSED RULES SECTION** – Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated “all new material.” **ADOPTED RULES SECTION** – Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# Exempt Rules

- (4) roadway machines;
- (5) shop machinery;
- (6) power plant ~~machines~~ machinery; and
- (7) computer and word processing equipment; and

(8) equipment, allocated to Minnesota on the basis of car and locomotive miles in Minnesota compared to total system car and locomotive miles.

[For text of item B, see M.R.]

C. The following is an illustration of the computation for the personal property exclusion.

XYZ Railway

		Amount in Minnesota
Personal Property Account		
<u>Computer and Word Processing Equipment</u>		\$ 89,200
Coal and Ore Wharves		<del>\$ 189,200</del>
		<u>100,000</u>
Communication Equipment		100,000
Signals and Interlockers		200,000
Roadway Machines		200,000
Shop Machinery		100,000
Power Plant Machinery		100,000
* Equipment — Owned and Leased		2,250,000
		3,139,200
* Total Equipment Account	\$9,000,000	
Car and Locomotive Miles in Minnesota	1,000,000	
Total Car and Locomotive Miles	4,000,000	
Ratio of Minnesota to Total	25%	
Minnesota Allocated Equipment Account	\$2,250,000	
Restated Cost Account		Amount in Minnesota
Road		\$2,990,000
Equipment — Owned and Leased		2,250,000
Construction Work in Progress		800,000
General expenditures		500,000
		\$6,540,000
Minnesota Personal Property Accounts	\$3,139,200	
Minnesota Restated Cost	\$6,540,000	
Ratio of Personal Property to Cost	48%	
Minnesota portion of unit value		5,108,875
Personal Property exclusion at 48%		2,452,260
Taxable Minnesota Portion of Unit Value		\$2,656,615

## 8106.0700 APPORTIONMENT.

[For text of subs 1 and 2, see M.R.]

Subp. 3. **Railroad operating land.** The information for the computation of this apportionment component will be based on information submitted by both the railroads and the various county auditors and assessors. The railroad companies shall file with the commissioner of revenue each year, in conjunction with their annual reports required by part 8106.0300, subpart 1, the number of acres of railroad operating land owned or used by them in each taxing district in which they operate. The county auditor shall also

# Exempt Rules

be required to submit to the commissioner of revenue a report showing the number of acres of railroad operating land, detailed by owning railroad, in each taxing district within the county. If either the railroads or the auditors find that it is administratively impracticable to submit this information, the commissioner shall make an estimate of the number of acres of railroad operating land within each taxing district based on the best information available. Such information would usually consist of the miles of railroad track within the taxing district and the normal width of the right-of-way used by the railroad. In addition, information relative to the current estimated market value of all land within the respective taxing districts will be obtained from the county or city assessors by a review of the abstract of assessment of real and personal property which the various assessors are required to submit yearly to the commissioner of revenue in compliance with *Minnesota Statutes*, section 273.061, subdivision 9. A review will also be made of the abstract of assessment of exempt real property which is submitted to the commissioner of revenue by the various assessors in compliance with *Minnesota Statutes*, section 273.18.

The computation for the railroad operating land apportionment component will be accomplished annually in the following manner:

A. The average estimated market value per taxable acre within a specific taxing district will be calculated by dividing the estimated market value of all taxable land within the taxing district as indicated by the most recent abstract of assessment of real and personal property by the number of taxable acres within the taxing district. The number of acres within a taxing district will be obtained from the most recent statistics available from the Land Management Information Center, ~~State~~ Minnesota Planning Agency. The total number of acres will be adjusted to allow for nontaxable or exempt acres by subtracting these nontaxable or exempt acres from the total acres. The number of nontaxable or exempt acres will be obtained from the most recent abstract of assessment of exempt real property. The following example illustrates this calculation.

Estimated Market Value of All Taxable Land		
Within Taxing District		\$200,000
Total Area of Taxing District	210 Acres	
Nontaxable or Exempt Acres	10 Acres	
Taxable Acres Within Taxing District		200
Average Estimated Market Value per Acre		<u>\$ 1,000</u>

[For text of item B, see M.R.]

C. This railroad operating land component will then be adjusted. This adjustment is achieved by striking a ratio between the system unit value for all Minnesota railroads, as described in part 8106.0400, subpart 5, to the total of net investment in railway property used in transportation service as defined by the ~~ICC~~ STB for all railroads operating in Minnesota. This relationship will be computed annually and will then be applied to the gross railroad operating land component to arrive at the adjusted railroad operating land component. This adjusted land value will then be used as one element of the apportionment computation.

The following is an example of how the adjusted railroad operating land component is to be computed:

Railroad	System Unit Value	Net Investment in Railway Property Used in Transportation Services
ABC Railway	\$20,000,000	\$ 40,000,000
FGH Railway	5,256,000	8,000,000
JKL Railroad	2,000,000	4,780,830
MNO Railroad	50,000,000	90,000,000
XYZ Railroad	22,212,500	25,000,000
	<u>\$99,468,500</u>	<u>\$165,780,830</u>

Total System Unit Value (\$99,468,500) ÷ Total Net Investment in Railway Property Used in Transportation Services (\$165,780,830) = 60%

**KEY: PROPOSED RULES SECTION** – Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated “all new material.” **ADOPTED RULES SECTION** – Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# Exempt Rules

Gross Railroad Operating Land Component	
Within the Taxing District	\$5,000
Adjustment Factor	60%
Adjusted Railroad Operating Land Component	<u>\$3,000</u>

Subp. 4. **Miles of track.** The information for the computation of this apportionment component will be based on information submitted by the railroads to the commissioner of revenue in conjunction with the annual report required by part 8106.0300, subpart 1. Each railroad will be required to list the miles of track they own in each taxing district within Minnesota. The track must be separated into two classes, main line track and all other track.

In order to make the miles of track in each taxing district compatible with the other apportionment components, the miles must be converted to dollars. This conversion will be computed annually. The conversion will be accomplished by adding together the following ~~CCC~~ STB accounts for each railroad's net investment in Minnesota: account 3, grading; account 8, ties; account 9, rails; account 11, ballast. The total of these accounts will then be divided by the number of miles of track operated by the respective railroads within Minnesota to obtain a cost per mile figure. This will be used as the average cost per mile for track within Minnesota.

The following is an example of how the average cost per mile of track in Minnesota will be computed:

Railroad	Total of Accounts #3, 8, 9, 11	Mileage Operated in Minnesota
ABC Railway	\$ 4,000,000	154
FGH Railway	800,000	42
JKL Railroad	500,000	20
MNO Railroad	7,450,000	290
XYZ Railroad	2,500,000	104
	<u>\$15,250,000</u>	<u>610</u>

Total cost of track (\$15,250,000) ÷ Total miles operated (610) = Average Cost per Mile of Track \$25,000.

Main line track shall be weighted at 1.5 times the cost of all other track; thus, if the average cost per mile of track is \$25,000, main line track would be worth more than \$25,000 per mile, while all other track would be worth less. The calculation for the average cost of both main line and all other track shall be made annually on an industry basis.

The calculation to determine the average cost per mile of main line track and the average cost per mile of all other track will be computed in the following manner:

- Total mileage operated will be multiplied by the average cost per mile to arrive at a total track cost.
- Total mileage operated will be separated into the two types of track, main line and all other track.
- Main line track will be multiplied by 1.5 to arrive at adjusted main line miles.
- Adjusted main line miles will be added to all other track miles to arrive at adjusted total track miles.
- Total track cost will be divided by adjusted total track miles to arrive at the cost per mile of all other track.
- The cost per mile of main line track will be computed by multiplying the cost per mile of all other track by 1.5.

An illustration of this computation is as follows:

Railroad	Mileage Operated	Main Line Miles	All other Track Miles
ABC Railway	154	96	58
FGH Railway	42	10	32
JKL Railroad	20	15	5
MNO Railroad	290	132	158
XYZ Railroad	104	52	52
	<u>610</u>	<u>305</u>	<u>305</u>
Total Mileage Operated			610
Average Cost Per Mile of Track			\$ 25,000
Total Track Cost			\$15,250,000

# Exempt Rules

Main Line Miles	305	
Weighting Factor	1.5	
Adjusted Main Line Miles		457.5
Other Track Miles		305.0
Adjusted Total Track Miles		762.5
Total Track Cost		\$15,250,000
Adjusted Total Track Miles		762.5
Average Cost Per Mile of Other Track		\$ 20,000
Average Cost Per Mile of Other Track		\$ 20,000
Weighting Factor		1.5
Average Cost Per Mile of Main Line Track		\$ 30,000

After the per mile cost figures for main line and all other track are obtained, these per mile cost figures would be multiplied by the length of each type of track in a particular taxing district to obtain the value of the trackage in that district. The same cost figures will be used for all railroads operating in Minnesota.

Subp. 5. **Structures.** The information for the computation of this apportionment component will be based on statements submitted by the railroads. These schedules shall be submitted annually to the commissioner of revenue in conjunction with the annual report required by part 8106.0300, subpart 1. The schedules shall show the location, by taxing district, of all operating structures owned by the reporting railroad within Minnesota with a restated cost of \$10,000 or more. The schedules shall list a description of the structure and the railroad's current restated cost investment in the structure as it appears in the appropriate ~~ICC~~ STB account.

An example of this listing is as follows:

Taxing District	XYZ Railroad Description	Restated Cost
St. Paul, S.D. #625	Office Building	\$400,000
Minneapolis, S.D. #1	Depot	20,000
Fridley, S.D. #16	Yard Tower	200,000
Anoka, S.D. #11	Engine and Car Shop	250,000
	Total	<u>\$870,000</u>

[For text of subp 6, see M.R.]

## 8106.0800 EQUALIZATION.

[For text of subpart 1, see M.R.]

Subp. 2. **Assessment/sales ratio computation.** A comprehensive assessment/sales ratio study compiled annually by the sales ratio section of the Property ~~Assessment and Review~~ Tax Division of the Department of Revenue commonly known as the State Board of Equalization Sales/Ratio Study will be used in this computation. The portions of this study which will be used for purposes of this section are known as the "County Commercial and Industrial Sales Ratio."

This commercial and industrial (C & I) sales ratio is computed through an analysis of the certificates of real estate value filed by the buyers or sellers of commercial or industrial property within each county. The information contained on these certificates of real estate value is compiled pursuant to requests, standards, and methods set forth by the Minnesota Department of Revenue acting upon recommendations of the Minnesota legislature. The most recent C & I study available will be used for purposes of this section.

The median C & I sales ratio from the County Commercial and Industrial Sales Ratio study will be used as a basis to estimate the current year C & I median ratio for each county.

The process used to estimate this current year median ratio will be as follows.

**KEY: PROPOSED RULES SECTION** – Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** – Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

# Exempt Rules

The State Board of Equalization abstract of market value will be examined. The current estimated market value of commercial and industrial property within each county will be taken from this abstract. The amount of the value of new commercial and industrial construction, ("new" meaning since the last assessment period) as well as the value of commercial and industrial property which has changed classification (i.e. commercial to tax exempt property) will also be taken from the abstract. The value of new construction will then be deducted from the estimated market value, resulting in a net estimated current year market value for commercial and industrial property within the county. The value of commercial and industrial property which has changed classification will be deducted from the previous years estimated market value to arrive at a net estimated previous year market value for commercial and industrial property within the county. The net current year value will be compared to the net previous year's estimated market value for commercial and industrial property within the county and the difference between the two values noted. This difference will be divided by the previous year's net estimated market value for commercial and industrial property to find the percentage of increase, or decrease, in assessment level for each year. This percent of change will be applied to the most recent C & I median ratio to estimate the current year's C & I median ratio. An example of this calculation for a typical county is shown below.

<del>1986</del> <u>Current Year</u> Estimated Market Value for		
Commercial and Industrial Property	\$12,000,000	
Less: New Construction	1,500,000	
<del>1986</del> <u>Current Year</u> Net Estimated Market Value for		
Commercial and Industrial Property		10,500,000
<del>1985</del> <u>Previous Year</u> Estimated Market Value for		
Commercial and Industrial Property	10,250,000	
Less: Classification Changes	250,000	
<del>1985</del> <u>Previous Year</u> Net Estimated Market Value for		
Commercial and Industrial Property		10,000,000
Difference <del>1985</del> <u>Previous Year</u> vs. <del>1986</del> <u>Current Year</u>		
Estimated Market Value		500,000
Percent of Change (500,000 ÷ 10,000,000)		5%
<del>1985</del> <u>Previous Year</u> Median Commercial and Industrial		
Ratio		88%
<del>1986</del> <u>Current Year</u> Estimated Median Commercial and		
Industrial Ratio (88% x 105%)		92.4%

This same calculation is performed for each Minnesota county which contains operating railroad property. If there are five or fewer valid sales of commercial and industrial property within a county during the study period, these few sales are insufficient to form the basis for a meaningful C & I ratio. Therefore, the median assessment/sales ratio to be used for purposes of the above computation will not be the median C & I ratio but will be the weighted median ratio of all property classes within the county for which a sales ratio is available. This weighted median ratio is computed in the same manner using the same procedures and standards as the C & I ratio. In addition, the computation described above will not be performed using the commercial and industrial estimated market value but will use the estimated market value for all property within the county. All other aspects of the calculations are identical except for this substitution.

The weighted median ratio is developed by multiplying the median ratio for each class of property (agricultural, residential, recreational, commercial) by the percentage of value that class of property comprises of the total county value. An example of this calculation is as follows:

Class of Property	Amount of Value	Percent of Value	Median Ratio	Weighted Median Ratio
Residential	\$ 20,000,000	20%	85%	17.00%
Agricultural	55,000,000	55%	95%	52.25%
Seasonal - Recreational	5,000,000	5%	90%	4.50%



Commercial -				
Industrial	20,000,000	20%	85%	17.00%
Total	\$100,000,000	100%		90.75%

Subp. 3. **Application of the estimated current year median assessment/sales ratio.** After the estimated current year median ratio has been calculated pursuant to subpart 2, it is used to adjust the apportioned estimated market value of operating railroad property to the apparent assessment level of commercial and industrial property in each county. This is done by ~~factoring or~~ multiplying the estimated market value of the railroad property by the estimated sales ratio to arrive at the equalized market value of operating railroad property. In no instance will any adjustment be made if, after comparing the estimated current year sales ratio to the assessment level of operating railroad property, the difference between the two is five percent or less. An example of this adjustment is as follows:

	Estimated Market Value of Railroad Operating Property*	Estimated Current Year Median Sales Ratio	Equalized Estimated Market Value of Railroad Operating Property
County A	\$100,000	85%	\$ 85,000
County B	250,000	88%	220,000
County C	300,000	90%	270,000
County D	150,000	92%	138,000
County E	100,000	95%	100,000**

\* For purposes of this example, assume that railroad property is assessed at 100 percent of market value.

\*\* No adjustment made because estimated current year median sales ratio is within five percent of assessment level on operating railroad property.

All railroads operating within a particular county will be equalized at the same percentage.

These equalized estimated market values of operating railroad property will be certified to the county assessor denoting specific railroads and taxing districts pursuant to *Minnesota Statutes*, section 270.87.

**REPEALER.** *Minnesota Rules*, parts 8106.0100, subpart 9, and 8106.0300, subpart 2, are repealed.

**KEY: PROPOSED RULES SECTION** – Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated “all new material.” **ADOPTED RULES SECTION** – Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicates deletions from proposed rule language.

## Commissioner’s Orders

Various agency commissioners are authorized to issue “commissioner’s orders” on specified activities governed by their agency’s enabling laws. See the *Minnesota Statutes* governing each agency to determine the specific applicable statutes. Commissioners’ orders are approved by assistant attorneys general as to form and execution and published in the *State Register*. These commissioners’ orders are compiled in the year-end subject matter index for each volume of the *State Register*.

## Department of Transportation

### Order No. 87725: Amended Order and Notice of Street and Highway Routes Designated and Permitted to Carry the Gross Weights Allowed Under *Minnesota Statutes* § 169.825

**Whereas**, the Commissioner of Transportation has made his Order No. 80000, dated March 10, 1994, which order has been amended by Orders No’s. 80212, 80246, 80580, 80861, 80881, 81000, 81092, 81371, 81511, 81557, 81641, 82955, 83138, 83536, 83616, 83720, 84056, 84222, 84232, 84256, 84353, 84354, 84439, 84532, 84902, 85225, 85246, 85668, 85784, 85922, 85932, 86170, 86468, 86931, 87349, 87429, 87571, and 87648 designating and permitting certain street and highway routes, or segments of those routes, to carry the gross weights allowed under *Minnesota Statutes* § 169.825, and

**Whereas**, the Commissioner has determined that the additional following routes, or segment of routes, should be designated to carry the gross weights allowed under *Minnesota Statutes* § 169.825.

# Commissioner's Orders

**IT IS HEREBY ORDERED** that Commissioner of Transportation Order No. 80000 is further amended this date by adding the following designated streets and highway routes, or segment of routes, as follows:

## COUNTY ROADS

### BIG STONE COUNTY

C.S.A.H. 7 FROM T.H. MN28 IN BARRY TO THE RAILROAD TRACKS, 0.26 MILES NORTH OF T.H. MN28 (12 MONTH)

C.S.A.H. 24 FROM T.H. US75 IN CLINTON TO C.S.A.H. 11, 0.23 MILES WEST OF T.H. US75 (12 MONTH)

Dated this 6th day of April, 2004

/s/ Carol Molnau  
Lt. Governor/Commissioner

## Official Notices

Pursuant to *Minnesota Statutes* § 14.101, an agency must first solicit comments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking. The *State Register* also publishes other official notices of state agencies and non-state agencies, including notices of meetings and matters of public interest.

## Department of Commerce

### Minnesota Consumer Credit Code and Regulated Loan Act Adjustment of Dollar Amounts

Dollar amounts indexed in the Regulated Loan Act, *Minnesota Statutes*, Chapter 56, and the Minnesota Consumer Credit Code, *Minnesota Statutes*, Section 47.59, will not increase effective July 1, 2004. *Minnesota Statutes*, Sections 47.59, subdivision 3(i), and 56.131, subdivision 4, provide for periodic adjustment in dollar amounts, effective on July 1 of even-numbered years, based on a percentage change in the Implicit Price Deflator for the Gross Domestic Product.

Statute establishes that the percentage change in the reference base index be 10% or more in order to adjust the dollar amounts. The portion of the percentage change in the index in excess of a multiple of ten percent is to be disregarded, and the dollar amounts shall change only in multiples of ten percent. Information provided by the U.S. Department of Commerce, Bureau of Economic Analysis indicates a percentage change from the revised reference base to be 25% calculated to the nearest whole percentage point as required. The index for December 1991 is the reference base index for adjustments, with 1987 = 100. The index was revised nationally to 2000 = 100. The rebased index for December 1991 is 85.206, increasing to 106.244 in December 2003, for a change of 24.69%. Because of prior years' adjustments, further increases are not required.

The history of dollar amounts at various dates is available by reviewing prior official notices, or within the Commerce Department's **web site** [www.commerce.state.mn.us](http://www.commerce.state.mn.us). The original and current dollar amounts are as follows:

	<u>Original</u>	<u>Current</u>
<b><u>Chapter 47</u></b>		
Principal subject to 33% interest <i>Minnesota Statutes</i> , § 47.59, subd. 3(a)(2)	\$750	\$900
Minimum refund <i>Minnesota Statutes</i> , § 47.59, subd. 3(e) and (f)	\$5.00	\$6.00
Default charges <i>Minnesota Statutes</i> , § 47.59, subd. 6(a)(4)	\$5.20	\$6.24
<b><u>Chapter 56</u></b>		
Assumption fee <i>Minnesota Statutes</i> , § 56.12	\$240	\$288
Minimum real estate secured loan <i>Minnesota Statutes</i> , §§ 56.12 and 56.125	\$4,320	\$5,184
Maximum closing costs on real estate secured loans <i>Minnesota Statutes</i> , § 56.131, subd. 2(b)	\$400	\$480

Minimum new funds advance for discount points and appraisal fees <i>Minnesota Statutes</i> , § 56.131, subd. 2(d)	\$1,000	\$1,200
Minimum real estate secured loan for discount points <i>Minnesota Statutes</i> , § 56.131, subd. 6	\$12,000	\$14,400

The next published adjustment is scheduled on or before April 30, 2006, for July 1, 2006 based on the December 2005 index.

## Department of Commerce

### Restrictions On Deficiency Judgments and Minnesota Property Exemption Adjustment of Dollar Amounts

The amount of a deficiency judgment found in *Minnesota Statutes*, Section 325G.22, and property exempt from creditor collection action in *Minnesota Statutes*, Section 550.37 will increase 10% effective July 1, 2004. These statutes require that the dollar amounts be adjusted in even numbered years based on a percentage change in the Implicit Price Deflator for the Gross National Product.

The statute requires that the percentage of change in the reference base index be 10% or more in order to adjust the dollar amounts. The portion of the percentage change in the index in excess of a multiple of ten percent is to be disregarded, and dollar amounts shall change only in multiples of ten percent. Information obtained from the U.S. Department of Commerce, Bureau of Economic Analysis, indicates the percentage change from the revised reference base to be 90% calculated to the nearest whole percentage point as required. The index for December 1980 is the reference base index for adjustments, with 1972=100. The index was revised nationally to 2000=100. The index for December 1980 is 56.043, increasing to 106.243 in December 2003, for a change of 89.57%, when rounded to the nearest whole percentage point is 90%. Indexed dollar amounts have increased by 80% in prior years, and will increase 10% effective July 1, 2004, with the new amounts listed on the following chart.

The history of dollar amounts at various dates is available by reviewing prior official notices, or within the Commerce Department's **web site** [www.commerce.state.mn.us](http://www.commerce.state.mn.us). The original and current dollar amounts are as follows:

	<u>Original</u>	<u>7-1-04 10% increase</u>
<b><u>Chapter 325G</u></b>		
Credit extended <i>Minnesota Statutes</i> , § 325G.22, subd. 1	3,000	5,700
<b><u>Chapter 550</u></b>		
Personal goods <i>Minnesota Statutes</i> , § 550.37, subd. 4	4,500	8,550
Business <i>Minnesota Statutes</i> , § 550.37, subd. 6	5,000	9,500
Insurance benefits	20,000	38,000
Add'l dependent ins. benefits <i>Minnesota Statutes</i> , § 550.37, subd. 10	5,000	9,500
Motor vehicle Modified for disability	2,000	3,800
Minimum cost of modification <i>Minnesota Statutes</i> , § 550.37, subd. 12a	20,000	38,000
Accrued interest <i>Minnesota Statutes</i> , § 550.37, subd. 23	1,500	2,850
	4,000	7,600

# Official Notices

---

---

Employee  
benefits

30,000

57,000

*Minnesota Statutes*, § 550.37, subd. 24

The next published adjustment is scheduled on or before April 30, 2006, for July 1, 2006 based on the December 2005 index.

## Department of Commerce

### State Energy Office

#### Notice of Public Hearing on the State Delivery Plan for FY 2004 Weatherization Assistance for Low-Income Persons Program Grant

The *Minnesota Department of Commerce, State Energy Office* is conducting a public hearing, required by the United States Department of Energy, on the State Delivery Plan for the FY 2004 Weatherization Assistance for Low-Income Persons Program grant.

Plan changes include an increase in funding, duration of grant, increase in number of dwellings to be weatherized, lead safe work practices and change of date for re-weatherization activities.

**NOTICE IS HEREBY GIVEN** that a public hearing will be held on April 22, 2004 at the Department of Commerce, Suite 500, 85 - 7th Place East, St. Paul, MN 55101 in the Summit Room. The hearing will begin at 9:30 a.m. and continue until all interested and affected persons have an opportunity to participate or 12:00 a.m. at the latest. Oral and/or written testimonies may be submitted at the hearing. In addition, written testimony will be accepted by the Department until 4:30 p.m. on April 22, 2004.

Additional written testimony may be submitted to:

Roger Williams  
Department of Commerce  
Suite 500  
85 - 7th Place East  
St. Paul, MN 55101

A copy of the plan may be obtained by contacting Barb Krech at (651) 284-3262.

## Department of Employment and Economic Development

### Job Opportunity Building Zones (JOBZ) Modifications

Pursuant to *Minnesota Statutes* § 469.320, Subd. 3., the following modifications were made to the Job Opportunity Building Zones:

**West Central Zone -**

- Perham Subzone 72 was reduced by 1.17 acres
- Perham Subzone 74 was reduced by 7.22 acres
- Fergus Falls Subzone 53 was reduced 18.01 acres
- Fergus Falls Subzone 54.1 was added at 18.01 acres

**Positively Southern Growth Corridor Zone -**

- Austin Subzone 198 was increased by 20 acres
- Austin Subzone 210 was reduced by 70 acres
- Harmony Subzone 221 was reduced by 0.81 acres
- Mountain Lake Subzone 31 was increased by 0.63 acres
- Mountain Lake Subzone 35 was reduced by 0.63 acres
- Lake Crystal Subzone 107 was reduced by 100 acres
- Lake Crystal Subzone 109.1 was added at 100 acres
- Jackson Subzone 1 was reduced by 10.59 acres
- Jackson Subzone 4.1 was added at 10.59 acres

**Northeast Zone -**

- Duluth Subzone 101 was reduced by 6.3 acres
- Duluth Subzone 98.1 was added at 2.2 acres
- Duluth Subzone 98.2 was added at 4.1 acres

**Southwest Zone -** Redwood Falls Twp Subzone 18 was increased by 17.5 acres  
Lamberton Twp Subzone 20 was increased by 47.5 acres  
Granite Rock Twp Subzone 25 was increased by 2.5 acres  
Fairfax Subzone 152 was decreased by 0.08 acres  
Fairfax Subzone 153.1 was added at 42.2 acres

**Brewster Ag Zone -** Brewster Subzone 52 was increased by 21 acres  
Brewster Subzone 53 was decreased by 19 acres

Dated: March 31, 2004

Commissioner Matt Kramer

## Department of Health

### Notice of Adoption of the “CMS 1500 Manual” as Defined by the Commissioner of Health; Per *Minnesota Statutes*, section 62J.52, Subdivision 2, paragraph (b)

**Adoption:** Notice is hereby given that the “CMS 1500 Manual,” as proposed at *State Register*, Volume 28, Number 21, page 664, November 24, 2003, is adopted without any changes.

**Manual Available:** The “CMS 1500 Manual,” as defined by the Commissioner of Health, is available for use for paper claims submitted on the CMS 1500 form. The manual is available on the internet at [www.mmaonline.net/auc](http://www.mmaonline.net/auc) and in the Minnesota’s Bookstore at (651) 297-3000 or (800) 657-3757.

**Description and Statutory Reference:** The manual is a description of the conventions of use for the CMS 1500 paper form published by the Centers for Medicare and Medicaid (CMS). The manual has been developed per *Minnesota Statutes*, section 62J.52. The statute reads in relevant part: “(a) On and after January 1, 1996, all noninstitutional health care services rendered by providers in Minnesota except dental or pharmacy providers, that are not currently being billed using an equivalent electronic billing format, must be billed using the health insurance claim form HCFA 1500, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form HCFA 1500 shall be in accordance with the manual developed by the Administrative Uniformity Committee entitled “Minnesota Standards for the use of the HCFA 1500 Claim Form”, dated February 1994, as further defined by the commissioner.” The updated edition of this manual, in this announcement, is the further definition mentioned.

**Development:** The Administrative Uniformity Committee (AUC) and its subcommittees developed and revised the manual. All editions of the manual have been submitted for public comment; the most recent (fifth) edition was announced in the *State Register* on November 24, 2003. The comment period for the third edition was from November 24 to December 24, 2003.

The Minnesota Department of Health at (651) 282-5650 collected the public comments. One comment was received. The AUC subcommittee on Data Definitions reviewed the comment and was able to resolve the issue without modification to the manual.

**Date of Implementation:** The CMS 1500 Manual is to be used by providers and non-government payers in Minnesota as of May 19, 2004.

Dated: April 19, 2004

Dianne M. Mandernach, Commissioner

## Department of Human Services

### Health Care Purchasing and Delivery Systems Division, Health Care Administration Public Notice of Maximum Allowable Costs of Medical Assistance Outpatient Prescribed Drugs

**NOTICE IS HEREBY GIVEN** to recipients, providers of services, and to the public of additions to the state Medical Assistance maximum allowable cost (state MAC) list for certain outpatient prescribed drugs.

At least once each calendar year, the United States Department of Health and Human Services, Centers for Medicare & Medicaid Services, publishes a federal upper limit (FUL) payment schedule for many commonly prescribed multiple-source drugs. The federal upper limit is set at a rate equal to 150 percent of the published price for the least costly therapeutic equivalent that can be purchased by pharmacists. This FUL payment schedule constitutes the federal MAC list. For many multiple-source drugs that are not on the federal MAC list, the Department establishes a state MAC list. Additionally, the Department imposes a state MAC for many multiple-source drugs that are on the federal MAC list, as long as the savings are at least as much as the savings would be using the federal MAC list.

# Official Notices

---

---

The Department requires Medical Assistance pharmacy providers to submit their usual and customary costs. Pharmacy providers are reimbursed at the lower of: 1) the federal or state MAC, plus a dispensing fee; 2) the submitted usual and customary charge to the general public; or 3) a discount off of average wholesale price, plus a dispensing fee.

On January 13, 2003 at 27 SR 1117-1130, the Department published the MAC list, listing the federal and state MACs. Additional changes to the state MAC list were published on February 18, 2003 (27 SR 1331-1334), March 3, 2003 (27 SR 1386-1393), April 21, 2003 (27 SR 1583-1584), August 4, 2003 (28 SR 102-103), October 13, 2003 (28 SR 505-506), October 20, 2003 (28 SR 528-529), December 15, 2003 (28 SR 784-785), January 26, 2004 (28 SR 934-935), March 8, 2004 (28 SR 1089-1090), and April 5, 2004 (28 SR 1232).

Effective April 20, 2004, the Department will add the following outpatient prescribed drugs to the state MAC list:

<u>GCN</u>	<u>Drug Name</u>	<u>Strength</u>	<u>MAC Price</u>
16640	Morphine Sulfate	30MG	.8400
16641	Morphine Sulfate	60MG	1.6112
16642	Morphine Sulfate	100MG	2.4240
16643	Morphine Sulfate	15MG	.4433
16060	Morphine Sulfate	10MG/5ML	.0506
16062	Morphine Sulfate	20MG/5ML	.0763
16063	Morphine Sulfate	20MG/ML	.3156

These additions are made to bring Medical Assistance reimbursement to pharmacists more closely in line with the actual acquisition cost of the drugs listed above. The Department estimates that there will be a state savings of \$126,000 for the rest of State Fiscal Year 2004 (July 1, 2003 through June 30, 2004).

This notice is published pursuant to *Code of Federal Regulations*, Title 42, section 447.205, which requires publication of a notice when there is a rate change in the methods and standards for setting payment rates for Medical Assistance services.

Written comments and requests for information may be sent to:

Cody Wiberg, Pharm.D., R.Ph.  
Pharmacy Program Manager  
Health Care Purchasing and Delivery Systems Division  
Minnesota Department of Human Services  
444 Lafayette Road North  
St. Paul, Minnesota 55155-3854  
**Phone:** (651) 296-8515  
**Email:** [cody.wiberg@state.mn.us](mailto:cody.wiberg@state.mn.us)

## Department of Natural Resources

### Division of Fish and Wildlife

#### Notice of Fish and Wildlife Habitat Stamp Art Contests

##### Background about the Fish and Wildlife Habitat Stamp Art Contests

*Minnesota Statutes* 97A.045 and *Minnesota Rules* 6290 permit the Commissioner of the Department of Natural Resources (DNR) to conduct contests for selection of designs for fish and wildlife habitat stamps.

**NOTICE IS HEREBY GIVEN** that entry dates for four habitat stamp contests conducted by the DNR are as follows:

**1. Year 2005 Trout and Salmon Stamp contest.** Entries will be accepted beginning July 19, 2004 and continuing until 4 p.m. Friday, July 30, 2004 at the Minnesota Department of Natural Resources, Section of Fisheries, 500 Lafayette Road, St. Paul, Minnesota, 55155. The judging will take place August 5, 2004 at the Minnesota Department of Natural Resources, 500 Lafayette Road, St. Paul, Minnesota.

**2. Year 2005 Migratory Waterfowl Stamp contest.** Entries will be accepted beginning August 30, 2004 and continuing until 4 p.m. Friday, Sept 10, 2004 at the Minnesota Department of Natural Resources, Section of Wildlife, 500 Lafayette Road, St. Paul, Minnesota, 55155. The judging will take place September 16, 2004, at the Minnesota Department of Natural Resources, 500 Lafayette Road, St. Paul, Minnesota. The white-winged scoter is the only eligible species for depiction on the 2005 Minnesota waterfowl stamp.

**3. Year 2005 Pheasant Habitat Stamp contest.** Entries will be accepted beginning September 13, 2004 and continuing until 4 p.m. Friday, September 24, 2004 at the Minnesota Department of Natural Resources, Section of Wildlife, 500 Lafayette Road, St. Paul, Minnesota.

Paul, Minnesota, 55155. The judging will take place September 30, 2004, at the Minnesota Department of Natural Resources, 500 Lafayette Road, St. Paul, Minnesota.

**4. Year 2006 Turkey Habitat Stamp contest.** Entries will be accepted beginning January 3, 2005 and continuing until 4 p.m. Friday, January 14, 2005 at the Minnesota Department of Natural Resources, Section of Wildlife, 500 Lafayette Road, St. Paul, Minnesota, 55155. The judging will take place January 21, 2005, at the Mayo Civic Center, 30 Civic Center Drive SE, Rochester, Minnesota.

All entries for the contests must be accompanied by the appropriate application materials. Contest application packages, which include all entry forms and specifications, are available by writing: Minnesota DNR Information Center, 500 Lafayette Road, St. Paul, MN 55155-4040; or by calling the DNR at (612) 296-6157, toll free 1-888-646-6367.

Dated: April 4, 2004

Ray Norrgard  
Section of Wildlife  
Department of Natural Resources

## State Grants & Loans

In addition to requests by state agencies for technical/professional services (published in the State Contracts Section), the *State Register* also publishes notices about grants and loans available through any agency or branch of state government. Although some grant and loan programs specifically require printing in a statewide publication such as the *State Register*, there is no requirement for publication in the *State Register* itself. Agencies are encouraged to publish grant and loan notices, and to provide financial estimates as well as sufficient time for interested parties to respond.

## Minnesota State Colleges and Universities

### Educational Grants Unit

#### Request for Proposals (RFP) and Notice of Availability of Funds for Nontraditional Training and Employment

Federal funds under the Carl D. Perkins Vocational and Technology Education Act of 1998 are available for implementing activities, related to nontraditional training and employment. **Nontraditional training and employment as defined by the Carl D. Perkins Act refers to “any occupation or field of work in which a gender is represented by less than 25%.”**

Funds in the amount of **\$140,000** have been set-aside to further this programmatic objective. The goal of this competitive grant is to engage secondary and postsecondary institutions in collaborative projects, which will encourage and recruit more students to enter nontraditional careers. External partners to secondary and postsecondary institutions and other organizations engaged in activities related to career exploration, vocational education, and/or placement of individuals in nontraditional careers are encouraged to apply. This grant will give special consideration to new and innovative initiatives, which can be replicated statewide. **The 2004-05 grant period begins July 1, 2004, ending June 30, 2005.**

In order to provide immediate feedback for projects proposed, those interested should submit a letter of Intent to Apply from the authorized administrator or campus president about your proposed project, by May 3, 2004. **The deadline for applying for this grant is June 10, 2004. Any contract executed under this RFP will be dependent upon the amount of funds received from the Carl D. Perkins Federal Grant.**

Frequently Asked Questions are provided on the MnSCU GrantsPlus web site at [www.grantsplus.mnscu.edu](http://www.grantsplus.mnscu.edu) under “Grant Opportunities”. The Request for Proposal may also be accessed on the MnSCU web site at [www.grantsplus.mnscu.edu](http://www.grantsplus.mnscu.edu), by selecting on “Grant Opportunities”.

Proposals and any questions should be submitted to:

Eva Scates-Winston  
Minnesota State Colleges and Universities  
500 World Trade Center  
30 East Seventh Street  
Saint Paul, Minnesota 55101  
**Phone:** (651) 297-3792  
**Fax:** (651) 296-3214

# State Grants & Loans

---

---

## Minnesota State Colleges and Universities

### Educational Grants Unit

#### Request for Proposals (RFP) and Notice of Availability of Funds to Support Vocational Education Services and Activities

Minnesota State Colleges & Universities is authorized to provide, under the auspices of the Carl D. Perkins Vocational and Technical Education Act of 1988, funding to assist Correctional and/or State Institutions serving the disabled with funds to support vocational education services and activities. Currently MnSCU is requesting proposals from Institutions in developing vocational education service and activities. This initiative has two primary goals: (1) To provide assistance to institutions which will assist persons through vocational education services and activities that will upgrade the skills and increase career opportunities in order to increase personal economic self-sufficiency; and (2) To assist in the development of demonstration vocational education services and activities which could be replicated elsewhere in the State.

Funds in the amount of **\$60,000** have been set-aside to further this programmatic objective. MnSCU anticipates making two or three grant awards to interested parties. This request for proposals does not obligate MnSCU to award a contract, and MnSCU reserves the right to cancel the solicitation if it is considered to be in its best interest. Any contract executed under this RFP will be dependent upon the amount of funds received from the Carl D. Perkins Federal Grant.

Attached please find the Perkins III Request for Proposal Application and the Application Review Criteria. This information is also available at [www.GrantsPlus.mnscu.edu](http://www.GrantsPlus.mnscu.edu) and click on "Grant Opportunities". The grant term is effective **July 1, 2004 through June 30, 2005. Applications must be postmarked by June 11, 2004, with an anticipated disbursement date of mid-July 2004. Faxed or e-mailed applications will NOT be accepted.**

The Request for Proposal may also be accessed on the MnSCU web site at [www.grantsplus.mnscu.edu](http://www.grantsplus.mnscu.edu), by selecting on "Grant Opportunities".

Proposals and any questions should be submitted to:

Eva Scates-Winston  
Minnesota State Colleges and Universities  
500 Wells Fargo Place  
30 East Seventh Street  
Saint Paul, Minnesota 55101  
(651) 297-3792  
[eva.scates-winston@so.mnscu.edu](mailto:eva.scates-winston@so.mnscu.edu)

## Department of Human Services

### Notice of Request for Proposals for Alternative Payment for Nursing Facility Services

*1995 Laws of Minnesota*, Chapter 207, Article 7, Section 32 (hereinafter *Minnesota Statutes* Section 256B.434) authorized the Commissioner of the Department of Human Services to establish a contractual alternative payment system as an alternative way to pay for nursing facility services under the Medical Assistance (MA) Program. In order to implement this legislation, the Department established the "Nursing Home Contract Project." The purpose of the Project was to explore a contract-based reimbursement system as an alternative to the current cost-based system for reimbursement of nursing facility services under *Minnesota Statutes* Section 256B.431.

The *2000 Laws of Minnesota*, Chapter 245, Article 3, Section 25 established the authority for the Commissioner to implement a performance-based contracting system to replace the current method of setting operating cost payment rates under sections 256B.431 and 256B.434 and *Minnesota Rules*, parts 9549.0010 to 9549.0080 to be effective July 1, 2001. *2001 First Special Session*, Article 5, Section 35(d) states, Notwithstanding *Minnesota Statutes*, section 256B.435, the commissioner must not implement a performance-based contracting system for nursing facilities prior to July 1, 2003. The commissioner shall continue to reimburse nursing facilities under *Minnesota Statutes*, section 256B.431 or 256B.434, until otherwise directed by law. The commissioner will consider proposals from all nursing facilities that have payment rates established under section 256B.431. The commissioner may develop reasonable requirements which, in the judgment of the commissioner, are necessary to protect residents or ensure that the performance-based contracting system furthers the interests of the state of Minnesota. The nursing facility may be required to negotiate with the State any modifications to the proposal as required by the State to make the terms of the proposal more favorable to the State.



---

---

## State Grants & Loans

The purpose of this RFP is to solicit proposals from eligible nursing facilities to enter into contracts with the Department to provide nursing facility services to MA recipients. Facilities selected to participate in this project will be eligible to contract with the Department for one-year terms.

Requests for copies of the complete RFP, "Alternative Payment for Nursing Facility Services," should be directed to Bev Milotzky at (651) 296-2673. The original and two (2) copies of the proposal in response to the RFP must be submitted to the Nursing Home Contract Project, Department of Human Services, 444 Lafayette Road, St. Paul, Minnesota 55155-3836, no later than 4:00 p.m. on Monday, May 24, 2004.

The State of Minnesota reserves the right to reject any and all proposals submitted.

### State Contracts

**Informal Solicitations:** Informal solicitations for professional/technical (consultant) contracts valued at over \$5,000 through \$50,000, may either be published in the *State Register* or posted on the Department of Administration, Materials Management Division's (MMD) website. Interested vendors are encouraged to monitor the P/T Contract Section of the MMD website at [www.mmd.admin.state.mn.us](http://www.mmd.admin.state.mn.us) for informal solicitation announcements.

**Formal Solicitations:** Department of Administration procedures require that formal solicitations (announcements for contracts with an estimated value over \$50,000) for professional/technical contracts must be published in the *State Register*. Certain quasi-state agency and Minnesota State College and University institutions are exempt from these requirements.

## Administration Department

### Communications Media Division

#### CORRECTION and Subscriptions

Please note that due to an error, our Web site has mistakenly presented the *State Register* with LINKS and other access aids, including those for Contracts and Grants, and the Index. We are sorry for this error. These special features are meant only for subscribers to the E-mail *State Register*. They will no longer be available to viewers of the *State Register* on-line.

Printed (hard) copies of *State Register* will **no longer** be available after Vol. 28, #52. Only subscriptions to E-mail will be available, beginning with Vol. 29, #1 - July 6, 2004. Have the *State Register* E-MAILED to you the afternoon it is published, on Friday.

With an E-mail subscription, you will receive THREE EXTRAS free-of-charge:

- #1 - CONTRACTS & GRANTS - contracts, grants and loans, and non-state contracts.
- #2 - INDEX - growing with each issue of current volume for information you need.
- #3 - LINKS are provided in the above for fast reference and to save you time and effort.

Subscriptions are \$180 for one year, \$80 **less** than the cover price. FAX your credit card information: (651) 297-8260; or send in your check/credit card information to: Minnesota's Bookstore, 660 Olive Street, St. Paul, MN 55155. Or, call (651) 297-8774 and charge your credit card. E-mail: [jessie.rahmeyer@state.mn.us](mailto:jessie.rahmeyer@state.mn.us) for more information.

## Department of Administration

### Notice of Availability of Contract for "State Agency Business Analysis and Recommendation RFP"

The Minnesota Department of Administration is requesting proposals for the purpose of obtaining a contractor to provide a detailed matrix of state business functions and processes performed by agencies. The State is beginning to leverage operations on an enterprise basis for various business and technology efforts. This effort is to identify business performed by Minnesota State Agencies and to identify potential reform activities to gain efficiency and effectiveness.

Work is proposed to start after June 1, 2004.

A complete Request for Proposals will be available by mail from the Office of Technology through May 6, 2004. A **written request (by direct mail or e-mail) is required to receive the Request for Proposal**. After May 6, 2004, the Request for Proposal must be picked up in person.

# State Contracts

---

---

The Request for Proposal can be obtained from:

Keith Payden, State Chief Information Officer  
Department of Administration  
Office of Technology  
450 Centennial Building  
658 Cedar Street  
St. Paul, MN 55155  
e-mail: [Keith.Payden@state.mn.us](mailto:Keith.Payden@state.mn.us)

Proposals submitted in response to the Request for Proposals in this advertisement must be received at the address above no later than May 12, 2004 at 2:00 p.m. **Late proposals will not be considered.** Fax or e-mailed proposals will **NOT** be considered.

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

## Department of Administration

### Notice of Availability of Contract for "State Agency Technology Analysis and Recommendation RFP"

The Minnesota Department of Administration is requesting proposals for the purpose of obtaining a comprehensive assessment of all technology hardware, software, applications, data centers, contracts, licenses, servers, printers, telecommunication equipment and staffing performed by Minnesota State Agencies.

Work is proposed to start after June 1, 2004.

A complete Request Request for Proposals will be available by mail from the Office of Technology through May 6, 2004. A written request (by direct mail or e-mail) is required to receive the Request for Proposal. After May 6, 2004, the Request for Proposal must be picked up in person.

The Request for Proposal can be obtained from:

Keith Payden, State Chief Information Officer  
Department of Administration  
Office of Technology  
450 Centennial Building  
658 Cedar Street  
St. Paul, MN 55155  
e-mail: [Keith.Payden@state.mn.us](mailto:Keith.Payden@state.mn.us)

Proposals submitted in response to the Request for Proposals in this advertisement must be received at the address above no later than May 12, 2004 at 2:00 p.m. **Late proposals will not be considered.** Fax or e-mailed proposals will **NOT** be considered.

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

## Department of Corrections

### Request for Information on Information Security

#### Objective:

The State of Minnesota is interested in understanding and documenting their level of information security risk, establishing a goal for security, as well as measuring the level of information security for the organization. We have the need to develop a comprehensive and strategic security program that ensures risks are minimized and the level of security is appropriate to protect the business requirements.

The State of Minnesota needs to establish a security goal for the organization, quantify the current level of security and program strength, document the appropriate strategy and plan to bridge the identified "security gaps" while minimizing the total cost of security.

The State of Minnesota requires a strong security program designed around a business driven strategy and plan. In many organizations, the issue of information security is pushed down to the information technology organization where a technology infrastructure approach is used to address the issue. Less focus is placed on appropriate and comprehensive security risk management, defaulting to pinpoint technology solutions that address only parts of the problem.

Designing, building, and managing an effective security program is more involved than simply implementing security technologies. Traditional technology oriented security solutions, when implemented in isolation, typically lead to below standard results. A strong security program requires effective coordination of people, process, as well as technology building strong security provides the same challenge as other large development projects.

First, through a measurable process, the State will achieve the goals set by senior management and ensure the security level is reached and maintained. Not only is the security goal reached by implementing a comprehensive information security program, this approach offers additional benefits. Measurement is required for effective security management.

- Measurement enables the establishment of objectives and goals.
- Without measurement, we don't know where we stand, if we are making progress, or when we have reached our goal.
- Measurement enables the development of security program strategies and plans.
- Implicit in the concept of measurement is a standard or unit of measure used for scoring. A standard consistent measurement approach enables comparison of results across organizations.

Standards-based measurement is essential in identifying security gaps and prioritizing security program initiatives. However, gaining a true measure of security program status for an organization can be complex. Managing the complexity involves:

- Understanding the business organization, risks, and infrastructure
- Determining the process, technology, and people associated with security
- Identifying the unique groups or parts of the organization requiring individual security measurements.
- Selecting the most appropriate standard of measurement

The scope of this document and subsequent engagement is to address the Design process.

### **Client Overview:**

The State of Minnesota consists of 133 agencies that employ's approximately 45,000 people. The State has a constituency of 4.5 million citizens. The initial engagement is focused on the critical information technology infrastructure for these agencies: Department of Public Safety, Department of Health, Department of Transportation, Department of Agriculture, Department of Finance, Pollution Control Agency, Department of Administration, Governor's Office, House and Senate.

The State has a strong commitment to providing a cost-effective security service solution by obtaining economies of scale among various state agencies. This commitment creates the need to have a solution that supports multiple agencies, has consistency, is repeatable, and flexible enough to support our customer's needs.

### **Written Responses:**

At this time, the State desires a formal written response. Please give a small definition to the points listed below and how your company addresses those areas. Please also include pricing for the categories.

Security measurement is a new and evolving discipline. One of the fundamental issues is selection of the appropriate "yardstick" as the measurement tool. A number of standards have emerged to assist management in evaluating their security program capability. It points an organization in the right direction toward building an effective security program by measuring the current level of security and program strength, and documenting the appropriate steps toward bridging the identified security gap.

The delivered security-rating module must include these key program design components:

- Measurement of security program strength against a variety of standards (ISO 17799, CobiT, NIST, etc).
- Security gap analysis and recommendations
- Benchmarking against industry peers and prior measurement results
- High-level program strategy and plan

Through the use of this approach, our organization not only receives valuable measurement results, the subscription service provides a basis for measuring and managing the progress of our security initiatives over time and on a reoccurring basis.

- Agencies have the need to develop a comprehensive and strategic security program that ensure risks are minimized and the level of security is appropriate to protect the business requirements.
- The State of Minnesota wants a tool that utilizes a broad set of industry standards in our process. Since agencies face different regulatory and/or standard implications such as ISO 17799, HIPAA, CobiT, GLBA, NIST etc., it becomes advantageous to utilize one process from which to measure each agency's security. It also promotes the "same language" when speaking of security from a State perspective.
- The State of Minnesota needs a web-based online delivery tool. Reports that identify the current level of agency security as compared to the stated security goal are also needed. In addition, the reports need to outline the task associated with elevating the security within the agency.

# State Contracts

---

---

- **Design Process:** This project includes a design engagement which will commence with a discovery session to better determine the specifics of the rating process, identifying agency participants, any customized topics, and a specific timetable. The next step of the process will consist of the **design phase, which will give the agency and/or department a current measure of security, the goal, financial quantification of risks, and a vision for the security at the organization.** The final phase will be the development phase, where the long-term detailed security plan is created, specifically for that particular agency based on all the findings and agency input.

Please discuss the design phase regarding your solution/product/approach, the pricing structure, and an approximate investment of time. This response should incorporate the security requirements for the agency to improve the current security level within these main categories:

- Security Planning
- Security Policy
- Security Management
- Security Infrastructure
- Security Administration
- Security Monitoring
- Physical Security

## Other design activities:

- Security Risk - the perceived level of risk within the agency, the history of security events within the agency, and the areas that are sensitive.
- Architectural Review - review of network architecture.
- Policy Review - review of existing information security policies.
- Physical walk-thru - agency's physical controls and security awareness
- Vulnerability Scanning - a scan that enables the agency to analyze the network for potential security vulnerabilities and take the most appropriate corrective measures.
- War Dialing - is designed to dial telephone numbers and listen for indicators of some type of intelligent device on the other end.
- Social Engineering - identify weaknesses in employee training and security awareness.
- Wireless Testing - networks extended beyond the office but how well are they protected.

## Other:

- Reporting structure
- Reporting available for ISO 17799 Mapping.
- Reporting available for HIPAA Compliance Mapping.

## RFI Submittal Timeline:

Firms interested in providing information to this RFI should submit one (1) original and (2) copies of the written response to:

Greg Dziejewczynski, Director  
InterTechnologies Group/Department of Administration  
Room 510  
658 Cedar Street  
St. Paul, MN 55155

Responses must be received no later than 3:00 PM Central Standard Time on April 23, 2004.

# Minnesota Department of Corrections

## MINNCOR Industries

### Request for Proposals - Graphic Design

#### Project Overview

The Department of Corrections, MINNCOR Industries, provides printing services for a variety of public and state information products.

The lack of state capability in some areas of creation and design, a large workload and the need to meet multiple deadlines require

MINNCOR Industries to contract with outside entities for professional, technical, and creative services, as needed.

Based on the volume of work involved this will be a multiple vendor award.

## Goal

The goal of the contracts will be to provide consultation, creation, production, and delivery of various creative services, as assigned. Contractor provides staff, materials, production facilities and equipment, and pick-up and delivery, as required.

Prospective responders who have any questions regarding this request for proposal (RFP) and desire a complete RFP may contact:

Dale A. Peterson  
MINNCOR Industries  
1450 Energy Park Drive, Suite 110  
St. Paul, MN 55108  
*dapeterson@minncor.com*  
**Telephone:** (651) 603-6703

Other personnel are NOT authorized to discuss this request for proposal with responder, before the proposal submission deadline. Contact regarding this RFP with any personnel not listed above could result in disqualification.

All proposals must be sent to:

MINNCOR Industries  
Dale A. Peterson  
1450 Energy Park Drive, Suite 110  
St. Paul, MN 55108

All proposals must be received not later than 2:30 PM Central Time, May 10, 2004, as indicated by notation made by the receptionist, 1450 Energy Park Drive, Suite 110, St. Paul, MN 55108.

## Department of Finance

### Notice of Request for Proposals for Real Estate Brokers Depository and Lockbox Services

The Minnesota Department of Finance is seeking proposals from financial institutions to establish a banking relationship for the purpose of expediting, processing and collection of various items for the Department of Finance Real Estate Brokers Lockbox account.

To receive a complete Request for Proposal and background information, please call or write:

Susan E. Gurrola  
Treasury Division  
658 Cedar Street - 4th Floor  
St. Paul, MN 55155  
(651) 296-8373  
**email** - [sue.gurrola@state.mn.us](mailto:sue.gurrola@state.mn.us)

**NOTE:** Details concerning submission requirements, including due dates are included in the Request for Proposal. No other personnel are authorized to discuss the project with responder before the submittal of the proposal.

Deadline for submission of the Proposal is no later than **1:00 PM, Tuesday, May 11, 2004.**

## STATE LOTTERY

### Proposals Sought for Auditing Services

The Minnesota State Lottery will issue a Request for Proposal (RFP) on April 19, 2004, for auditing services. The services will focus on the audit of the Lottery's annual financial statements and technical advice and assistance related to the internal controls of the accounting system. A copy of the RFP can be found on the Lottery's special **website:** [www.mnlottery.com/auditrfp/](http://www.mnlottery.com/auditrfp/), or call/write:

Carolyn Ross, Purchasing Manager  
2645 Long Lake Road  
Roseville, MN 55113  
**Phone:** (651) 635-8102  
**Fax:** (651) 635-8188  
**E-Mail:** [carolyn\\_r@mnlottery.com](mailto:carolyn_r@mnlottery.com)

# State Contracts

---

---

## Department of Transportation

### Engineering Services Division

#### Notice of Potential Availability of Contracting Opportunities for a Variety of Highway Related Technical Activities (the "Consultant Pre-Qualification Program")

This document is available in alternative formats for persons with disabilities by calling Robin Valento at (651) 284-3622 for persons who are hearing or speech impaired by calling the Minnesota Relay Service at (800) 627-3529.

Mn/DOT, working in conjunction with the Consultant Reform Committee, the Minnesota Consulting Engineers Council, and the Department of Administration, has developed the Consultant Pre-qualification Program as a new method of consultant selection. The ultimate goal of the Pre-Qualification Program is to streamline the process of contracting for highway related professional/technical services. Mn/DOT anticipates that most consultant contracts for highway-related technical activities will be awarded using this method, however, Mn/DOT also reserves the right to use RFP or other selection processes for particular projects. Nothing in this solicitation requires Mn/DOT to complete or use the Consultant Pre-qualification Program.

Mn/DOT is currently requesting applications from consultants. Refer to Mn/DOT's Consultant Services web site, indicated below, to see which highway related professional/technical services are available at this time. Following the advertisement of a particular category of services, applications will be accepted on a continual basis.

All expenses incurred in responding to this notice will be borne by the responder. Response to this notice becomes public information under the Minnesota Government Data Practices.

Consultant Pre-Qualification Program information, application requirements and application forms are available on Mn/DOT's **web site** at <http://www.dot.state.mn.us/consult>

Send completed application material to:

Robin Valento  
Pre-Qualification Administrator  
Minnesota Department of Transportation  
Consultant Services  
395 John Ireland Boulevard, Seventh Floor North, Mail Stop 680  
St. Paul, MN 55155

**Note: DUE DATE:**

**APPLICATION MATERIAL WILL BE ACCEPTED ON A CONTINUAL BASIS.**

## Department of Transportation

### Engineering Services Division

#### Notice Concerning Professional/Technical Contract Opportunities

**NOTICE TO ALL:** The Minnesota Department of Transportation (Mn/DOT) is now placing additional public notices for professional/technical contract opportunities on Mn/DOT's Consultant Services **website** at: [www.dot.state.mn.us/consult](http://www.dot.state.mn.us/consult).

New public notices may be added to the website on a daily basis and be available for the time period as indicated within the public notice.

## Non-State Contracts & Grants

The *State Register* also serves as a central marketplace for contracts let out on bid by the public sector. The *State Register* meets state and federal guidelines for statewide circulation of public notices. Any tax-supported institution or government jurisdiction may advertise contracts and requests for proposals from the private sector. It is recommended that contracts and RFPs include the following: 1) name of contact person; 2) institution name, address, and telephone number; 3) brief description of project and tasks; 4) cost estimate; and 5) final submission date of completed contract proposal. Allow at least three weeks from publication date (four weeks from date article is submitted for publication). Surveys show that subscribers are interested in hearing about contracts for estimates as low as \$1,000. Contact editor for further details.

### Metropolitan Council

#### Notice of Invitation for Bids (IFB) for the Repair of Process Control Unit Parts for the Metro Wastewater Treatment Plant

##### Reference Number 03P121-A

Bids will be accepted for the Repair of Process Control Unit Parts for the Metro Wastewater Treatment Plant.

<i>Issue Invitation for Bids</i>	<b>April 19, 2004</b>
<i>Bids Due</i>	<b>May 6, 2004</b>
<i>Award Contract</i>	<b>May 2004</b>

All firms interested in submitting bids for this contract and desiring to receive an IFB package are invited to make a request either by e-mail, fax, mail or telephone to:

Sunny Jo Emerson  
Contracts and Procurement Unit  
Metropolitan Council  
230 East Fifth Street  
St. Paul, MN 55101  
**Phone:** (651) 602-1499  
**Fax:** (651) 602-1083  
**E-mail:** [sunnyjo.emerson@metc.state.mn.us](mailto:sunnyjo.emerson@metc.state.mn.us)

*Minnesota Statutes*, Sections 473.144 and 363.073, and *Minnesota Rules*, Parts 5000.3400 to 5000.3600 will be incorporated into any contract based upon the Bid or any modifications to it. If a contract for the project is awarded in excess of \$100,000, the requirements of *Minnesota Rules* 5000.3530 will be applicable.

### Metropolitan Council - Metro Transit

#### Invitation for Bids for 3-Post In-Ground Hoist

The Metropolitan Council is soliciting sealed bids for 3-Post In-Ground Hoist. Bids are due at 2:00 p.m., Wednesday, May 12, 2004. Bids must be submitted accordance with the Invitation for Bids document available from:

Metropolitan Council  
Metro Transit Purchasing Department  
515 N. Cleveland Avenue  
St. Paul, MN 55114  
(612) 349-5070

### Ramsey-Washington Metro Watershed District

#### Notice of Request for Proposals for Development Management Services

The RWMWD is requesting proposals for Development Management Services to assist the District with the planning, design and construction of a District Office Building. The estimated value of this proposal is \$50,000 to \$150,000 and the expected term is about 18 months.

# Non-State Contracts & Grants

---

---

***This Request for Proposals is issued:***

**April 14, 2004**

***Proposal Deadline:***

**Noon, April 30, 2004**

***Contract Award:***

**June, 2004**

All firms interested in being considered for this project and desiring to receive a RFP package are invited to call, email or write to:

Cliff Aichinger, Administrator  
Ramsey-Washington Metro Watershed District  
2346 Helen St.  
No. St. Paul, MN 55109  
**Phone:** (651) 704-2089  
**Email:** [cliff@rwmwd.org](mailto:cliff@rwmwd.org)

## University of Minnesota

### Notice of Bid Information Service (BIS) Available for All Potential Vendors

The University of Minnesota offers 24 hour/day, 7 day/week access to all Request for Bids/Proposals through its web based Bid Information Services (BIS). Subscriptions to BIS are \$75/year. Visit our web site at [bidinfo.umn.edu](http://bidinfo.umn.edu) or call the BIS Coordinator at (612) 625-5534.

Requests for Bids/Proposals are available to the public at no charge each business day from 8:00 a.m. to 4:30 p.m. in the Purchasing Services lobby, Suite 560, 1300 S. 2nd Street, Mpls., MN 55454.

## University of Minnesota

### Request for Information (RFI #1008) for Transportation Technical Assistance Services to Assist with the Delivery of the Minnesota Local Technical Assistance Program (MN LTAP) Center for Transportation Studies, University of Minnesota

The Center for Transportation Studies at the University of Minnesota is seeking qualified vendors to provide professional services. Qualified vendors will be considered who have:

- Strong understanding of Minnesota's transportation agencies specifically State, City and County agencies.
- At least a bachelors degree in civil engineering (a minimum of 10 years experience in transportation-related organizations or in working with engineering-related topics)
- Experience in managing multiple projects and working with technical subject matter; involvement in defining technical information needs and developing technical information resources.
- Ability to facilitate collaborative relationships with multiple organizations; excellent interpersonal, oral, and written communication skills.
- Verifiable technical skills.
- Returned the information requested (hardcopy, not e-mail) requested in the RFI.

For a free copy of the full RFI (#1008) or more information, please contact:

Jim Grothaus or Mindy Jones  
Center for Transportation Studies  
200 Transportation and Safety Building  
511 Washington Ave. S.E.  
Minneapolis, MN  
**Phone:** (612) 626-1077

**E-mail:** [jgrothaus@cts.umn.edu](mailto:jgrothaus@cts.umn.edu) or [jones154@cts.umn.edu](mailto:jones154@cts.umn.edu)

Initial submission deadline for proposals is 4:00 p.m. April 22, 2004.

Final submission deadline for proposals is 4:00 p.m. April 23, 2005.





SHOPPING CART

MAILING LIST SERVICE

STATE REGISTER

GENERAL INTEREST

GOVERNMENT & BUSINESS

STATE AGENCY GUIDEBOOK

MAPS

CATALOGS **NEW**

CONTACT US

FIND US/ABOUT US

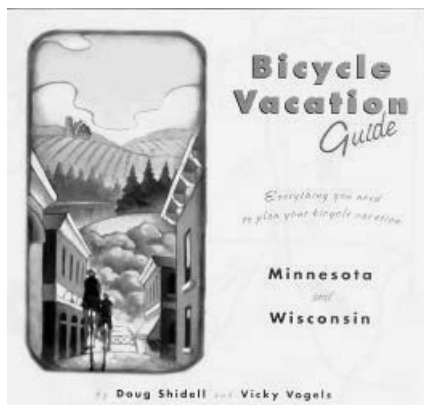
HELP

ORDER FORM

Search

GO!

## Bicycle Vacation Guide



A guide to bike-touring Minnesota and Wisconsin. Includes 43 color maps designating 18 back roads and rail trails PLUS reviews on places to stay and eat, things to do on the way and special events. Key phone numbers and web sites are also listed for further information.

**Stock Number:** 12-34

**Price:** 16.95

**Publisher:** American Bike Trails

**Year:** 2001

**Pages:** 151

[Add to Cart](#)

