

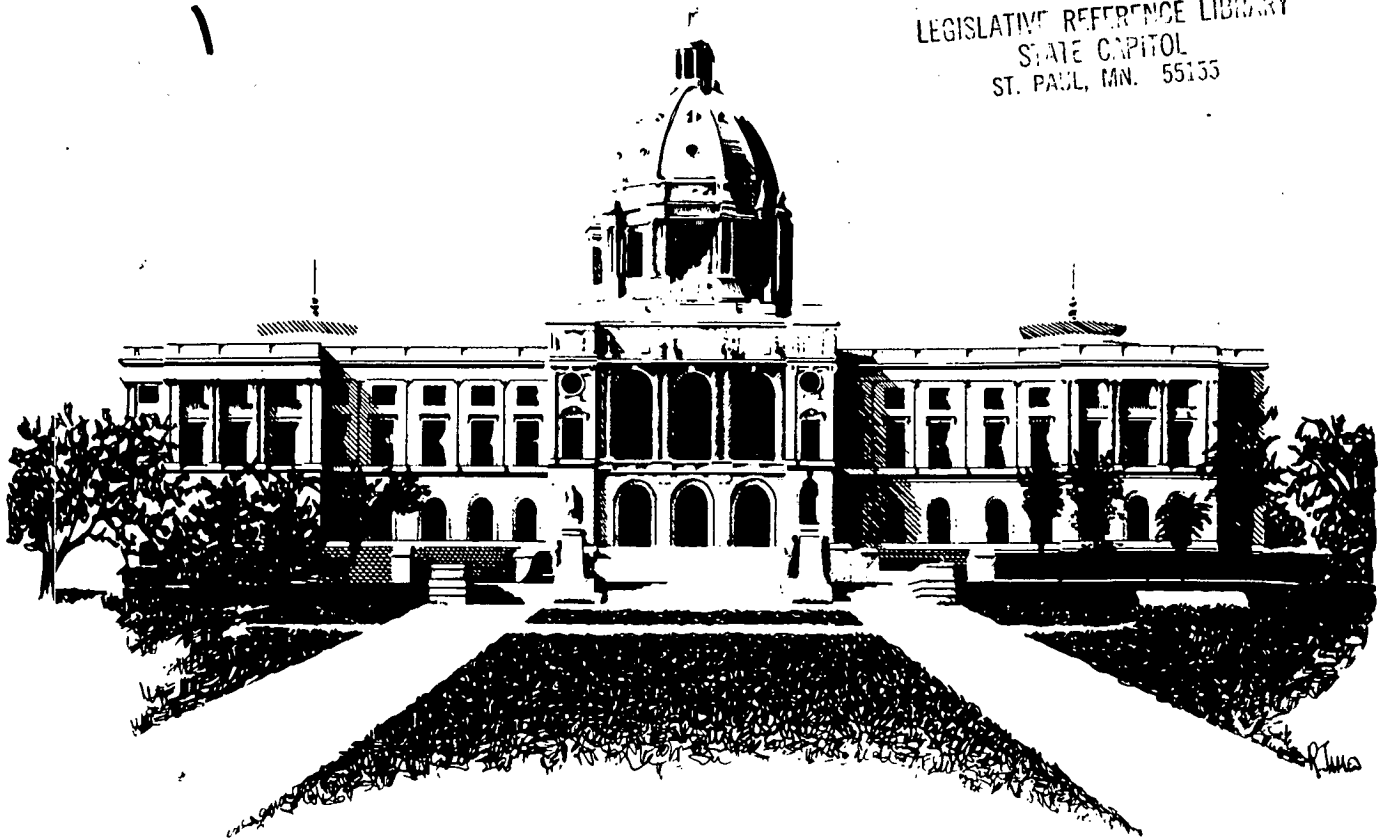
85, Feb 18

# STATE REGISTER

STATE OF MINNESOTA

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**VOLUME 9, NUMBER 34**

**February 18, 1985**

**Pages 1839-1918**



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### Printing Schedule for Agencies

Issue Number	*Submission deadline for Executive Orders, Adopted Rules and **Proposed Rules	*Submission deadline for State Contract Notices and other **Official Notices	Issue Date
SCHEDULE FOR VOLUME 9			
35	Monday Feb 11	Friday Feb 22	Monday Feb 25
36	Friday Feb 22	Monday Feb 25	Monday Mar 4
37	Monday Feb 25	Monday Mar 4	Monday Mar 11
38	Monday Mar 4	Monday Mar 11	Monday Mar 18

\*Deadline extensions may be possible at the editor's discretion; however, none will be made beyond the second Wednesday (12 calendar days) preceding the issue date for rules, proposed rules and executive orders, or beyond the Wednesday (5 calendar days) preceding the issue date for official notices. Requests for deadline extensions should be made only in valid emergency situations.

\*\*Notices of public hearings on proposed rules and notices of intent to adopt rules without a public hearing are published in the Proposed Rules section and must be submitted two weeks prior to the issue date.

Instructions for submission of documents may be obtained from the Office of the State Register, 506 Rice Street, St. Paul, Minnesota 55103, (612) 296-0930.

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The *State Register* is the official publication of the State of Minnesota, containing executive orders of the governor, proposed and adopted rules of state agencies, and official notices to the public. Judicial notice shall be taken of material published in the *State Register*.

---

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State agencies must publish notice of their rulemaking action in the *State Register*. If an agency seeks outside opinion before promulgating new rules or rule amendments, it must publish a NOTICE OF INTENT TO SOLICIT OUTSIDE OPINION also.

#### The PROPOSED RULES section contains:

- Calendar of public hearings on proposed rules.
- Proposed new rules (including notice of hearing and/or notice of intent to adopt rules without a hearing).
- Proposed amendments to rules already in existence in the Minnesota Rules.
- Proposed emergency rules.
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#### The ADOPTED RULES section contains:

- Notice of adoption of new rules and rule amendments adopted without change from the previously published proposed rules. (Unchanged adopted rules are not republished in full in the *State Register* unless an agency requests this.)
- Adopted amendments to new rules or rule amendments (adopted changes from the previously published proposed rules).
- Notice of adoption of emergency rules.
- Adopted amendments to emergency rules (changes made since the proposed version was published).
- Extensions of emergency rules beyond their original effective date.

#### The OFFICIAL NOTICES section includes (but is not limited to):

- Notice of intent to solicit outside opinion before promulgating rules.
- Additional hearings on proposed rules not listed in original proposed rules calendar.

ALL ADOPTED RULES and ADOPTED AMENDMENTS TO EXISTING RULES published in the *State Register* and filed with the Secretary of State before July 31, 1983 are published in the *Minnesota Rules 1983*. ADOPTED RULES and ADOPTED AMENDMENTS TO EXISTING RULES filed after July 31, 1983 will be included in a supplement scheduled for publication in mid-1984. Proposed and adopted EMERGENCY (formerly called TEMPORARY) RULES appear in the *State Register* but are generally not published in the *Minnesota Rules 1983* due to the short-term nature of their legal effectiveness. Those that are long-term may be published.

The *State Register* publishes partial and cumulative listings of rule in the MINNESOTA RULES AMENDMENTS AND ADDITIONS list on the following schedule:

Issues 1-13, inclusive	Issue 39, cumulative for 1-39
Issues 14-25, inclusive	Issues 40-51, inclusive
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# EXECUTIVE ORDERS

## Emergency Executive Order No. 85-4

### Providing for Assistance to Officials of Polk County, Minnesota

I, RUDY PERPICH, GOVERNOR OF THE STATE OF MINNESOTA, by virtue of the authority vested in me by the Constitution and the applicable statutes, do hereby issue this Executive Order:

WHEREAS, the Sheriff of Polk County has requested assistance in the search for and rescue of stalled and marooned motorists throughout the County of Polk; and

WHEREAS, severe blizzard conditions caused highway travel to be hazardous and beyond the capabilities of local rescue resources:

NOW, THEREFORE, I order:

1. The Adjutant General of Minnesota to order to active duty on or after January 24, 1985, in service of the State, such elements and equipment of the military forces of the State as required and for such period of time necessary to insure the safety of our citizens.

2. Cost of subsistence, transportation, fuel, and pay and allowances of said individuals shall be defrayed from the general fund of the State as provided for by Minnesota Statutes, Section 192.49, Subdivision 1, Section 192.51 and Section 192.52.

Pursuant to Minnesota Statutes, Section 4.035, this Emergency Order shall be effective retroactive to January 24, 1985, and shall remain in effect until such date as elements of the military forces of the State are no longer required.

IN TESTIMONY WHEREOF I have set my hand this 29th day of January, 1985.



## Executive Order No. 85-5

### Providing for a Declaration of Economic Emergency and Appointing a Commission

I, RUDY PERPICH, GOVERNOR OF THE STATE OF MINNESOTA, by virtue of the authority vested in me by the Constitution and applicable statutes, do hereby issue this Executive Order:

WHEREAS, the economy of the state of Minnesota has shown a remarkable recovery from the economic recessions of recent years; and

WHEREAS, this recovery has not been uniform throughout the state, and some counties continue to experience high unemployment and severe economic distress; and

WHEREAS, agricultural sectors of the state are suffering from a nationwide decline in commodity prices and other problems; and

WHEREAS, state government can play a role in helping to relieve these problems and this distress.

NOW, THEREFORE, I ORDER:

1. A state of economic emergency shall be deemed to exist in those counties in Minnesota where:
  - a. unemployment exceeds 8% for the entire workforce, or:

- b. the principal occupation of more than 10% of the working population is agriculture.

For purposes of this Order, the Director of the State Planning Agency shall certify to me, based upon the most recent available information, the counties included in this definition.

2. There is created an Economic Crisis Commission to advise me and members of the Legislature on the matters specified in paragraph 3 of this Order. The Commission shall consist of representation from the public and private sectors in Minnesota including members of the Legislature. Members shall represent affected geographical areas of the state and affected financial institutions, labor organizations, higher education institutions and individuals.

3. The Commission shall provide for me and the members of the Legislature, within 30 days of the execution of this Order, recommendations for the most effective utilization of available state resources to help meet the economic needs of persons and businesses in the affected areas of the state. For purposes of this Order, available resources shall include moneys and other resources available for expenditure in fiscal year 1985 and moneys and resources identified for expenditure in the Administration's proposed fiscal 1986-87 budget. In analyzing available resources, the Commission shall consider, but shall not be limited to considering, the following:

1. available emergency funding sources such as the General Contingent Account and Executive Council funds
2. remaining MEED, JTPA and other "jobs" funds
3. higher education program funds such as the Agricultural Extension
4. anticipated funds available for expenditure by the 1985 session of the Legislature
5. programs administered by the Department of Energy and Economic Development
6. funds administered by the Iron Range Resources and Rehabilitation Board
7. special state/federal and state/local sources such as housing, UDAG, SBA, EDA and FmHA funds

The Commission shall recommend how these and other resources should be allocated to help affected persons and businesses located in the counties identified pursuant to paragraph 1 of this Order. In addition, the Commission shall prepare an implementation schedule for the allocation of these resources.

4. In respect to the needs of Minnesota agriculture, the Commission shall review and give its advice on pending proposals to employ state funds to help underwrite the costs of farm operating loans. The Commission shall recommend state actions that should be taken in respect to anticipated foreclosures of mortgages on Minnesota farms, and shall consider how best to target aid to those Minnesota farmers who can best benefit from state assistance programs.

5. In making its recommendations on the utilization of resources, the Commission shall recognize and accommodate the need to preserve resources to assist unemployed or impoverished persons who do not reside in the counties affected by this order.

6. There is also created an Economic Crisis Working Group consisting of the heads of the following state agencies to advise, provide staff support to, and otherwise assist the Commission:

- a. State Planning Agency
- b. Department of Energy and Economic Development
- c. Department of Agriculture
- d. Department of Finance
- e. Department of Human Services

## EXECUTIVE ORDERS

- f. Department of Economic Security
- g. Department of Natural Resources
- h. Iron Range Resources and Rehabilitation Board
- i. Housing Finance Agency
- j. Minnesota Emergency Employment Development Office

Pursuant to Minnesota Statutes, Section 4.035, this Order shall be effective fifteen (15) days after publication in the *State Register* and filing with the Secretary of State and shall remain in effect until July 1, 1985.

IN TESTIMONY WHEREOF, I have set my hand this 29th day of January, 1985.



### PROPOSED RULES

Pursuant to Minn. Stat. of 1982, §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if the modifications are supported by the data and views submitted.

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*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

### Department of Economic Security

#### Proposed Rules Relating to Vocational Rehabilitation; Sheltered Workshops Certification and Funding

##### Notice of Hearing

Notice is hereby given that a public hearing will be held pursuant to Minnesota Statutes, § 14.14, subdivision 1, in the above-entitled matter in Conference Room D, Fifth floor, Veterans Service Building, 20 West 12th Street, St. Paul, Minnesota on March 12th 1985, commencing at 9:00 a.m. and continuing until all persons or representatives of associations or other interested groups have had an opportunity to be heard concerning adoption of the proposed rules captioned above by submitting either oral or written data, statements, or arguments. Statements or briefs may be submitted without appearing at the hearing. The proposed rules may be modified as a result of the hearing process, therefore, all interested parties are encouraged to attend.

Following the Department's presentation at the hearing, all interested or affected parties will have an opportunity to participate by asking questions and making comments. Statements may be made orally and written material may be submitted. In addition, whether or not appearance is made at the hearing, written statements or material may be submitted to Peter C. Erickson, Administrative Law Judge, Office of Administrative Hearings, 4th floor Summit Bank Building, 310 Fourth Avenue South,

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## PROPOSED RULES

Minneapolis 55415, Telephone Number 612/341-7606 before the hearing or within five working days after the hearing ends. This 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.

The rule hearing procedure is governed by Minnesota Statutes, §§ 14.02, 14.04 to 14.365, 14.38, 14.44 to 14.45, and 14.48 to 14.56, and by Minnesota Rules, parts 1400.0200 to 1400.1200. Questions about the hearing procedure may be directed to the Administrative Law Judge at the Office of Administrative Hearings.

The adoption of the rules is authorized by Minnesota Statutes § 129A.08, Subdivision 4, as amended by Minnesota Laws 1984, Chapter 627, Section 2, which requires the Department to establish certification and eligibility criteria, set fees and establish evaluation criteria for all Long Term Sheltered Workshops. A copy of the proposed rules is attached to this notice and at least one free copy may be obtained by writing and calling:

Roger Sorbel  
Minnesota Department of Economic Security  
Division of Vocational Rehabilitation  
444 Lafayette Road  
St. Paul, MN 55101  
612/297-3754

Additional copies of the rules will be available at the door on the date of the hearing.

Parts 3300.2150 and 3300.2250 establish the criteria and procedure for the certification of work activity, long-term employment or community base employment programs offered by entities engaged in or seeking to engage in such extended employment programs. The purpose of this certification is to ensure that all extended employment programs meet minimum requirements for operation.

Standards are also established allocating state funding of extended employment programs. The allocation of state funds will depend on an evaluation of program effectiveness. Criteria for the evaluation is established in part 3300.2350.

Part 3300.2750 provides for the withdrawal of allocated funds by the commissioner and establishes an appeal process.

Notice is hereby given that a Statement of Need and Reasonableness is available for review at the Department and will be available 25 days prior to the hearing at the Office of Administrative Hearings. This Statement of Need and Reasonableness will include a summary of all the evidence and argument which the Department anticipates presenting at the hearing justifying both the need for and the reasonableness of the proposed rules. Copies of the Statement of Need and Reasonableness may also be obtained from the Office of Administrative Hearings at a minimal charge.

The Administrative Law Judge shall allow the Department three working days after the close of the hearing record to respond in writing to any new information submitted. During the three day period, the Department may indicate in writing whether there are any amendments suggested by other persons which the Department is willing to adopt. Additional evidence may not be submitted during the three day period. The written responses shall be added to the rulemaking record.

Notice: Any person may request notification of the date on which the Administrative Law Judge's Report will be available, after which date the Department may not take any final action on the rules for a period of five working days. Any person may request notification of the date on which the rulemaking record has been submitted (or resubmitted) to the Administration Division of the Office of the Attorney General by the Department. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Administrative Law Judge (in the case of the Administrative Law Judge's Report), or to the Department (in the case of the Department's submission or resubmission of the rulemaking record to the Attorney General).

Minnesota Statutes, chapter 10A, requires each lobbyist to register with the State Ethical Practices Board within five days after s/he commences lobbying. A lobbyist is defined in Minnesota Statutes, § 10A.01, subdivision 11, as any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than \$250, not including her/his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than \$250, not including her/his own traveling expenses and membership dues, in any year for the purpose

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of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials. The statute provides certain exceptions. Questions should be directed to:

Ethical Practices Board  
41 State Office Building  
St. Paul, MN 55155  
Telephone: (612) 296-5615

Long-term Sheltered Workshops are small businesses as defined in Minnesota Statutes § 14.115(1). Discussions of the methods considered by the Department pursuant to Minnesota Statutes § 14.115(2), to reduce the impact of the proposed rules on small business were considered by the Department. A discussion of these methods can be found in the Statement of Need and Reasonableness.

Barbara Beerhalter  
Commissioner,  
Department of Economic Security

### Rules as Proposed (all new material)

#### SHELTERED WORKSHOPS

##### 3300.1950 SCOPE AND PURPOSE.

Parts 3300.1950 to 3300.3050 govern the provision of extended employment programs by long-term sheltered workshops as defined in Minnesota Statutes, chapter 129A. The purpose of extended employment programs is to maximize the vocational potential of individuals with disabilities by providing appropriate paid work through establishing the most enabling environment.

##### 3300.2050 DEFINITIONS.

**Subpart 1. Scope.** When used in parts 3300.1950 to 3300.3050, the terms defined in this part have the meanings given them.

**Subp. 2. Average daily attendance.** "Average daily attendance" means a calculation in a reporting period for the extended employment program in which the sum of the number of days each participant is provided with training, paid work, or placement opportunities in the program, including paid vacation, holidays, sick leave, and other paid leave, is divided by the number of available program days. The number of hours of participation in the program for each participant must be at least two hours per day. The mathematical formula is represented as follows:

$$\frac{\text{Sum of the number of days in attendance in program}}{\text{Number of available program days}} = \text{Average daily attendance}$$

**Subp. 3. Commissioner.** "Commissioner" means the commissioner of the Minnesota Department of Economic Security.

**Subp. 4. Community based employment program.** "Community based employment program" means a program providing paid work and other services in a position removed from a long-term sheltered workshop site, which:

A. is paid at a rate equal to or greater than the state or federal minimum wage, whichever is appropriate, or at a lesser rate of pay according to a certificate issued under Code of Federal Regulations, title 29, sections 524.1 to 524.13 or other federal regulations providing for exemption from federal minimum wage requirements;

B. is subsidized for training purposes by public funds or is expected to provide the support services necessary to assure continued work;

C. is full time, unless work of less than 30 hours per week is determined to be appropriate due to the availability of work opportunities, or other individual circumstances;

D. has nondisabled individuals as the working peers of the sheltered employee;

E. can reasonably be expected to allow the sheltered employee to develop his or her vocational potential; and

F. is under the supervision of the long-term sheltered workshop.

**Subp. 5. Competitive employment.** "Competitive employment" means employment in a position which:

A. is paid at a rate equal to or greater than the state or federal minimum wage, whichever is applicable;

B. is not subsidized for training purposes by public funds, excluding any state or federal tax credits available for increasing employment among specified groups;

C. is full time, unless employment of less than 30 hours per week is determined to be appropriate because of the availability of positions in which the sheltered employee can be employed or other individual circumstances;

D. can reasonably be expected to be available on a permanent basis or can reasonably be expected to be followed by employment in positions not subsidized for training purposes by public funds;

E. has nondisabled individuals as the working peers of the sheltered employee; and

F. can reasonably be expected to allow the sheltered employee to develop his or her vocational potential.

**Subp. 6. Disability adjusted average earnings factor.** "Disability adjusted average earnings factor" means an average wage calculation adjusted for disability for the extended employment program in which the numerator is the sum of the products which result from multiplying each participant's disability index by each participant's total wages in the reporting period and in which the denominator is the total number of hours worked in the reporting period by the program population. The mathematical formula for the wage calculation is represented as follows:

$$\frac{\begin{array}{l} \text{Sum of total wages in the} \\ \text{reporting period for each} \\ \text{program participant} \\ \text{multiplied by that} \\ \text{participant's disability} \\ \text{index} \end{array}}{\begin{array}{l} \text{Total number of hours} \\ \text{worked by the program} \\ \text{population in the} \\ \text{reporting period} \end{array}} = \begin{array}{l} \text{Disability adjusted} \\ \text{average earnings} \\ \text{factor} \end{array}$$

**Subp. 7. Disability index.** "Disability index" means an index developed by the commissioner to measure the effect that disability levels and disability types have on sheltered employees in achieving their vocational potential.

**Subp. 8. Disability levels and disability types.** "Disability levels and disability types" means the varieties of disabling conditions affecting sheltered employees.

**Subp. 9. Economic conditions.** "Economic conditions" means those economic and geographic factors which are determined by the commissioner to affect long-term sheltered workshops in providing placement opportunities, paying wages, and furnishing other services to sheltered employees.

**Subp. 10. Extended employment programs.** "Extended employment programs" means programs providing paid work and other services as a step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market, or during such time as employment opportunities for them in the competitive labor market do not exist. Extended employment programs are the following:

- A. long-term employment program as defined in subpart 14;
- B. work activity program as defined in subpart 33;
- C. work component program as defined in subpart 34;
- D. community-based employment program as defined in subpart 4.

**Subp. 11. Full-time employment.** "Full-time employment" means employment for an average of 30 hours per week or more in a community-based employment program or in competitive employment.

**Subp. 12. Fundamental personnel benefits.** "Fundamental personnel benefits" means benefits for vacation, sick leave, holiday, military leave, maternity leave, jury duty, overtime pay, voting time, social security, and workers' compensation provided to participants on a proportional basis as provided to the nonexempt, full-time staff of the long-term sheltered workshop. "Nonexempt" has the meaning given it in the federal Fair Labor Standards Act of 1938, as amended. However, in no event shall the participants be provided annually with less than five days of paid vacation, five days of paid sick leave, and five paid holidays.

**Subp. 13. Grievance.** "Grievance" means a claim or complaint brought by a participant or representative of the participant involving the interpretation or application of written personnel policies or other written expression of the terms and conditions of employment.

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**Subp. 14. Long-term employment program.** "Long-term employment program" means a program which provides paid work and other services on the premises of a long-term sheltered workshop.

**Subp. 15. Long-term sheltered workshop.** "Long-term sheltered workshop" means any entity as defined in Minnesota Statutes, section 129A.01, paragraph (e), that provides one of the extended employment programs listed in subpart 9 and that is operated by a city, town, county, nonprofit organization, or any combination of these.

**Subp. 16. Negotiated hours.** "Negotiated hours" means the average number of hours per week of competitive employment or work in a community-based employment program anticipated after placement of a sheltered employee.

**Subp. 17. Number of hours worked.** "Number of hours worked" means the hours for which a sheltered employee receives pay for performing work.

**Subp. 18. Opportunities for sheltered employees to participate in decisions affecting their employment.** "Opportunities for sheltered employees to participate in decisions affecting their employment" means organized activities sponsored by the long-term sheltered workshop to encourage sheltered employees' participation in decisions affecting their employment and may include, but are not limited to, the following:

- A. sheltered employee representation on safety committees in long-term sheltered workshops;
- B. regular meetings where sheltered employees may discuss with staff matters of concern affecting their employment;
- C. sheltered employee representation on the boards of directors of the long-term sheltered workshops;
- D. periodic consultation with sheltered employees' representatives at management staff meetings; or
- E. suggestion boxes.

**Subp. 19. Participant.** "Participant" means a sheltered employee enrolled in a specified extended employment program.

**Subp. 20. Percentage of participants with severe disabilities above the mean.** "Percentage of participants with severe disabilities above the mean" means a rate derived from a calculation for the extended employment program in which the numerator is the number of participants in the program during the reporting period whose disability indexes are higher than the mean disability index on a state-wide basis and in which the denominator is the program population during the reporting period. The mathematical calculation is represented as follows:

$$\frac{\begin{array}{l} \text{Number of participants in} \\ \text{each program population} \\ \text{in the reporting period with} \\ \text{a disability index higher than} \\ \text{the state-wide mean disability} \\ \text{index at the end of the previous} \\ \text{reporting period} \end{array}}{\begin{array}{l} \text{The program population in} \\ \text{the reporting period} \end{array}} = \begin{array}{l} \text{Percentage of} \\ \text{participants} \\ \text{with severe} \\ \text{disabilities} \\ \text{above the mean} \end{array}$$

**Subp. 21. Placement.** "Placement" means an offer by an employer and acceptance by a sheltered employee of either competitive employment or work in a community-based employment program after a written plan has been developed which specifies the number of hours per week of negotiated employment and the provision of those support services and standby services reasonably expected to assure continued employment or work.

**Subp. 22. Potentially available for community-based employment.** "Potentially available for community-based employment" means the maximum number of hours the program population could have worked in a community-based employment program in a reporting period. Participants not considered potentially available for community-based employment are those described in part 3300.2550, subpart 3. The maximum number of hours is derived by multiplying 30 hours per week by the number of weeks, including portions of weeks, each program participant in a reporting period was enrolled in the extended employment program, including participation in a community-based employment program. The mathematical formula for the calculation is represented as follows:

$$\begin{array}{l} 30 \text{ hours} \\ \text{per week} \end{array} \times \begin{array}{l} \text{number of weeks} \\ \text{in extended} \\ \text{employment program} \\ \text{from date of} \\ \text{entry for each} \\ \text{program participant} \end{array} = \begin{array}{l} \text{Potentially available} \\ \text{for community-based} \\ \text{employment} \end{array}$$



**Subp. 23. Program days.** "Program days" means the days during a reporting period in which the extended employment program is operating and is offering training, paid work, and placement opportunities to participants in the program.

**Subp. 24. Program efficiency.** "Program efficiency" means three cost per hour rates which have been calculated in formulas A, B, and C for the extended employment program. The first calculation (formula A) has as its numerator the state funding for the program in the reporting period and has as its denominator the sum of the participants' number of hours worked in the reporting period. The second calculation (formula B) has as its numerator the state funding for the program in the reporting period and has as its denominator the sum of the service hours provided to participants in the reporting period. The third calculation (formula C) has as its numerator the state funding for the program in the reporting period and has as its denominator the combined sum of participants' number of hours worked and service hours provided to participants in the reporting period.

A. Formula A is as follows:

State funding for the program  
in the reporting period

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Sum of the number of hours  
worked by participants in the  
reporting period

B. Formula B is as follows:

State funding for the program  
in the reporting period

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Sum of the service hours  
provided to participants in  
the reporting period

C. Formula C is as follows:

State funding for the program  
in the reporting period

---

Sum of the number of hours  
worked by participants and  
service hours provided to  
participants in the reporting  
period

**Subp. 25. Program population.** "Program population" means all participants enrolled in each extended employment program for which the extended employment program has primary responsibility for training, paid work, and placement.

**Subp. 26. Rate of placement in community-based employment.** "Rate of placement in community-based employment" means a rate derived from a calculation for the long-term employment, work activity, and work component programs in which the numerator is the sum of the products which result from multiplying the number of hours per week each participant in the program worked in community-based employment in the reporting period by the disability index for each participant and which has as its denominator the sum of the total number of hours the participants in the program were potentially available for community-based employment in the reporting period. The mathematical formula for the calculation is represented as follows:

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$$\frac{\text{Sum of the number of hours worked by each participant in community based employment in the reporting period multiplied by the disability index for each participant}}{\text{Sum of the total number of hours all participants in each program population were potentially available for community-based employment in the reporting period}} = \text{Rate of placement in community-based employment}$$

**Subp. 27. Rate of placement in competitive employment.** "Rate of placement in competitive employment" means a rate derived from a calculation for the extended employment program in which the numerator is the sum of the products which result from multiplying the disability index for each participant by the quotient obtained when the number of negotiated hours each participant in the program is expected to be employed in competitive employment in the reporting period is divided by 30 hours and in which the denominator is the average daily attendance of the program in the reporting period. Participants not counted in the average daily attendance are described at part 3300.2550, subpart 1. The mathematical formula for the calculation is represented as follows:

$$\frac{\text{Sum of negotiated hours for each program participant in competitive employment in the reporting period divided by 30 multiplied by the disability index for each participant}}{\text{Average daily attendance of the program in the reporting period}} = \text{Rate of placement in competitive employment}$$

**Subp. 28. Rate of retention in competitive employment.** "Rate of retention in competitive employment" means the sum of two rates which have been calculated in formulas D and E for the extended employment program. The first calculation (formula D) has as its numerator the sum of the disability indexes for all participants in the program placed in competitive employment during a 12-month period beginning six months prior to the reporting period and continuing through the first six months of the reporting period, provided that the participants were competitively employed six months after placement and had not returned to the program during that six-month period for training purposes. The first calculation has as its denominator the total number of participants in the program placed in competitive employment during the same 12-month period. The second calculation (formula E) has as its numerator the sum of the disability indexes for all participants in the program who were reported in the previous reporting period as having been competitively employed six months after placement and who were still competitively employed 18 months after placement, provided that the participants had not returned to the long-term sheltered workshop for training purposes during the 18-month period. The second calculation has as its denominator the total number of participants in the program reported as competitively employed after six months in the previous reporting period.

A. Formula D is as follows:

$$\frac{\begin{array}{l} \text{Sum of disability indexes} \\ \text{for all participants placed} \\ \text{in competitive employment} \\ \text{during a 12-month period} \\ \text{beginning six months prior} \\ \text{to the reporting period and} \\ \text{continuing through the first} \\ \text{six months of the reporting} \\ \text{period who are employed} \\ \text{competitively six months} \\ \text{after placement and} \\ \text{have not returned to} \\ \text{the workshop for} \\ \text{training purposes during} \\ \text{that period} \end{array}}{\begin{array}{l} \text{Total number of} \\ \text{participants placed in} \\ \text{competitive employment} \\ \text{during the same 12-month} \end{array}} = \begin{array}{l} \text{Rate of retention} \\ \text{in competitive} \\ \text{employment} \end{array}$$

J. hours in social skill training.

**Subp. 31. Sheltered employee.** "Sheltered employee" means an individual with severe physical, mental, emotional, and behavioral disabilities working for pay while participating in any extended employment program offered through a long-term sheltered workshop.

**Subp. 32. Sheltered employee productivity.** "Sheltered employee productivity" means the extent to which a sheltered employee is using his or her own current capacity for work in an extended employment program.

**Subp. 33. Work activity program.** "Work activity program" means a program within the meaning of Minnesota Statutes, section 129A.01, paragraph (f) and in compliance with the goals and objectives of state and federal law, including the federal Fair Labor Standards Act of 1938, as amended, which provides paid work and other services and which permits a level of production below that required for a long-term employment program.

**Subp. 34. Work component program.** "Work component program" means a cooperative effort agreed to between a long-term sheltered workshop for a long-term employment or work activity program and a developmental achievement center licensed by the Minnesota Department of Human Services or other facility to provide a work activity program on a limited scale designed so that the primary responsibility over vocational outcomes will be vested in the long-term employment or work activity program.

### **3300.2150 CERTIFICATION REQUIREMENTS.**

**Subpart 1. Scope.** The requirements in this part govern the operation of any extended employment program engaged in, or seeking to engage in, the extended employment programs listed in part 3300.2050, subpart 10. Program certification is required before the commissioner may provide funding for an extended employment program.

**Subp. 2. Requirements.** Requirements for program certification include the following:

A. The membership of the long-term sheltered workshop's governing body must comply with the requirements of Minnesota Statutes, section 129A.07.

B. Accreditation by a national accrediting body for rehabilitation facilities must be acquired and maintained by a long-term sheltered workshop for an extended employment program to be certified. The accrediting body must have been approved by the commissioner.

C. Each long-term sheltered workshop must have a risk protection program adequate to preserve its assets and to compensate its staff, volunteers, sheltered employees, and the public for reasonable claims for which the entity is liable.

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D. Where fundraising activities are undertaken by a long-term sheltered workshop, the activities must conform to all requirements of state law.

E. When a work component program takes place in a developmental achievement center, the developmental achievement center must be licensed by the Minnesota Department of Human Services. When a work component program takes place in another type of facility the facility must meet applicable licensing or regulatory requirements.

F. Each long-term sheltered workshop must comply with the Employee Right to Know Act of 1983 (Laws of Minnesota 1983, chapter 316), all applicable regulations of the State Fire Marshal's Office, and chapter 55 of the Minnesota Uniform Building Code.

G. Each long-term sheltered workshop or extended employment program must comply with all applicable regulations of the Minnesota Department of Labor and Industry and the United States Department of Labor.

H. Each extended employment program must be in compliance with the requirements of other applicable state law including, but not limited to, the following:

- (1) Minnesota Human Rights Act (Minnesota Statutes, chapter 363); and
- (2) Vulnerable Adults Act (Minnesota Statutes, section 626.557).

I. Eligibility for extended employment programs must be established by long-term sheltered workshops using appropriate standards and criteria. The standards and criteria must be in writing and be made available to the public. The standards and criteria by which individuals with severe disabilities are to be determined eligible for participation in each program must include, but not be limited to, the following:

(1) assurances that individuals with severe disabilities, including those with severe behavioral disabilities, will not be categorically denied access to, admission to, full utilization of or benefit from any extended employment program because of their severe disabilities;

(2) assurances that individuals with severe disabilities seeking admission are in need of participation in an extended employment program and are reasonably expected to develop their vocational potential through participation; and

(3) assurances that individuals with severe disabilities seeking admission to or being served by an extended employment program will not be discriminated against as provided in the Minnesota Human Rights Act, Minnesota Statutes, chapter 363.

J. Each long-term employment program must provide participants with fundamental personnel benefits as defined at part 3300.2050, subpart 12, and a procedure for resolution of grievances which has binding arbitration as a final step, and provides responsiveness to grievances as defined in part 3300.2050, subpart 29.

### 3300.2250 CERTIFICATION PROCEDURE.

**Subpart 1. Purpose.** The purpose of certification is to ensure that all extended employment programs meet minimum requirements for operation.

**Subp. 2. Subminimum wage payments.** A long-term sheltered workshop certificate issued under the certification procedure of this part does not replace or modify any certificates issued by the United States Department of Labor or the Minnesota Department of Labor and Industry for purposes of subminimum wage payments.

**Subp. 3. Single certificate.** A single long-term sheltered workshop certificate will be issued to a long-term sheltered workshop, and the certificate will specify the type and location of all approved programs. Entities seeking a certificate, including a provisional certificate as provided in subpart 7, must complete an official application form available from the Division of Vocational Rehabilitation in the Minnesota Department of Economic Security.

**Subp. 4. Responsible organization.** In the case of an extended employment program operated cooperatively with a separate organization, the certificate will be issued for the extended employment program or the organization, whichever is responsible for payment of wages.

**Subp. 5. Time limitation.** A long-term sheltered workshop certificate may not be issued for more than three years.

**Subp. 6. Provisional certificate.** A provisional long-term sheltered workshop certificate may be issued to new entities for new extended employment programs for a specified period of time, not to exceed 18 months. In order to obtain a provisional certificate, new extended employment programs must be in full compliance with all requirements of law including those requirements listed in part 3300.2150, subpart 2, items A, D, E, F, G, H, I, and J and must be in substantial compliance with the requirements in part 3300.2150, subpart 2, items B and C. The term substantial compliance as used in this part means the demonstrated ability to be in full compliance within a specified period. The new programs must reasonably demonstrate in writing their ability to fully comply with the requirements in part 3300.2150, subpart 2, items B and C within a specified period not to exceed 18 months.

**Subp. 7. Probationary certification status.** The commissioner may place any extended employment program that has been fully certified on probationary certification status when:

A. an extended employment program, though not administered according to its approved plan and budget, submits a modified and written plan and budget which has been approved by the commissioner and which will be implemented within a reasonable time; or

B. an extended employment program, though not administered according to parts 3300.1950 to 3300.3050 or not meeting the certification requirements of part 3300.2150, submits a written plan which has been approved by the commissioner and which will bring the program into compliance with the rules and requirements within a reasonable time.

**3300.2350 STANDARDS FOR STATE FUNDING.**

Funding of extended employment programs by the commissioner must take into consideration an evaluation of program effectiveness. The evaluation of effectiveness will affect the level of state funding for each long-term sheltered workshop's grant for each program. The evaluation factors affecting the level of state funding will be determined and weighted by the commissioner. The evaluation of effectiveness must include, but not be limited to, the following:

- A. the disability adjusted average earnings factor paid to sheltered employees;
- B. the fundamental personnel benefits provided to long-term employment program participants;
- C. the number of hours worked by sheltered employees and service hours provided to sheltered employees;
- D. the rate of placement in competitive employment;
- E. the rate of placement in a community-based employment program;
- F. the opportunities to contribute to decisions affecting sheltered employees' employment;
- G. the responsiveness to grievances of long-term employment program participants;
- H. the increases in individual sheltered employee productivity;

I. the implementation of innovative ways to increase placement and retention in competitive employment of sheltered employees, or in community-based positions with competitive employers, or innovative ways that increase sheltered employee wages;

J. program efficiency; and

K. the disability levels and disability types of the sheltered employees served and percentage of participants with severe disabilities above the mean.

The evaluation of effectiveness will be appropriately modified to account for the size of the long-term sheltered workshop and the economic conditions in the community surrounding the long-term sheltered workshop.

In addition to the other evaluation factors, the evaluation of effectiveness for community-based employment programs will take into account the number of individuals with severe disabilities entering community-based employment who had not previously participated in an extended employment program.

For purposes of this part, effectiveness of a work component program will be evaluated only when the long-term employment or work activity program has control over vocational outcomes of participants in the work component program.

For purposes of this part, a provisional certificate for a new entity will be issued without evaluation under these funding standards. The commissioner will fund separately extended employment programs in new entities which operate those programs under provisional certificates. The commissioner will determine the manner in which programs operating under provisional certificates will be funded.

**3300.2450 APPLICABILITY OF FUNDING STANDARDS.**

**Subpart 1. General applicability.** The Division of Vocational Rehabilitation in the Minnesota Department of Economic Security is required to consider evaluation factors in state funding of extended employment programs. All evaluation factors in part 3300.2350 will be monitored where applicable for all extended employment programs.

**Subp. 2. Specific applicability.** The commissioner will determine which evaluation factors in part 3300.2350 will apply to the

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funding of each extended employment program and the relative weighting each evaluation factor will receive. The specific applicability of the evaluation factors to each program and the weighting given to the evaluation factors must be in writing and be made available to the public.

### 3300.2550 OPERATIONAL POLICIES FOR FUNDING STANDARDS.

**Subpart 1. Policies for calculating rate of placement in competitive employment.** If a sheltered employee is placed twice in competitive employment in a given year, both placements may be included in calculating the placement rate as defined in part 3300.2050, subpart 27. Any subsequent placement of that sheltered employee in the reporting period will not be considered in calculating the rate of placement. For purposes of the formula in part 3300.2050, subpart 27, sheltered employees in special programs for senior citizens or for persons with physically degenerative diseases may be excluded from the average daily attendance in the formula's denominator if:

- A. each sheltered employee so excluded or that sheltered employee's representative determines that placement in competitive employment would not be an appropriate outcome for the sheltered employee;
- B. the long-term sheltered workshop reports the number of persons so excluded and the program in which the sheltered employee participates; and
- C. each long-term sheltered workshop maintains a record of the names of sheltered employees so excluded and the basis of that action.

**Subp. 2. Policies for calculating rate of retention in competitive employment.** A sheltered employee who has changed from one position to another in competitive employment during the six-month period after placement or the subsequent 12-month period is considered to have been retained in competitive employment. A sheltered employee who was initially placed in competitive employment and has returned to an extended employment program for further training, will not be considered to have been retained in competitive employment even though the sheltered employee is placed in another competitive employment position during the six-month period after the initial placement or the subsequent 12-month period. If a sheltered employee was placed in a part-time position in competitive employment but also continued on a part-time basis with an extended employment program, the sheltered employee will be considered to have been retained in competitive employment if so employed six months after placement or after the subsequent 12-month period unless further training interrupts the competitive employment status. For purposes of the denominator in formulas D and E in part 3300.2050, subpart 28, all sheltered employees placed in competitive employment who, before the end of the six-month period from placement or during the subsequent 12-month period, died or who were rendered so incapacitated by illness or disability that they could not continue to work, will not be counted.

**Subp. 3. Policies in calculating rate of placement in community-based employment.** For purposes of calculating the placement rate as defined in part 3300.2050, subpart 26, a sheltered employee who is placed in community-based employment two or more times in a reporting period will only be counted once. For purposes of calculating the rate of placement in community-based employment, sheltered employees in special programs for senior citizens or for persons with physically degenerative diseases may be considered not potentially available for community-based employment if:

- A. a sheltered employee or that sheltered employee's representative determines that placement in community-based employment is not an appropriate outcome for the individual;
- B. the long-term sheltered workshop reports the number of sheltered employees so excluded and the program in which the sheltered employees participate; and
- C. the long-term sheltered workshop maintains a record of the names of sheltered employees so excluded and the basis for that action.

### 3300.2650 ALLOCATIONS FOR FUNDING.

Allocations of available grant funds for extended employment programs will be made by the commissioner as prescribed in Minnesota Statutes, section 129A.08, subdivision 2. Allocations will be made specific to each extended employment program operating in each long-term sheltered workshop. The funding standards in part 3300.2350 will be incorporated into the funding method.

### 3300.2750 WITHDRAWAL OF ALLOCATED STATE FUNDS.

**Subpart 1. Criteria for withdrawal of allocated state funds.** The commissioner may withdraw allocated state funds from an extended employment program when:

- A. unencumbered but allocated state funds are not needed for the extended employment program to which they were allocated;
- B. an extended employment program is not being administered in accordance with its approved plan and budget; or
- C. an extended employment program is not being administered in accordance with parts 3300.1950 to 3300.3050.

In situations governed by part 3300.2750, subpart 1, item A, the commissioner must give reasonable notice before unencumbered but allocated state funds may be withdrawn from an extended employment program in a long-term sheltered workshop. In situations governed by part 3300.2750, subpart 1, item B or C, the commissioner may give notice before the withdrawal of funds.

**Subp. 2. Right of appeal.** A new entity operating under a provisional certificate or a fully certified long-term sheltered workshop or a long-term sheltered workshop in probationary certification status has the right to appeal the commissioner's withdrawal of allocated state funds from any of its extended employment programs. The appeal procedure is provided for in part 3300.3150.

#### **3300.2850 ELIGIBLE APPLICANTS FOR STATE FUNDING.**

An application for state funding may be submitted at times the commissioner specifies by a city, town, county, nonprofit organization, or any combination of them, which operates or proposes to operate a public or nonprofit extended employment program.

#### **3300.2950 ELIGIBLE COSTS.**

**Subpart 1. Maximum allocation.** Total state allocations may not exceed the legally specified amount of the normal operating expenses attributable to each extended employment program. The normal operating expenses attributable to each program will be derived from each long-term sheltered workshop's plan and budget. A plan and budget must be submitted at times specified by the commissioner for the commissioner's approval.

**Subp. 2. Exclusions.** Wages paid to participants in each extended employment program and direct material costs attributable to each extended employment program are to be excluded in determining operating costs for each program.

#### **3300.3050 STATE FUNDING APPLICATION CONTENT.**

All applications for state funding must be made on official application forms available from the Division of Vocational Rehabilitation in the Minnesota Department of Economic Security. Applicants must use application forms for the appropriate fiscal year. Assistance in completing the forms may be requested directly from the division at its central office.

#### **3300.3150 APPEAL PROCEDURE.**

**Subpart 1. Scope.** The procedure in this part governs all appeals initiated by an aggrieved party having a right of appeal under part 3300.2750, subpart 2.

**Subp. 2. Notice of intent to object.** An appellant objecting to a preliminary determination concerning withdrawal of allocated state funds must do so in writing to the Division of Vocational Rehabilitation in the Minnesota Department of Economic Security. The written notice of intent to object must be received by the Division of Vocational Rehabilitation within 30 days of the date that a withdrawal determination is sent. If the notice of intent to object is not received from the appellant within the 30-day period, the preliminary determination of the Division of Vocational Rehabilitation is final.

**Subp. 3. Informal contact.** No more than 15 days after the Division of Vocational Rehabilitation receives a notice of intent to object, an official, designated by the commissioner, shall contact the appellant and discuss the grounds for the appeal. If the official does not resolve the matter to the appellant's satisfaction, the appellant may request in writing that an informal hearing be held. The written request for an informal hearing must be received by the Division of Vocational Rehabilitation within 30 days of the date of the informal contact with the designated official. Accompanying the request must be a memorandum explaining the grounds for the appeal including all relevant facts and issues to be addressed at the informal hearing.

**Subp. 4. Informal hearing.** The assistant commissioner of the Division of Vocational Rehabilitation in the Minnesota Department of Economic Security will conduct the informal hearing. The informal hearing must be held within 30 days of the Division of Vocational Rehabilitation's receipt of the appellant's written request. At the hearing, the assistant commissioner will consider all relevant evidence presented and must hear any testimony relevant to the appeal. The assistant commissioner must issue a written opinion denying or accepting the grounds for the appeal, and send a copy to the appellant within 20 days of the informal hearing. The opinion will be the final determination of the Division of Vocational Rehabilitation unless the appellant requests a contested case hearing. The appellant will have 20 days from the date that the opinion is sent to request a contested case hearing.

**Subp. 5. Contested case appeal.** If an appellant has first timely appealed to the assistant commissioner in an informal hearing and if the assistant commissioner has upheld the preliminary determination, the appellant may request a contested case hearing before an administrative law judge. The contested case hearing will be conducted according to the rules of the Office of Administrative Hearings.

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## PROPOSED RULES

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**Subp. 6. Proposal for decision.** When an initial decision is rendered, the administrative law judge will, when requested, or at the judge's discretion when no request is made, announce for the record at the close of the hearing that a proposal for decision will be prepared that will be recommended for the commissioner's adoption. The proposal for decision must contain proposed findings of fact including a statement of the reasons supporting the decision, conclusions of law, and order. A copy of the proposal for decision will be served by registered mail upon each party or the party's attorney together with written notice of the date, time, and place the commissioner will consider the proposal preparatory to the commissioner's final decision. The commissioner's consideration of the proposal for decision must take place not less than 20 days after written notice has been served on the parties. Any party may file exceptions or present arguments to the commissioner at that time.

**Subp. 7. Decision and order.** Every decision and order rendered by the commissioner must be in writing and be accompanied by a statement of the reasons supporting the decision. A statement of reasons will consist of a concise statement of the conclusions relevant to each contested issue upon which the decision is based. Every decision and order must be signed by the commissioner and must bear the date of official publication. The original copy of every decision and order will be maintained by the Division of Vocational Rehabilitation. Parties to the hearing will be notified of the commissioner's decision and order by mail.

**Subp. 8. Legal representation.** Any party may be represented by legal counsel at any step of the appeals process.

**REPEALER.** Minnesota Rules, parts 3300.2000; 3300.2100; 3300.2200; 3300.2300; 3300.2400; 3300.2500; 3300.2600; 3300.2700; 3300.2800; 3300.2900; 3300.3000; 3300.3100; and 3300.3200 are repealed.

## Department of Health

### Proposed Emergency Rules Relating to Procedures for the Replacement of Medical Assistance Certified Beds in Nursing and Boarding Care Homes

#### Notice of Intent to Adopt an Emergency Rule

The Department of Health proposes to adopt the above-entitled temporary rules to implement Minnesota Statute § 144A.071, subdivisions 3(a)(1983 Supp.). Persons interested in these rules have until March 1, 1985, to submit written comments. The proposed temporary rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in substantial change in the proposed language. Written comments should be sent to:

H. Michael Tripple  
Minnesota Department of Health  
Division of Health Resources  
P.O. Box 9441  
717 Delaware Street Southeast  
Minneapolis, Minnesota 55440  
Telephone Number: (612) 623-5448

Upon adoption of the temporary rules by the Department of Health, the proposed temporary rules as published and any modification will be submitted to the Attorney General for review as to form and legality. Notice of the date of submission of these proposed temporary rules to the Attorney General will be mailed to any person requesting to receive such notice.

The temporary rules shall be effective five working days after approval by the Attorney General. Failure of the Attorney General to approve or disapprove the rules within ten working days, as provided in Minnesota Statutes § 14.33, is approval.

As soon as practicable thereafter, notice of the Attorney General's decision shall be published in the *State Register* and the adopted rules shall also be published in the manner as provided for adopted rules in Minnesota Statutes § 14.18.

In accordance with Minn. Stat. § 256B.502 the temporary rules shall be effective until June 22, 1985.

The temporary rules will not result in any increased expenditure to local public bodies. Nor will they result in a fiscal impact in excess of \$100,000 annually. See Minnesota Statutes § 14.11, subdivision 1 and § 15.065.

The following information is being provided to comply with the provisions of Minnesota Statute § 144A.29, subdivision 4 which requires that each rule promulgated by the Department contain a short statement of anticipated costs and benefits to be derived from the provisions of the rule. These rules are being promulgated under authority of Minnesota Statutes § 256B.502 to clarify provisions of Laws of Minnesota 1983, Chapter 199, Section 1, commonly known as the moratorium law. This authority was extended by Laws 1984, Chapter 640, Section 28.

The proposed temporary rules address the implementation of the exception contained in Minnesota Statutes, § 144A.071, subdivision 3(a)(1983 Supp.), relating to the replacement of beds and the addition of beds in response to an extreme hardship situation.



Minnesota Statute § 144A.071, subdivision 3(a)(1984) provides for the replacement of beds decertified after the effective date of the moratorium, as well as for the certification of additional beds to address an extreme hardship situation. The proposed temporary rules, Minnesota Rules, parts 4655.0510 to 4655.0520 [Temporary], specify conditions which must be met by an applicant facility prior to the medical assistance certification of replacement beds, establish an exception to these conditions by allowing the replacement of beds pursuant to a Department of Health order, specify conditions for the certification of additional beds when such beds are necessary to address an extreme hardship situation, and provide a mechanism for the handling of multiple requests for replacement or additional beds.

These proposed temporary rules differ from previously proposed temporary rules governing the medical assistance certification of beds in several critical ways. The previously proposed temporary rules, published in the *State Register* September 10, 1984, dealt only with the replacement of beds. Also, they limited replacement to situations where beds were decertified as the result of remodeling or construction which necessitated beds being out of service, or in situations where a new wing or a new facility is built to replace another structure. Finally, the previous rules did not include the statistical requirements to be met prior to replacement, pursuant to Minn. Stat. § 144A.071, subdivision 3(a). A notice of withdrawal of those proposed temporary rules was published in the *State Register* February 4, 1985.

A copy of this notice and the proposed temporary rules may be obtained by contacting Marlene Randall at the Minnesota Department of Health, telephone number: (612) 623-5474.

### **Emergency Rules as Proposed (all new material)**

#### **4655.0510 [Emergency] PURPOSE.**

Parts 4655.0510 to 4655.0520 [Emergency] govern procedures for the replacement or addition of medical assistance certified beds in nursing homes and boarding care homes under Minnesota Statutes, section 144A.071, subdivision 3, paragraph (a).

#### **4655.0520 [Emergency] CONDITIONS FOR MEDICAL ASSISTANCE.**

**Subpart 1. Conditions for replacement or hardship.** The commissioner of health may approve a nursing home's or a boarding care home's request for the medical assistance certification of beds based upon the following conditions:

A. The county in which the facility is located, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of parts 4655.0510 to 4655.0520, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement or addition of beds.

B. The number and certification level of the requested beds shall not exceed the lesser of:

(1) the number and certification level of beds decertified in the county in which the facility is located and in the contiguous Minnesota counties; or

(2) the number and certification levels of beds necessary to meet the standards contained in item A.

C. If the request is for the addition of beds under the extreme hardship exception of Minnesota Statutes, section 144A.071, subdivision 3, paragraph (a), the county in which the beds are to be located must document the existence of unmet medical needs that cannot be addressed by any other alternatives.

**Subp. 2. Replacement of beds pursuant to commissioner of health order.** The provisions of subpart 1 do not apply if the commissioner of health issues an order as the result of noncompliance with a law or rule which presents an imminent risk of harm to residents' safety, health, or well being and when in the commissioner's judgment compliance with the order can only be attained by the replacement of a certified bed.

**Subp. 3. Receipt of multiple requests.** If within 30 days of the receipt of a request for the certification of beds, other requests are received for the certification of beds in the same county or in a contiguous Minnesota county, the department shall notify the applicants and request information required by subpart 4. The applicants shall submit the information to the department within 45 days of the request.

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**Subp. 4. Multiple requests; review criteria.** In reviewing the requests, the commissioner of health shall evaluate the following criteria:

A. the need for beds based upon the population requirements of the county in which the replacement or additional beds will be located;

B. the need for the beds as determined by past, present, and future utilization data with specific attention given to the following:

(1) utilization rates of similar facilities within the county and the contiguous Minnesota counties for the most recent five years;

(2) utilization rates of the existing facility for the most recent five years; and

(3) five years projected utilization rates for the proposed project;

C. the availability and adequacy of other less costly or more effective health care facilities and services which may serve as alternatives or substitutes for the whole or any part of the project; and

D. the immediate and long-term financial feasibility of the project, its probable impact on the operational costs and charges of the facility, and the impact of the project on the medical assistance program.

**Subp. 5. Multiple requests; determination.** Within 30 days of the receipt of the information required by subpart 3, the commissioner shall inform the applicants of the decision to approve or deny the requests.

**Subp. 6. Appeal procedure.** An applicant may contest the denial of the request for the certification of beds by requesting a contested case proceeding under Minnesota Statutes, sections 14.57 to 14.69.

## Department of Health

### Proposed Rules Relating to Communicable Diseases

#### Supplement to Notice of Intent to Adopt Rules and to Repeal Rules without a Public Hearing

On June 18, 1984, the Commissioner of Health published a Notice of Intent to Adopt Rules and to Repeal Rules Without a Public Hearing, together with a copy of the proposed rules, in the *State Register*, at 8 S.R. 2690.

NOTICE IS HEREBY GIVEN that the Commissioner intends to modify the proposed rules by insertion of the following new subpart:

Part 4605.7030, subp. 6. Others. Unless previously reported, it shall be the duty of every other licensed health care provider who examines any patient who has or who is suspected of having any of the diseases listed in part 4605.7040 to report within one working day to the Commissioner as much of the information outlined in part 4605.7090 as is known.

NOTICE IS ALSO GIVEN that the Commissioner intends to modify the list of reportable diseases in proposed part 4605.7040 as follows:

Item R. Haemophilus influenzae disease (only invasive disease including epiglottitis, cellulitis, bacteremia, and meningitis);

Item S. Hepatitis (A, B, and non A—non B).

Item T. Herpes Simplex infections (neonatal, less than 30 days of age, disease only).

Item BBB. Typhus (Rickettsia prowazeki and R. typhus.)

NOTICE IS ALSO GIVEN that the proposed changes will have an impact on small businesses as defined in Minn. Stat. § 14.115, subd. 1 (Supp. 1983), specifically veterinarians, veterinarian medical laboratories and medical laboratories. Medical laboratories will be required to report to the Commissioner the results of certain tests which indicate the presence of diseases listed in part 4605.7040 of the proposed rules as well as other information required in part 4605.7030, subp. 3. When circumstances exist as provided in part 4605.7030, subp. 5, the Commissioner will request from veterinarians and veterinarian medical laboratories certain reports of clinical diagnosis of disease in animals and reports of laboratory tests on animals.

#### THE PUBLIC IS HEREBY ADVISED that:

1. There is a 30-day period in which to submit comment in support of or in opposition to the proposed rules and repealer, and the modification set forth above. Comment is encouraged;

2. Each comment should identify the portion of the proposed rule or repealer addressed, the reason for the comment, and any change proposed;

3. If twenty-five or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held;
4. All comments and any written requests for a public hearing shall be submitted to John Washburn, Chief, Epidemiologic Field Services Section, Minnesota Department of Health, 717 Delaware Street Southeast, Minneapolis, Minnesota 55440.
5. Any person requesting a public hearing should state his or her name and address and is encouraged to identify the portion of the proposed rule or repealer addressed, the reason for the request, and any change proposed;
6. The proposed rules and repealer may be modified if modifications are supported by the data and views submitted and do not result in a substantial change in the proposed language;
7. Under the procedure for adoption of rules without a public hearing, the Department must submit any action on its rules to the Attorney General for review of the form and legality of the rule change. If a hearing is not required, notice of the date of submission of the proposed rules to the Attorney General for review will be mailed to any person who requests to receive the notice. Requests to receive notice must be submitted to Mr. Washburn at the above address;
8. Authority to amend Minn. Rules ch. 4605 and pts. 4735.0010 and 4735.0020 is contained in Minn. Stat. §§ 144.05, 144.0742, and 144.12 (1982).
9. A Statement of Need and Reasonableness supporting the proposed rule changes has been available at the agency since June 18, 1984. A document entitled Supplement to the Statement of Need and Reasonableness has been prepared which addresses the need and reasonableness of the proposed modification and which discusses the impact of the rules on small businesses. Anyone wishing to receive a copy of the Statement of Need and Reasonableness or the Supplement to the Statement of Need and Reasonableness may contact Mr. John Washburn at the above address;
10. If twenty-five or more persons request a public hearing on this matter, notice of any such hearing will be published in the *State Register*;
11. Any rule change made pursuant to this proceeding shall be effective five days after publication in the *State Register* of notice of the adoption of the change.
12. The proposed rules were published in the *State Register*, Volume VIII, No. 51, beginning at page 2690 on June 18, 1984. One free copy of the proposed rules, the modified rules, and this notice may be obtained by contacting Mr. John Washburn at the above address.

December 3, 1984

Department of Health,  
Sister Mary Madonna Ashton  
Commissioner of Health

### **Rules as Proposed (all new material)**

#### **4605.7000 PURPOSE.**

The purpose of this chapter is to establish a process and assign responsibility for reporting, investigating, and controlling disease.

#### **4605.7010 SCOPE.**

This chapter applies generally to cases, suspect cases, and deaths from communicable diseases and syndromes, reporting of disease, and disease control.

#### **4605.7020 DEFINITIONS.**

**Subpart 1. Case.** "Case" means a person having a particular disease diagnosed by a physician.

**Subp. 2. Carrier.** "Carrier" means a person identified as harboring a specific infectious agent in the absence of discernible clinical disease and who serves as a potential source of infection.

**Subp. 3. Commissioner.** "Commissioner" means the state commissioner of health or authorized officers, employees, or agents of the Minnesota Department of Health.

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**Subp. 4. Infection control practitioner.** "Infection control practitioner" means any person designated by a hospital, nursing home, medical clinic, or other health care facility as having responsibility for prevention, detection, reporting, and control of infections within the institution.

**Subp. 5. Isolation.** "Isolation" means the separation, for the period of communicability, of an infected person from others in places and under the condition as to prevent or limit the direct or indirect transmission of the infectious agent to those who are susceptible or may spread the agent to others.

**Subp. 6. Local board of health.** "Local board of health" means authorized administrators, officers, agents, or employees of the county, multi-county, or city board of health organized under Minnesota Statutes, sections 145.911 to 145.921.

**Subp. 7. Medical laboratory.** "Medical laboratory" means any facility which receives, forwards, or analyzes specimens of original material from the human body, and reports the results to physicians who use the data for purposes of patient care.

**Subp. 8. Physician.** "Physician" means any person who is licensed by the Minnesota Board of Medical Examiners to practice medicine.

**Subp. 9. Suspected case.** "Suspected case" means a person having a condition or illness in which the signs and symptoms resemble those of a recognized disease.

**Subp. 10. Veterinarian.** "Veterinarian" means any person who is licensed by the Minnesota Board of Veterinary Medicine to practice veterinary medicine.

**Subp. 11. Public health hazard.** "Public health hazard" means the presence of a disease organism or condition in the environment which endangers the health of a specified population.

### 4605.7030 PERSONS REQUIRED TO REPORT DISEASE.

**Subpart 1. Physicians.** When attending a case, suspected case, carrier, or death from any of the diseases in part 4605.7040, the physician shall report within one working day to the commissioner, unless previously reported, the information outlined in part 4605.7090.

**Subp. 2. Health care facilities.** Hospitals, nursing homes, medical clinics, or other health care facilities shall designate that the individual physicians shall report as provided in subpart 1; or shall designate an infection control practitioner or other person as responsible to report to the commissioner, within one working day of knowledge of a case, suspected case, carrier, or death from any of the diseases in part 4605.7040, the information outlined in part 4605.7090.

**Subp. 3. Medical laboratories.** Medical laboratories which receive specimens of original material from patients shall, within one working day of completion, provide to the commissioner the results of microbiologic cultures, examinations, and immunologic assays for the presence of antigens and antibodies which are indicative of the presence of any of the diseases in part 4605.7040 and as much of the following information as is known: disease (test, culture, or examination); source of specimen (i.e., blood, stool, type of tissue); name and address of the medical laboratory; date of test, culture, or examination; patient's name or I.D. number, birthdate, and sex; and the name, address, and telephone number of the attending physician.

If necessary, the commissioner shall contact the attending physician who shall be responsible for determining whether a case, suspected case, carrier, or death due to a disease in part 4605.7040 is present.

**Subp. 4. Comprehensive reports.** Any institution, facility, or clinic, staffed by physicians and having medical laboratories which are required to report, as in subparts 1, 2, and 3, may, upon written notification of the commissioner, designate a single person or group of persons to report cases, suspected cases, carriers, deaths, or results of medical laboratory cultures, examinations, and assays for any of the diseases listed in part 4605.7040 to the commissioner.

**Subp. 5. Veterinarians and veterinary medical laboratories.** The commissioner of health shall, under the following circumstances, request certain reports of clinical diagnosis of disease in animals and reports of laboratory tests on animals:

- A. The disease is common to both animals and humans.
- B. The disease may be transmitted directly or indirectly to and between humans and animals.
- C. The persons who are afflicted with the disease are likely to suffer complications, disability, or death as a result.
- D. Investigation based upon veterinarian and veterinary medical laboratory reports will assist in the prevention and control of disease among humans.

**Subp. 6. Others.** Unless previously reported, it shall be the duty of every other licensed health care provider who examines any patient who has or is suspected of having any of the diseases listed in part 4605.7040 to report within one working day to the commissioner as much of the information outlined in part 4605.7090 as is known.

**4605.7040 DISEASE AND REPORTS.**

Cases, suspected cases, carriers, and deaths due to the following diseases and disease agents shall be reported. The diseases followed by an asterisk shall be reported immediately by telephone to the commissioner.

- A. Acquired Immune Deficiency Syndrome (AIDS)
- B. Amebiasis (*Entamoeba histolytica*)
- C. Anthrax\* (*Bacillus anthracis*)
- D. Babesiosis (*Babesia* sp.)
- E. Blastomycosis (*Blastomyces dermatitidis*)
- F. Botulism\* (*Clostridium botulinum*)
- G. Brucellosis (*Brucella* sp.)
- H. Campylobacteriosis (*Campylobacter* sp.)
- I. Chancroid (*Haemophilus ducreyi*)
- J. *Chlamydia trachomatis* infections (nonspecific urethritis, cervicitis, salpingitis, neonatal conjunctivitis, pneumonia, and lymphogranuloma venereum)
- K. Cholera\* (*Vibrio cholerae*)
- L. Diphtheria (*Corynebacterium diphtheriae*)
- M. *Diphyllobothrium latum* infection
- N. Encephalitis (caused by infectious agents)
- O. Echinococcosis (*Echinococcus* sp.)
- P. Giardiasis (*Giardia lamblia*)
- Q. Gonorrhea infections (including: Gonococcal salpingitis, ophthalmia neonatorum, Penicillin resistant *Neisseria gonorrhea* infections)
  - R. *Haemophilus influenzae* disease (only invasive disease including epiglottitis, cellulitis, bacteremia, and meningitis)
- S. Hepatitis (viral types A, B, and non-A, non-B)
- T. *Herpes simplex* infections (neonatal, less than 30 days of age, disease only)
- U. Histoplasmosis (*Histoplasma capsulatum*)
- V. Influenza (unusual case incidence or laboratory confirmed cases)
- W. Lead (poisoning and undue absorption)
- X. Legionellosis (*Legionella* sp.)
- Y. Leprosy (*Mycobacterium leprae*)
- Z. Leptospirosis (*Leptospira interrogans*)
- AA. Lyme Disease (*Borellia burgdorferi*)
- BB. Malaria (*Plasmodium vivax*, *P. malariae*, or *P. falciparum*)
- CC. Measles (Rubeola)\*
- DD. Meningitis (caused by all types of bacterial, viral, or fungal agents)
- EE. Meningococcemia (*Neisseria meningitidis*)
- FF. Mumps\*
- GG. Mycobacterioses (symptomatic cases only; exclusive of tuberculosis and leprosy)

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- HH. Pertussis (*Bordetella pertussis*)
- II. Plague (*Yersinia pestis*)
- JJ. Poliomyelitis\*
- KK. Psittacosis (*Chlamydia psittaci*)
- LL. Q Fever (*Coxiella burnetii*)
- MM. Rabies (animal and human cases and suspects)\*
- NN. Reye Syndrome
- OO. Rheumatic Fever (cases meeting the Jones Criteria only).
- PP. Rubella and Congenital Rubella Syndrome
- QQ. Rocky Mountain Spotted Fever (*Rickettsia rickettsii*, *R. canada*)
- RR. Salmonellosis, including typhoid (*Salmonella* sp.)
- SS. Shigellosis (*Shigella* sp.)
- TT. Staphylococcal disease (*Staphylococcus aureus* outbreaks only)
- UU. Streptococcal disease (only *Streptococcus agalactiae* (Group B) neonatal, less than 30 days of age, disease)
- VV. Syphilis\* (*Treponema pallidum*)
- WW. Tetanus (*Clostridium tetani*)
- XX Toxic Shock Syndrome
- YY. Trichinosis (*Trichinella spiralis*)
- ZZ. Tuberculosis (*Mycobacterium tuberculosis*)
- AAA. Tularemia (*Francisella tularensis*)
- BBB. Typhus (*Rickettsia prowazeki* and *R. typhus*)
- CCC. Yellow Fever
- DDD. Yersiniosis (*Yersinia* sp.)

### 4605.7050 UNUSUAL CASE INCIDENCE.

Any pattern of cases, suspected cases, or increased incidence of any illness beyond the expected number of cases in a given period, which may indicate an outbreak, epidemic, or related public health hazard, including but not limited to suspected or confirmed outbreaks of food or waterborne disease, epidemic viral gastroenteritis, and any disease known or presumed to be transmitted by transfusion of blood or blood products, shall be reported immediately by telephone, by the person having knowledge, to the commissioner.

### 4605.7060 CASES, SUSPECTED CASES, CARRIERS, AND DEATHS DUE TO DISEASE ACQUIRED OUTSIDE THE STATE.

Cases, suspected cases, and deaths due to any viral, bacterial, fungal, or parasitic disease that a physician thinks have been acquired outside the state, and which are considered rare or unusual in Minnesota, or a public health problem in the area of presumed acquisition, shall be reported to the commissioner.

### 4605.7070 OTHER REPORTS.

It shall be the duty of any person in charge of any institution, school, child care facility or camp, or any other person having knowledge of any disease which may threaten the public health, to report immediately the name and address of any persons suspected of having disease to the commissioner.

### 4605.7080 NEW DISEASES AND SYNDROMES.

The commissioner shall, by public notice, request reporting of specified diseases when all of the following circumstances exist:

- A. There is evidence that epidemiologic investigation based upon reports of cases, suspect cases, and deaths due to the disease or syndrome will assist in further understanding of the disease.
- B. Persons afflicted with the disease or syndrome are likely to suffer complications, disability, or death as a result.
- C. A case-oriented public health response will be helpful for control.
- D. There is a specific, planned mechanism for surveillance of the disease or syndrome.

E. Reports of individual cases of the disease will serve as indicators of possible widespread contamination or increased risk which may be preventable.

**4605.7090 DISEASE REPORT INFORMATION.**

Reports that are required in part 4605.7030 shall contain as much of the following information as is known:

- A. disease (whether a case, suspected case, or death);
- B. date of first symptoms;
- C. patient:
  - (1) name;
  - (2) birthdate;
  - (3) ethnic or racial origin;
  - (4) residence address, city, and county;
  - (5) phone number; and
  - (6) place of work, school, or daycare;
- D. date of report;
- E. physician name, address, and phone number;
- F. name of hospital (if any);
- G. name of person reporting (if not physician);
- H. diagnostic laboratory findings and dates of test;
- I. name and locating information of contacts (if any); and
- J. other information pertinent to the case.

**4605.7100 REPORTS TO STATE AND LOCAL BOARDS OF HEALTH.**

Upon receipt of information or other knowledge of a case, suspected case, or death or any disease or report required in part 4605.7030, the local board of health shall immediately forward same to the commissioner.

**4605.7200 RECORDS OF DISEASE.**

The commissioner shall maintain records of reports of cases, suspected cases, carriers, and deaths for the disease reports required in this section and shall prepare statewide summary information which shall be made available for each local board of health on request.

**4605.7300 COPIES OF DISEASE REPORTS.**

Local boards of health operating under agreements in part 4735.0200, subpart 2, shall be forwarded copies of all disease reports and information received by the commissioner which pertain to the jurisdiction and biennial agreement between the commissioner and the local board of health.

**4605.7400 PREVENTION OF DISEASE SPREAD.**

**Subpart 1. Isolation.** The physician attending a case, suspected case, or carrier (or in the absence of a physician, the commissioner) shall make certain that isolation precautions are taken to prevent spread of disease to others.

**Subp. 2. Report to noncompliance.** Physicians shall report immediately to the commissioner the name, address, and other pertinent information for all cases, suspected cases, and carriers who refuse to comply with prescribed isolation precautions. The commissioner shall then seek injunctive relief under Minnesota Statutes, section 145.075, if the person represents a public health hazard.

**4605.7500 DISEASE INVESTIGATIONS.**

The commissioner shall investigate the occurrence of cases, suspected cases, or carriers of reportable diseases or unusual disease occurrences in a public or private place for the purpose of verification of the existence of disease, ascertaining the source of the

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disease causing agent, identifying unreported cases, locating contacts of cases, identifying those at risk of disease, determining necessary control measures, and informing the public if necessary.

### **4605.7600 RABIES.**

**Subpart 1. Treatment of exposed person.** When any person has been bitten or is otherwise exposed to the rabies virus by an animal known or suspected to be rabid, a physician shall determine as soon as practical the advisability of the person receiving preventive treatment.

**Subp. 2. Dogs and cats.** The commissioner shall ensure that dogs and cats which bite or otherwise expose a person to rabies virus are confined and observed for signs suggestive of rabies for a period of ten days or are sacrificed, and the tissues of the brain examined for evidence of infection by the rabies virus. If at any time during the ten-day observation the veterinarian determines that the animal shows signs suggestive of rabies or the animal dies, the commissioner shall have the brain tissue examined for evidence of infection by the rabies virus.

**Subp. 3. Test mammals.** The following mammals are suspected of being rabid at any time following a bite or other exposure of a person to the rabies virus. The commissioner shall have the animal sacrificed immediately and the tissues of the brain tested for evidence of infection by the rabies virus:

- A. bat;
- B. badger;
- C. bear;
- D. beaver;
- E. bobcat;
- F. civet cat;
- G. ferret;
- H. fox;
- I. mink;
- J. muskrat;
- K. ocelot;
- L. opossum;
- M. raccoon;
- N. skunk;
- O. weasel;
- P. woodchuck; or
- Q. wolf.

**Subp. 4. Mammal examined.** The following mammals are suspected of being rabid at any time following a bite or other exposure of a person to the rabies virus. The commissioner shall have the animal examined by a veterinarian who shall advise the commissioner and the animal's owner as to the health of the animal and whether the animal shall be sacrificed and the tissues of the brain examined for evidence of infection by the rabies virus:

- A. bovine;
- B. goat;
- C. horse;
- D. monkey;
- E. sheep; or
- F. swine.

**Subp. 5. Commissioner determination of mammal testing.** The commissioner shall determine if any mammal not otherwise addressed in these rules which bites or otherwise exposes a human is possibly rabid, and whether to have the animal sacrificed and the tissues of the brain examined for evidence of infection by the rabies virus.

### **4605.7700 VENEREAL DISEASE.**

**Subpart 1. Special reports.** The following special reports shall be given by physicians to the commissioner:



A. Notwithstanding any previous report, physicians who have reason to believe that a person having syphilis, gonorrhea, or chancroid has not completed therapy shall notify the commissioner immediately of that person's name, address, and other pertinent information.

B. Notwithstanding any previous report, physicians who treat persons infected with syphilis, gonorrhea, or chancroid shall ensure that the names and addresses of sexual contacts who may also be infected are reported to the commissioner.

C. Notwithstanding any previous report, physicians shall immediately report to the commissioner the name, address, and essential facts of the case for any person known or suspected of being infected with syphilis, gonorrhea, or chancroid who refuses examination or treatment.

#### **4605.7800 HEALTH EDUCATION.**

Health care providers working with patients having syphilis, gonorrhea, or chancroid shall instruct the patients how to prevent the spread of venereal disease, and inform them of the importance of complying with treatment instructions and the necessity of having all relevant sexual contacts promptly examined for the specific venereal disease.

#### **4735.0100 DEFINITIONS.**

**Subpart 1. Commissioner.** "Commissioner" means the state commissioner of health or authorized officers, employees, or agents of the Minnesota Department of Health.

**Subp. 2. Community health services plan.** "Community health services plan" means plans and plan revisions developed under Minnesota Statutes, section 145.92.

**Subp. 3. Local board of health.** "Local board of health" means the duly authorized administrators, officers, agents, or employees of the county, multi-county, or city board of health organized within the provisions of Minnesota Statutes, sections 145.911 to 145.921.

**Subp. 4. Public health emergency.** "Public health emergency" means an unanticipated and temporary condition threatening the health of a specific population such that the resources of one or more local boards of health cannot reasonably be considered adequate to respond to the emergency needs of the affected population.

**Subp. 5. Public health hazard.** "Public health hazard" means the presence of a disease organism or condition in the environment which endangers the health of a specified population.

#### **4735.0200 DUTIES OF COMMISSIONER.**

**Subpart 1. General duties.** The state commissioner of health or an authorized officer shall be responsible for the collection and review of disease reports, epidemiologic investigations, and control of disease in all areas of the state.

**Subp. 2. Agreements.** The commissioner may enter into written agreements with local boards of health for the purposes of specifying shared responsibilities for the collection of data and information described in parts 4605.7000 to 4605.7800. The agreement must be made a part of the biennial community health services plan. The agreement shall include but not be limited to:

- A. requirements pertaining to data to be collected and disease investigations to be conducted;
- B. minimum personnel requirements;
- C. duties of the commissioner regarding the provision of technical or other assistance to fulfill the agreement;
- D. specification of means by which the local board of health shall coordinate data collection and other duties of the agreement with related activities of the commissioner or other local boards of health;
- E. criteria by which the commissioner will determine that the duties and responsibilities agreed upon are met;
- F. procedures for renewal of the agreement; and
- G. grounds for termination.

**Subp. 3. Notice to local board of health.** The commissioner shall bring to the attention of the local board of health any conditions within the jurisdiction of the local board of health which represent the potential for a public health hazard.

**Subp. 4. Assistance to local board of health.** The commissioner shall provide technical assistance and personnel as he or she

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## PROPOSED RULES

determines are available and necessary to answer the requests of the local board of health for assistance in the investigation and control of disease.

**Subp. 5. Public health emergency.** In the event of a public health emergency, the commissioner may, after giving reasonable notice to the local board of health, suspend all or certain specified terms of the agreement for a period of time sufficient to respond to the public health emergency.

### 4735.0300 DUTIES OF LOCAL BOARD OF HEALTH.

**Subpart 1. Local board of health request.** The local board of health shall, when the public health hazard exceeds the capacity of the local board of health to respond, request assistance from the commissioner for the investigation and control of disease.

**Subp. 2. Duty to report health hazards.** The local board of health shall bring to the attention of the commissioner any conditions which represent the potential for a public health hazard.

**RENUMBER.** Renumber each part specified in Column A with the part set forth in Column B.

Column A	Column B
4605.3000	4720.3910
4605.3100	4605.7900
4605.3300	4605.8000
4605.5200	4605.7701
4605.5300	4605.7702
4605.5400	4605.7703
4605.5500	4605.7704
4605.5600	4605.7705
4605.5700	4605.7706
4605.5800	4605.7707
4605.5900	4605.7708
4605.6000	4605.7709
4605.6100	4605.7710
4605.6200	4605.7711
4605.6300	4605.7712
4605.6400	4605.7713
4605.6500	4605.7714
4605.6600	4605.7715
4605.6700	4605.7716

**REPEALER.** Minnesota Rules, parts 4605.0200; 4605.0300; 4605.0400; 4605.0500; 4605.0600; 4605.0700; 4605.0800; 4605.0900; 4605.1000; 4605.1100; 4605.1200; 4605.1300; 4605.1400; 4605.1500; 4605.1600; 4605.1700; 4605.1800; 4605.1900; 4605.2000; 4605.2100; 4605.2200; 4605.2300; 4605.2400; 4605.2500; 4605.2600; 4605.2700; 4605.2800; 4605.2900; 4605.3200; 4605.3400; 4605.3500; 4605.3600; 4605.3700; 4605.3800; 4605.3900; 4605.4000; 4605.4100; 4605.4200; 4605.4300; 4605.4400; 4605.4500; 4605.4600; 4605.4700; 4605.4800; 4605.4900; 4605.5000; 4605.5100; 4735.0010; 4735.0020, are repealed.

## Department of Health Health Systems Division

### Proposed Rule Defining Individual Permanent Medical Record

#### Notice of Hearing and Notice of Intent to Cancel Hearing if Fewer than Twenty-Five Persons Request a Hearing in Response to Notice of Intent to Adopt a Rule Without a Hearing

A public hearing concerning the above-entitled matter will be held on April 10, 1985, in Room 105 of the State Department of Health Building, 717 Delaware Street Southeast, Minneapolis, Minnesota. This public hearing will commence at 9:00 a.m. and continue until all interested persons have an opportunity to be heard. PLEASE NOTE, HOWEVER, THAT THIS HEARING WILL BE CANCELLED IF FEWER THAN 25 PERSONS REQUEST A HEARING IN RESPONSE TO THE NOTICE OF INTENT TO ADOPT THESE SAME RULES WITHOUT A HEARING, PUBLISHED IN THIS *STATE REGISTER* AND MAILED THE SAME DATE AS THIS NOTICE. To verify whether a hearing will be held please call 623-5473, after March 25, 1985.

Following the agency's presentation at the hearing, all interested or affected persons will have an opportunity to ask questions

and make comments. Statements may be made orally and written material may be submitted. In addition, whether or not an appearance is made at the hearing, written statements or materials may be submitted to: George A. Beck, Office of Administrative Hearings, Fourth Floor, Summit Bank Building, 310 Fourth Avenue South, Minneapolis, Minnesota 55415, (612) 341-7601, either before the hearing or within five working days after the public hearing ends. The Administrative Law Judge may, at the hearing, order that the record be kept open for a longer period not to exceed 20 calendar days. Following the close of the comment period the agency and all interested persons have three business days to respond in writing to any new information submitted during the comment period. During the three-day period, the agency may indicate in writing whether there are amendments suggested by other persons which the agency is willing to adopt. Additional evidence may not be submitted during this three-day period. The written responses shall be added to the rulemaking record. Upon the close of the record the Administrative Law Judge will write a report as provided for in Minn. Stat. § 14.50. The rule hearing procedure is governed by Minn. Stat. §§ 14.01 to .56 and by Minn. Rules pts. 1400.0200 to .1200. If you have any questions about the procedure, call or write the Administrative Law Judge.

The proposed rule may be modified as a result of the hearing process. Therefore, if you are affected in any manner by the above-entitled matter, you are urged to participate in the rule hearing process.

Authority for the adoption of this rule is found in Minnesota Statutes at § 145.32.

Notice is hereby given that a Statement of Need and Reasonableness, which includes a summary of the evidence and argument which the agency anticipates presenting at the hearing justifying both the need for and the reasonableness of the proposed rule, has been prepared and is available for review at the Minnesota Department of Health, Health Resources Division and at the Office of Administrative Hearings. In addition, copies of the Statement of Need and Reasonableness may be obtained from the Office of Administrative Hearings at a minimal charge.

The Minnesota Department of Health is exempt from Minnesota Statutes § 14.115, Small Business Considerations in Rulemaking, by virtue of Subdivision 7 (c) of that statute.

The text of the proposed rule follows in the *State Register*. This rule will fulfill the statutory requirement of § 145.32 and define "Individual Permanent Medical Record" as that term is applied to patient records compiled by hospitals. Additional copies of the proposed rule are now available and a free copy may be obtained by writing to Robert Eelkema, Minnesota Department of Health, Health Resources Division, 717 Delaware Street Southeast—P.O. Box 9441, Minneapolis, Minnesota 55440. Additional copies will be available at the hearing. If you have any questions on the content of the rule, contact Mr. Eelkema.

**NOTICE:** Any person may request notification of the date on which the Administrative Law Judge's Report will be available, after which date the agency may not take any final action on the rule for a period of five working days. Any person may request notification of the date on which the Rule has been adopted and filed with the Secretary of State. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Administrative Law Judge (in the case of the Administrative Law Judge's Report), or to the agency (in the case of the agency's adoption and filing with the Secretary of State).

Minn. Stat. Ch. 10A requires each lobbyist to register with the State Ethical Practices Board within five days after he or she commences lobbying. A lobbyist is defined in Minn. Stat. § 10A.01, subd. 11., as any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than \$250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than \$250, not including his own traveling expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, telephone (612) 296-5215.

February 4, 1985

Sister Mary Madonna Ashton  
Commissioner of Health

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## PROPOSED RULES

### Notice of Intent to Adopt a Rule Without a Public Hearing and Notice of Intent to Adopt Rules With a Public Hearing if Twenty-Five or More Persons Request a Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Department of Health, proposes to adopt the above-entitled rule without a public hearing unless twenty-five or more persons submit written requests for a public hearing. The Department has determined that this rule will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes §§ 14.21 to .28.

PLEASE NOTE THAT IF TWENTY-FIVE OR MORE PERSONS SUBMIT WRITTEN REQUESTS FOR A PUBLIC HEARING WITHIN THE 30 DAY COMMENT PERIOD, A HEARING WILL BE HELD ON APRIL 10, 1985, IN ACCORDANCE WITH THE NOTICE OF PUBLIC HEARING ON THIS RULE PUBLISHED IN THIS *STATE REGISTER* AND MAILED TO ALL PERSONS REGISTERED WITH THE DEPARTMENT TO RECEIVE NOTICE OF PROPOSED RULES. To verify whether a hearing will be held please call 623-5473, after March 25, 1985.

Interested persons shall have 30 days to submit comments in support of or in opposition to the proposed rule. Comment is encouraged. Each comment should identify the portion of the rule addressed, the reason for the comment, and any change proposed. The proposed rule may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Any person requesting a public hearing should state their name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and the change proposed.

Persons who wish to submit comments or a written request for a public hearing should submit their comments or requests to: Robert Eelkema, Minnesota Department of Health, Health Resources Division, 717 Delaware Street Southeast—P.O. Box 9441, Minneapolis, Minnesota 55440.

The statutory authority for promulgation of this rule is Minnesota Statutes § 145.32. Additionally, a Statement of Need and Reasonableness has been prepared and is available at minimal charge by calling (612) 623-5473.

The Minnesota Department of Health is exempt from Minnesota Statutes § 14.115, Small Business Considerations in Rulemaking, by virtue of Subdivision 7 (c) of that statute.

Upon adoption of the final rule without a public hearing, the proposed rule, this Notice, the Statement of Need and Reasonableness, all written comments received, and the final Rule as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rule as proposed for adoption, should submit a written statement of such request to Mr. Eelkema.

February 4, 1985

Sister Mary Madonna Ashton  
Commissioner of Health

### Rules as Proposed (all new material)

#### 4642.1000 INDIVIDUAL PERMANENT MEDICAL RECORD.

**Subpart 1. Scope.** This part defines the term "individual permanent medical record." It does not outline content requirements for hospital records. Minnesota Statutes, section 145.32 establishes the record retention requirements for hospital records of patients and specifies the conditions under which hospital patient records may be destroyed. Minnesota Statutes, section 145.32 requires permanent retention of those portions of patient's hospital records which have been defined by the commissioner of health as the individual permanent medical record.

**Subp. 2. Elements.** A patient's individual permanent medical record must consist of all of the following elements of the hospital record which are applicable to that patient:

A. Identification data which includes the patient's name, address, date of birth, sex, and if available, the patient's social security number.

B. Medical history which includes details of the present illness, the chief complaint, relevant social and family history, and provisional diagnosis. For obstetrical patients, the medical history shall include prenatal information when available. For newborns, a birth history consisting of a physical examination report and delivery record as it pertains to the newborn must be included.

C. A physical examination report.

D. A report of operations which includes the preoperative diagnosis, the names of all surgeons and assistants, the anesthetic agent, a description of the specimens removed with pathological findings, a description of the surgical findings, the technical procedures used, and the postoperative diagnosis.

E. A discharge summary which includes the reason for hospitalization, summary of clinical observations, procedures performed, treatment rendered, significant findings (for example, pertinent laboratory, x-ray, and test results), and condition at discharge. For newborns or others for whom no discharge summary is available, a final progress note must be included.

F. Autopsy findings.

## ADOPTED RULES

The adoption of a rule becomes effective after the requirements of Minn. Stat. § 14.14-14.28 have been met and five working days after the rule is published in *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.

An emergency rule becomes effective five working days after the approval of the Attorney General as specified in Minn. Stat. § 14.33 and upon the approval of the Revisor of Statutes as specified in § 14.36. Notice of approval by the Attorney General will be published as soon as practicable, and the adopted emergency rule will be published in the manner provided for adopted rules under § 14.18.

## Charitable Gambling Control Board

### Adopted Rules Governing Lawful Gambling

The rules proposed and published at *State Register*, Volume 9, Number 24, pages 1274-1296, December 10, 1984 (9 S.R. 1274) are adopted with the following modifications:

#### Rules as Adopted

##### 7860.0010 DEFINITIONS.

**Subpart 1. Scope.** The terms used in parts 7860.0010 to 7860.0310 have the meaning given them in this part.

**Subp. 2. Active member.** "Active member" means a member who has paid all his or her dues to the organization and has been a member of the organization for at least the most recent six months. If the organization does not have a dues structure, the dues portion of this definition will not apply.

**Subp. 3. Bingo.** "Bingo" means a game where each player has a card or board, for which a consideration has been paid, containing five horizontal rows of spaces, with each row except the central one containing five figures. The central row has four figures with the word "free" marked in the center space of the row. Bingo also includes games which are described in this subpart except for the use of cards where the figures are not preprinted but are filled in by the players. A player wins a game of bingo by completing a preannounced combination of spaces or, in the absence of preannouncement of a combination of spaces, any combination of five spaces in a row, either vertical, horizontal, or diagonal.

**Subp. 4. Bingo occasion.** "Bingo occasion" means a single gathering or session at which a series of one or more successive bingo games is played.

**Subp. 5. Board.** "Board" means the Minnesota Charitable Gambling Control Board.

**Subp. 6. Checker.** "Checker" means a person who records the number of bingo cards purchased and played during each game and records the prizes awarded to the recorded cards, but does not collect the payment for the cards.

**Subp. 7. Compensation.** "Compensation" means wages, salaries, and all other forms of remuneration for services rendered.

**Subp. 8. Deal.** "Deal" means each separate package, or series of packages, consisting of one game of pull-tabs with the same serial number purchased from a distributor.

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## ADOPTED RULES

**Subp. 9. Distributor.** "Distributor" is a person who sells or furnishes gambling equipment and supplies he or she manufactures or purchases for resale to a licensed organization.

**Subp. 10. Flare.** "Flare" means the posted display, with the Minnesota registration stamp affixed, that sets forth the rules of a particular game of pull-tabs, and that is associated with a specific deal of pull-tabs, grouping of tipboards, or series of 100 paddle-tickets.

**Subp. 11. Fraternal organization.** "Fraternal organization" means a nonprofit organization which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members. The term does not include college and high school fraternities and sororities.

**Subp. 12. Gambling equipment.** "Gambling equipment" means bingo cards and devices for selecting bingo numbers, pull-tabs, ticket jars, paddlewheels, paddletickets, and tipboards.

**Subp. 13. Gambling manager.** "Gambling manager" means a person who has paid all dues to an organization and has been a member of the organization for at least the most recent two years and has been designated by the organization to supervise lawful gambling conducted by it.

**Subp. 14. Gross receipts.** "Gross receipts" means the total amount collected by an organization from participants in lawful gambling, or from the leasing or subleasing of their site to another organization for gambling.

**Subp. 15. Lawful gambling.** "Lawful gambling" is the operation, conduct or sale of bingo, raffles, paddlewheels, tipboards, and pull-tabs. Lawful gambling does not include betting related to the outcome of an athletic event.

**Subp. 16. Lawful purpose.** "Lawful purpose" means one or more of the following:

A. benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded;

B. initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures;

C. lessening the burdens borne by government or voluntarily supporting, augmenting, or supplementing services which government would normally render to the people; or

D. improving, expanding, maintaining, or repairing real property owned or leased by an organization.

"Lawful purpose" does not include the erection or acquisition of any real property, unless the board specifically authorizes the expenditures after finding that the property will be used exclusively for one or more of the purposes specified in this clause.

**Subp. 17. Leased premises.** "Leased premises" means a building or place of business, or a portion of a building, or a place of business or portion of a business place, not owned by a gambling organization or, that is leased in its entirety by a gambling organization for the use by the organization and its members, but is leased for the purpose of conducting which use may include lawful gambling.

**Subp. 18. Master flare.** "Master flare" is used in conjunction with groups sealed groupings of tipboards and series of 100 paddletickets paddleticket cards. The master flare must describe the type of tipboards or paddletickets in the group or series, have a list of all the series tipboard or paddleticket card numbers in that group, and have a state registration stamp affixed to it bearing the number of the first of the tipboards or paddletickets paddleticket cards in the group.

**Subp. 19. Net receipts.** "Net receipts" are gross receipts less prizes actually paid out. This is the amount upon which the gambling tax is paid.

**Subp. 20. Organization.** "Organization" means any fraternal, religious, veterans, or other nonprofit organization that has been in existence in Minnesota for the most recent three years.

**Subp. 21. Other nonprofit organization.** "Other nonprofit organization" means an organization other than a fraternal, religious or veterans organization, and whose nonprofit status is evidenced by a certificate of nonprofit incorporation or has been recognized by the Internal Revenue Code as a nonprofit organization exempt from payment of income taxes.

**Subp. 22. Paddleticket.** A "paddleticket" is a preprinted ticket in on a series paddleticket card that has printed on it a series paddleticket card number and one or more numbers or symbols corresponding to the numbers or symbols on a paddlewheel.

**Subp. 23. Paddleticket card.** "Paddleticket card" means a card to which is attached paddletickets bearing all the numbers or symbols on a paddlewheel. A paddleticket card must have a stub attached that has preprinted on it a paddleticket card number, the cost per paddleticket, space for the date played, a facsimile of a state registration stamp which has the distributor's license number printed in place of the paddleticket card number, and space for the winning number to be written in.

**Subp. 24. Paddleticket card number.** "Paddleticket card number" means the unique number preprinted by the manufacturer on a paddleticket card and its paddletickets.

**Subp. ~~23~~ 25. Paddlewheel.** "Paddlewheel" means a vertical wheel marked off into equally spaced sections containing one or more numbers or symbols and which after being turned or spun, uses a pointer or marker to indicate winning chances.

**Subp. 24. 26. Profit.** "Profit" means the gross receipts collected from lawful gambling, less reasonable sums necessarily and actually expended for gambling supplies and equipment, prizes, rent, and utilities used during the gambling occasions, compensation paid to members for conducting gambling, taxes imposed by Minnesota Statutes, section 349.212, and maintenance of devices used in lawful gambling.

**Subp. 25. 27. Pull-tab.** "Pull-tab" means a single folded or banded ticket or a card with a face covered to conceal one or more numbers or symbols, where one or more of each set of tickets or cards has been designated in advance as a winner. "Pull-tab" also includes a ticket sold in a gambling device known as a ticket jar.

**Subp. ~~26~~ 28. Raffle.** "Raffle" means a game in which a participant buys a ticket for a chance at a prize. The winner or winners are determined by a random drawing from a container holding numbers corresponding to all chances sold and which takes place at a location and date printed upon the ticket.

**Subp. 27. 29. Religious organization.** "Religious organization" means a nonprofit organization, church, body of communicants, or group gathered in common membership for mutual support and edification in piety, worship, and religious observances.

**Subp. ~~28~~ Series.** A "series" means a group of paddletickets which group contains tickets bearing all the numbers or symbols on a paddlewheel. A series will have a stub attached that has preprinted on it a series number, the cost per paddleticket, space for the date played, a facsimile of a state registration stamp which has the distributor's license number printed in place of the series number and space for the winning number to be written in.

**Subp. ~~29~~ Series number.** "Series number" means the unique number preprinted by the manufacturer on a series of paddletickets.

**Subp. 30. Tipboard.** "Tipboard" means a board, placard, or other device marked off in a grid or columns, in which each section contains a hidden number or numbers, or other symbol, that determines the winning chances. "Tipboard" also means a board or placard to which is attached tickets, arranged in columns or rows, which tickets contain concealed numbers. When a ticket is purchased and opened, players having certain predesignated numbers can sign the board at the place indicated by the number on the ticket. When the predesignated numbers are all purchased, a seal is removed under which is a number indicating which of the predesignated numbers is the winning number. "Tipboard" also means a board or placard to which are attached tickets which contain concealed numbers. The winning number must be determined by removing a seal on the board.

**Subp. 31. Veterans organization.** "Veterans organization" means any congressionally chartered organization within this state, or any branch, lodge, or chapter of a nonprofit national or state organization within this state, the membership of which consists of individuals who were members of the armed services or forces of the United States.

#### 7860.0020 PURPOSE OF ORGANIZATION.

An organization is ineligible to conduct lawful gambling if the sole purpose of that organization is to conduct lawful gambling, whether or not the organization is carrying out that purpose for one or more otherwise eligible organizations. Therefore, every organization desiring to conduct lawful gambling must manifest itself by veterans, religious, fraternal, or other nonprofit programs.

#### 7860.0030 CLASSES OF LICENSES AND FEES.

**Subpart 1. Class A; all forms of lawful gambling.** Organizations obtaining a Class A license may operate bingo, raffles, paddlewheels, tipboards and pull-tabs unless any of these forms of lawful gambling are prohibited by a city or county regulation adopted pursuant to Minnesota Statutes, section 349.213, subdivision 1. This shall be known as a Class A license.

**Subp. 2. Class B; all forms of lawful gambling except bingo.** Organizations obtaining a Class B license may operate raffles, paddlewheels, tipboards and pull-tabs, but not bingo, unless any of these forms of gambling are prohibited by a city or county regulation adopted pursuant to Minnesota Statutes, section 349.213, subdivision 1. This shall be known as a Class B license.

**Subp. 3. Class C; bingo only.** Organizations obtaining a Class C license may operate bingo only, unless prohibited by a city or county regulation adopted pursuant to Minnesota Statutes, section 349.213, subdivision 1. This shall be known as a Class C license.

**Subp. 4. Fees.** The following license fees are established:

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## ADOPTED RULES

- A. an annual license fee for a Class A license is \$100;
- B. an annual license fee for a Class B license is \$50; and
- C. an annual license fee for a Class C license is \$50.

License fees are not prorated or refundable.

### 7860.0040 LICENSE APPLICATION.

**Subpart 1. Application required.** An organization desiring to obtain a state license to conduct lawful gambling must make annual application to the board on forms provided by the board.

**Subp. 2. Contents of application.** The application must contain the following information:

- A. the official, legal name of the organization;
- B. the business address;
- C. the business telephone number;
- D. the city or town, and county in which the premises where the lawful gambling site will be conducted is located;
- E. the address of the premises where the lawful gambling site will be conducted, indicating whether the site premises is or is not within city or town limits;
- F. the name and title of organization's executive officers;
- G. an indication of Minnesota or Internal Revenue Service tax exempt status;
- H. an indication of the type of eligible organization;
- I. an indication of whether the applicant is chartered by parent organization;
- J. an indication of length of existence in Minnesota if the organization is not a Minnesota organization, the address of the location in Minnesota where the organization's gambling records will be kept;
- K. the name; and address; and date of birth of the gambling manager;
- L. a verification of the required fidelity bond for gambling managers;
- M. an indication of whether the organization owns or leases the gambling site premises where lawful gambling will be conducted;
- N. an indication of the class of license applied for;
- O. the number of active members;
- P. if incorporated, the number of the articles of incorporation and where filed;
- Q. the federal I.D. number, if any;
- R. an "authorization to inspect bank records" of the games of chance gambling bank account of the organization;
- S. a consent that local law enforcement officers or agents of the board may enter upon the site to observe the lawful gambling being conducted and to enforce the law for any unauthorized game or practice; and
- T. such additional information as is necessary to properly identify the applicant and to ensure compliance with Minnesota Statutes, sections 349.11 to 349.22.

**Subp. 3. Required attachments to application.** The applicant must attach the following material to the application:

- A. a copy of any the lease agreement for a gambling site the premises where the organization will conduct lawful gambling if the premises is not owned by the organization; and
- B. every eligible organization must file a copy of its written internal accounting and administrative control system relative to gambling operations with the board when they first apply for a license to conduct games of chance. The original applicants of March 1, 1985, have until September 1, 1985, to comply with this requirement.

**Subp. 4. Local approval.** The applicant shall deliver a copy of the application to the clerk of the local governing body along with a notification that the license, if approved by the board, will become effective within 30 days unless the governing body adopts a resolution disapproving the license and so informs the board within 30 days. The clerk will sign an acknowledgement of receipt of the copy of the license application and notification.

**Subp. 5. Length of license.** All licenses are effective for one year from the effective date of the license.

**Subp. 6. Each site-premises licensed.** A separate license must be obtained for each gambling site premises where lawful gambling is to be conducted, except for raffles, which may be conducted on premises not owned or leased by the organization.



If an organization conducts raffles on more than one premises, the organization does not have to obtain a separate license for each premises where a raffle will be conducted. The organization must, however, include in its application the address of each premises where a drawing for a raffle will be conducted and must deliver a copy of the gambling application to the clerk of each local governing body where a drawing for a raffle will be conducted, pursuant to subpart 4. If a licensed organization desires to conduct a raffle at a premises that it did not include in its application, it must notify the board and the clerk of the local governing body where the raffle will be conducted, pursuant to subpart 4, at least 30 days prior to the drawing for the raffle to permit the local governing body time to disapprove the raffle.

**Subp. 7. Out-of-state organization's records.** Out-of-state organizations conducting lawful gambling in Minnesota must establish a permanent location within Minnesota where the organization's gambling records required to be maintained by these rules will be kept.

**Subp. 8. Changes in application information.** If any information submitted in the application changes, the organization must notify the board and the local governing body within ten days of the change.

#### **7860.0050 EXCHANGE OF GAMBLING EQUIPMENT BY LICENSEE.**

Licensed organizations are prohibited from exchanging pull-tabs, tipboards, ~~or paddletickets~~ paddleticket cards, or disposable bingo cards with any other licensed organization.

#### **7860.0060 CREDIT PLAY PROHIBITED.**

All playing of lawful gambling must be on a cash basis. Cash includes checks. Credit must not be extended to any player. The consideration to play a lawful gambling must be collected in full, by cash or check, in advance of any play. No organization shall grant a loan or gift of any kind at any time to a player. Organizations may establish policy concerning acceptance of checks, and need not accept checks. No organization shall hold checks or accept post-dated checks.

#### **7860.0070 ADVERTISING.**

**Subpart 1. Not gambling expense.** Advertising, although not prohibited, may not be taken as an expense against gambling proceeds. The expense for advertising shall not be paid from the general gambling bank account required in part 7860.0140.

**Subp. 2. Identifying statement.** Any advertising of lawful gambling at a specific site must contain a statement identifying the organization licensed to conduct gambling at that site.

#### **7860.0080 FEDERAL INCOME TAX EXEMPTION FORMS.**

Each licensed organization that files any forms with the United States Department of the Treasury that are required for organizations exempt from income tax shall retain a copy of those forms for three years.

#### **7860.0090 LEASE AGREEMENTS.**

**Subpart 1. Requirements of lease.** All leases ~~for of premises where~~ lawful gambling sites required by Minnesota Statutes, section 349.18, subdivision 1 is to be conducted must contain at a minimum the following information:

A. The name of ~~grantor or the~~ lessor, ~~whichever is applicable~~, who must be the legal owner of the site premises. If the organization is to be a sublessee, then the lessee name must also be included.

B. The name of the eligible organization.

C. The term of the agreement (must be at least one year).

D. The monetary consideration, if any.

E. if the lease is of a portion of a building or place of business, a brief description of the general area being ~~granted or~~ leased within the building or place of business (a sketch must be attached).

F. The inclusion of the following statement with appropriate selections: "The (grantor, lessor) does hereby agree that (he, she), (his, her) spouse, and any employee or agent of the (grantor, lessor) shall not participate in the selling, distributing, conduct, assisting or playing of lawful gambling at the site herein (granted, leased)." If the organization is a sublessee, the lessee, his or her spouse, employees and agents must also be included in this statement.

G. The days of the week and hours of the day during which lawful gambling may be conducted.

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**Subp. 2. Renegotiated leases.** Leases renegotiated at times other than license renewal time must be furnished to the board at least ten days prior to the effective date of the lease.

### 7860.0100 LESSOR OF GAMBLING SITE-RESTRICTIONS.

**Subpart 1. Participation in gambling activity prohibited.** The lessor, lessor's spouse, and any employee or agent of the lessor shall not directly or indirectly participate in the selling, distributing, conducting, assisting, or playing of lawful gambling at the site leased. If the site premises where lawful gambling is to be conducted is a public building, this prohibition applies to the building manager and staff and all officials in a position, individually or collectively, to approve or deny the lease shall not directly or indirectly participate in the selling, distributing, conducting, or assisting in the playing of lawful gambling at the leased premises.

**Subp. 2. Gambling not operated in conjunction with lessor's business.** No lawful gambling shall be set up or otherwise operated in conjunction with the conduct of the lessor's business operations.

**Subp. 3. Prohibitions apply if organization sublessee.** If the organization is a sublessee, the prohibitions in subparts 1 and 2 apply to the lessee also.

### 7860.0110 PREMISES LEASED TO TWO OR MORE ORGANIZATIONS.

**Subpart 1. Limit on number of occasions per week.** There may be no more than four bingo occasions per week on a premises unless written approval is obtained from the board. ~~One organization may have only two bingo occasions per week.~~

**Subp. 2. Written request required.** A written request to have more than four bingo occasions per week on a premises ~~leased to~~ used by two or more organizations must be filed with the board and the clerk of the local governing body where the premises is located, pursuant to part 7860.0040, subpart 4, at least 60 days prior to the time when more than four occasions per week are desired. The request must be made by the owner of the premises and on a form supplied by the board which will require the following information:

- A. the name and address of the owner of the premises;
- B. the ~~address~~ lawful gambling license number of the owner of the premises if the owner is licensed to conduct lawful gambling;
- C. the phone number of the owner of the premises;
- D. address of premises for which waiver is requested;
- E. the ~~name~~ name(s), addresses address(es), and license ~~numbers~~ number(s) of ~~organizations~~ organization(s) presently leasing the premises;
- F. the number of additional bingo occasions per week requested;
- G. the reasons for the necessity of more than four bingo occasions per week;
- H. a statement explaining why allowing additional bingo occasions is consistent with:
  - (1) preventing commercialization of gambling;
  - (2) insuring the integrity of operations; and
  - (3) providing for use of the ~~net~~ profits only for lawful purposes.

### 7860.0120 GENERAL ACCOUNTING RECORDS.

**Subpart 1. General records.** Every organization shall maintain complete, accurate, and legible general accounting records with detailed, supporting, subsidiary records sufficient to furnish information regarding all transactions pertaining to gambling. The accounting records must be sufficient to adequately reflect gross receipts, prizes, net receipts, expenses, and all other accounting transactions. The records must be retained for a period of three years from the end of the month for which the records are kept unless the organization is released by the board from this requirement as to any particular record or records.

**Subp. 2. Monthly records.** Every organization licensed to operate any lawful gambling activity shall keep and maintain monthly records of all the gambling activities of the organization. These records must be kept separate for each month and include all details of the following:

- A. the gross receipts from each form of lawful gambling conducted;
- B. the cost of all prizes paid out for each form of lawful gambling conducted;
- C. full details on all expenses related to each form of lawful gambling conducted;
- D. records that clearly show in detail how the profit obtained by the organization from each gambling activity was used or disbursed by that organization; and
- E. records that detail purchases of gambling equipment as to the type, quantity, and unit cost, separated by distributor.

**Subp. 3. Reports filed with the board monthly.** The information required in subpart 2 must be filed with the board monthly on forms prescribed by the board. This report must be filed at the same time and as part of the organization's monthly tax return.

#### 7860.0130 METHOD OF ACCOUNTING.

**Subpart 1. Cash basis method.** Every organization shall determine its gross receipts on the cash basis.

**Subp. 2. Exceptions.** Every organization must determine its expenses on the cash basis, except:

A. Deals of pull-tabs, paddletickets and tipboards must be determined on the accrual basis. Every licensed organization shall furnish a listing of state registration stamps removed from play or otherwise disposed of during the tax return reporting period to the board.

B. The tax imposed by Minnesota Statutes, section 349.212 must be deducted on the accrual basis.

#### 7860.0140 GENERAL GAMBLING BANK ACCOUNT.

Every organization shall maintain a separate checking account at a financial institution, located within Minnesota, for each license issued.

Every organization shall furnish to the board an "Authorization to Inspect Bank Records," which shall authorize the board and its agents to inspect the bank records of the organization's gambling bank account.

Interest income must be included in gross receipts.

All receipts from lawful gambling must be deposited in this account and all allowable gambling expenses must be paid from this account.

#### 7860.0150 INTERNAL CONTROL.

**Subpart 1. System of internal accounting and administrative controls required.** ~~In order~~ To adequately determine its liability for taxes ~~under Minnesota Statutes, section 349.212,~~ and the proper determination of profit to be expended ~~under Minnesota Statutes, section 349.15~~ for lawful purposes, every organization shall establish and have available for review, a written system of internal accounting and administrative controls relative to its lawful gambling operations. The organization shall file a copy of its internal accounting and administrative control system with the board when the license application is submitted. The board may require that the organization revise its internal accounting and administrative control system if the system does not meet the internal control objectives established by the board.

**Subp. 2. Accounting control system objectives.** The system of accounting control relative to gambling operations must provide a plan of organization and a description of the procedures and records which are designed to provide reasonable assurance that the following objectives will be attained:

A. that transactions are executed in accordance with management's general or specific authorization;

B. that transactions are recorded as necessary to properly record gambling revenue, and to maintain accountability for assets;

C. that access to assets is permitted only in accordance with management's authorization; and

D. that the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to differences.

**Subp. 3. Administrative control system.** The system of administrative control relative to gambling operations must include a complete plan of organization that will provide appropriate segregation of functional responsibilities and sound practices to be followed in the performance of these duties by competent and qualified personnel. The plan of organization must be diagrammatic and narrative in describing the interrelationship of functions and the division of responsibilities upon which the system of internal control relative to gambling operations is based.

**Subp. 4. Report of chief executive required.** The submitted system of internal control relative to gambling operations must be accompanied by a report of the chief executive officer that the submitted system conforms in all material respects to the objectives of internal control in subpart 2.

**Subp. 5. Changes in systems.** Following the organization's submission of the system of internal control relative to gambling operations, if, in the judgment of the organization, a change in the submitted internal control system is required, it may be instituted.

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The amended version of the system of internal control shall be forwarded to the board within ten days prior to its effective date.

**Subp. 6. Board action regarding changes.** Should the board determine that the submitted internal control system relative to gambling operations is inadequate, the board shall give written notice to the organization of such inadequacy. Upon receipt of the notice, the organization shall take immediate steps to remedy the inadequacy and shall notify the board of the steps, including the filing of any necessary amendments to such system. Should the organization fail to remedy the inadequacy within 60 days following receipt of the notice, it shall be deemed to be in violation of these rules and shall be subject to disciplinary actions in accordance with the rules and law. The board shall publish and make available to all organizations the general guidelines ~~it utilizes in determining the adequacy of for the organizations' use in developing~~ internal control systems.

### 7860.0160 EXPENSES.

**Subpart 1. Expenses allowed.** Reasonable sums that are necessarily and actually expended for the following items, are allowed to be taken from gross receipts from lawful gambling:

- A. prizes;
- B. gambling supplies and equipment;
- C. rent;
- D. utilities used during gambling occasions;
- E. compensation paid to members for conducting gambling;
- F. taxes imposed by Minnesota Statutes, section 349.212; and
- G. maintenance of devices used in lawful gambling.

**Subp. 2. Definitions.** For purposes of subpart 1:

A. Prizes mean actual cash given to winners in gambling games. Prizes also include the cost of merchandise given to winners of gambling games. Merchandise must be expensed at the actual cost to the organization.

B. Gambling supplies and equipment mean:

(1) bingo cards, devices for selecting bingo numbers, numbered bingo balls, ink dabbers, and other supplies or equipment used in the playing of bingo such as flashboards, game boards, monitoring systems, cash registers, and game programs;

(2) pull-tabs and ticket jars;

(3) paddlewheels, ~~paddletickets~~ paddleticket cards, and other necessary equipment used to conduct the game of paddlewheels;

(4) tipboards;

(5) incidental office supplies such as paper, pencils, forms, and calculators;

(6) cost of printing of raffle tickets; and

(7) all sales tax paid on these items.

C. Rent means that reasonable amount of money expended pursuant to a lease of a specific premises for the purpose of conducting lawful gambling.

D. Utilities mean:

(1) the actual cost of the utilities providing heating, cooling, water, and lighting for a ~~premise~~ premises totally owned or totally leased and used exclusively for lawful gambling; or

(2) the proportion of the utilities providing heating, cooling, and lighting attributable to that portion of a totally-owned or totally-leased premises ~~that and the amount of time it~~ is used for lawful gambling.

E. Compensation paid to members for conducting lawful gambling means compensation plus reasonable employer-paid benefits, and payroll taxes for employees directly engaged in conducting gambling. If the employee performs other services unrelated to gambling activities, an allocation based on hours worked in each activity must be made. For purposes of this item, "member" includes active members of the organization, its auxiliary, the spouse or surviving spouse of an active member, and nonmembers hired as nonmanagement assistants pursuant to the approval of the organization.

F. Taxes mean the tax on gross receipts minus prizes actually paid out.

G. Maintenance of devices used in lawful gambling means the reasonable material and labor charges for the repair and maintenance of equipment or ~~devices~~ devices used in lawful gambling.

**Subp. 3. Unallowable expenses.** The following may not be taken as expenses from lawful gambling receipts:

- A. advertising costs (advertising does not include bingo programs distributed on site);
- B. ~~compensation to nonmember gambling employees;~~
- ~~C.~~ utilities when only a portion of a building or business place is leased for gambling;
- ~~D.~~ C. employer-paid bonuses or payments made to or on behalf of a gambling employee other than those specifically allowed in subpart 2, item E; and
- E. D. decorations of the site.

#### **7860.0170 EXPENDITURES FOR LAWFUL PURPOSES.**

**Subpart 1. Disbursements to be made directly to lawful purpose from gambling bank account.** ~~All disbursements for lawful purposes must be made to the lawful purpose directly~~ Disbursements for allowable expenses must be made from the gambling bank account, except that disbursements from the gambling bank account to the organization's general bank account may be made if the disbursement from the organization's general bank account satisfies the restrictions on disbursements from the gambling bank account and has been made prior to the disbursement from the general gambling bank account.

**Subp. 2. Report of expenditures.** Every organization shall file a monthly report with the board giving a detailed explanation of the expenditures of the profits from gambling.

**Subp. 3. Expenditures authorized by organization.** All expenditures of profits from lawful gambling must be authorized at a regular meeting of the conducting organization and that authorization must be recorded ~~in the official minutes.~~ Copies of ~~these minutes will~~ the authorization must be sent to the board upon its written request.

#### **7860.0180 GAMBLING TAX RETURNS.**

**Subpart 1. Due date for filing tax returns; general rule.** The tax on lawful gambling must be paid on a monthly basis and be reported on a form prescribed by the board. The gambling tax return and payment of the tax due must be postmarked or, if hand-delivered, received in the board's office on or before the last business day of the month following the month for which the report is made.

**Subp. 2. Incomplete tax returns.** An incomplete tax return will not be considered timely filed unless corrected and returned by the due date for filing. Delays in mailing, mail pickups, and postmarking are the responsibility of the organization.

**Subp. 3. Consolidated return.** Only one return shall be filed for each organization licensed by the board.

Organizations operating at more than one site shall file an attachment to the tax return disclosing the operations at each site. The attachment must use the format of the tax return.

**Subp. 4. Two signatures required on tax returns.** Both the gambling manager and the chief executive officer of the organization or their respective designees must sign the tax return.

#### **7860.0190 UNLICENSED BINGO.**

**Subpart 1. Registration required.** An organization that conducts bingo that is ~~exempt under Minnesota Statutes, section 349.214~~ from the licensing requirements must register with the board at least 30 days prior to conducting the bingo occasion. The registration will be on a form prescribed by the board which will include the following information:

- A. the name of the organization;
- B. the address of the organization;
- C. the name of the person in charge of the bingo occasion and that person's phone number;
- D. the type of eligible organization;
- E. the number of years in existence in this state;
- F. the number of active members;
- G. the intended lawful use of the profits;
- H. the number of bingo occasions conducted by the organization in the present calendar year; and

I. whether the bingo occasion is to be held in connection with a county fair, the state fair, or a civic celebration, ~~and~~ and if so, the number of consecutive days the bingo will be played.

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**Subp. 2. Restrictions applicable to bingo exempt from licensure.** The following restrictions are applicable to exempt bingo. The organization must:

- A. be a fraternal, religious, veterans, or other nonprofit organization;
- B. have been in existence ~~in this state~~ for at least three years;
- C. have at least 15 active members;
- D. use the profits for lawful purposes;
- E. comply with the ~~rules~~ statutes concerning allowable expenses from gambling funds;
- F. use a checker;
- G. segregate its gross receipts in a separate general gambling bank account;
- H. itemize its expenditures as to payee, purpose, amount, and date of payment;
- I. report to the board within five days of the bingo occasion any discrepancy of more than \$20 between the gross receipts reported by the checkers and the gross receipts determined by the recordkeeping system;
- J. keep these records for three years; and
- K. comply with the statutory prize limits.

### 7860.0200 DISTRIBUTORS.

**Subpart 1. License required.** No person may sell, offer for sale, or otherwise furnish gambling equipment without having obtained a distributor license.

**Subp. 2. Application required.** Annual application must be made for a distributor's license. The application will be on a form provided by the board, which form will include at least the following information:

- A. the name of person responsible for completing application;
- B. the name of business;
- C. the mailing address of business;
- D. the office address if different than mailing address;
- E. the telephone number of business;
- F. the official position of person completing the application;
- G. the legal nature of applicant:
  - (1) corporation;
  - (2) partnership;
  - (3) sole proprietorship;
- H. a list of the owners, partners, officers, directors, and people in supervisory and management positions. A distributor personnel form must be completed for each of these individuals;
- I. the address of facility into which all gambling equipment and supplies is unloaded prior to sale in this state;
- J. a statement that the applicant is not a wholesale distributor of liquor or alcoholic beverages;
- K. a statement as to whether any officer, director, or other person in a supervisory or management position:
  - (1) has been convicted of a felony within the last five years or now has a felony charge pending, in any state or federal court;
  - (2) has ever been convicted in any state or federal court of a gambling-related offense;
  - (3) has ever been engaged in an illegal business; and
- L. the chief executive officer or owner shall verify the statements made in the application.

**Subp. 3. Distributor personnel form.** The distributor personnel form noted in subpart 2 will require the following information:

- A. the name of person completing the form;
- B. the name of distributor;
- C. the address, date of birth, place of birth, and name of spouse of person completing the form;

D. all other current occupations along with employer's name, address, type of business, and the position held within that business;

E. the names of any organizations conducting gambling of which the person completing this form is a member;

F. all criminal convictions, or pending criminal charges, if any, the dates of those convictions, and the location of the court imposing sentence;

G. a list of all the places of residence in the last ten years; and

H. information on this form shall be verified by the person completing it.

**Subp. 4. Restrictions on distributorship interest.** The following are the restrictions on distributorship interest:

A. No organization that conducts lawful gambling shall be a distributor.

B. No person who is an officer, director, manager, or gambling manager, of any organization conducting lawful gambling shall be an officer, director, shareholder, directly or indirectly, proprietor, or employee of a distributorship, nor shall the person have any direct or indirect financial interest whatsoever in such distributorship.

C. No person who is an officer, director, shareholder, directly or indirectly, partner, or proprietor of a wholesale alcoholic beverage distributorship shall be an officer, director, shareholder, partner, proprietor, or employee of a distributorship, nor shall the person have any direct or indirect financial interest in the distributorship.

D. No distributor or person having a direct or indirect financial interest in a distributorship shall be a lessor of premises, directly or indirectly, to an organization conducting gambling.

**Subp. 5. Changes in application information.** Any changes in the information submitted in the application must be filed with the board within ten days after the change.

**Subp. 6. Marking and identification of equipment for gambling.** The following requirements apply to the marking and identification of equipment for lawful gambling.

A. A distributor is responsible for placing a state ~~registration~~ registration stamp upon the flare of each deal of pull-tabs, each master flare for tipboards, each master flare for ~~series a group~~ series a group of 100 ~~paddletickets~~ paddleticket cards, each paddlewheel, each bingo card that is used or intended to be used for more than one bingo game, and each device for selecting bingo numbers that is sold or otherwise disposed of. This rule does not apply to sales by distributors to out-of-state customers for use out of state or to sales between distributors for resale to an organization.

B. Consecutively-numbered registration stamps will be furnished to each distributor by the board at the cost of five cents each. The distributor shall write in a legible manner the manufacturer's game serial number in ink in the space provided on the stamp or on the master flare and affix the stamps directly to the front of the flare of a pull-tab game, the master flare for tipboards, and the master flare for ~~series of paddletickets~~ paddleticket cards before making delivery to any licensed organization.

C. Flares will be furnished to the purchaser with each pull-tab deal and a master flare with each sealed grouping of tipboards or ~~series of 100 paddletickets~~ paddleticket cards.

D. Each flare must fully describe the prizes and winning number, symbol, or set of symbols for a deal of pull-tabs.

E. Registration stamps shall be placed by a distributor only on items that conform to all requirements of Minnesota law and the rules of the board and shall not be placed upon items not authorized for use within Minnesota.

F. Registration stamps may be obtained only from the board by a licensed distributor. The registration stamps must be placed by the licensed distributor only on items which the distributor sells or otherwise furnishes, and must not be transferred or furnished to any other distributor.

G. No person not a licensed distributor shall obtain registration stamps from any other source, nor shall he or she affix a gambling stamp to any deal of pull-tabs, tipboards, or paddletickets.

H. In the event and at the time of a liquidation, bankruptcy, or closing of a distributorship by any other means, including a nonrenewal of a license to be a distributor, or a relinquishment of the license, the distributor shall return any and all unused state registration stamps in his or her possession to the board within five days after cessation of business.

**Subp. 7. Buying from and selling only to organizations required.** No distributor shall sell or otherwise make available to any

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organization any ~~deals of pull-tabs, tipboards, paddlewheels, or any other gambling supplies, or related equipment~~ unless it has first determined that the organization has a valid license issued by the board or is exempt from licensing requirements. No organization shall purchase or otherwise obtain from any distributor any ~~deal of pull-tabs, any tipboard, paddlewheel, or any other gambling supplies or related equipment~~ until it has first determined that the distributor selling or otherwise offering such ~~supplies or equipment~~ has a valid license issued by the board to sell the equipment in this state.

**Subp. 8. Books and records to be kept.** Each distributor shall maintain for six years records that contain the following information relative to the purchase and sale, lease, rental, or loan of gambling equipment ~~and material~~.

A. Sales invoices for all gambling equipment distributed, whether by sale, lease, rental, or loan, to all gambling organizations. Gambling equipment ~~and supplies~~ provided to all gambling organizations at no charge must be recorded on a sales invoice. The sales invoices must be on a standard form prescribed by the board and must have the following information as a minimum:

- (1) the license number of the distributor;
- (2) the complete business name and address of the organization;
- (3) the license number of the organization;
- (4) the invoice number;
- (5) the invoice date;
- (6) the date shipped;
- (7) the quantity by the number of deals for pull-tabs ~~and~~, by the number of boards for tipboards, and by the number of ~~series~~ paddleticket cards for paddletickets;
- (8) a full description of each item of gambling equipment ~~or supplies~~ sold;
- (9) registration stamp numbers;
- (10) the ideal gross receipts for each different type of pull-tab, tipboard, and paddleticket game; and
- (11) the ideal net receipts for each different type of pull-tab, tipboard, and paddleticket game.

B. A registration stamp number log in which the Minnesota gambling registration stamp numbers and the manufacturer's game serial numbers are recorded must be maintained on a standard form prescribed by the board.

**Subp. 9. Examination of books and records.** The board and its agents may examine or cause to be examined the books and records of any distributor to the extent that such books and records relate to any transaction connected to the sale of gambling equipment ~~and materials~~ in this state or to information that is required to be furnished to the board under the statutes and rules pertaining to gambling, and no distributor shall prohibit, interfere with, or otherwise impede such examination, but shall cooperate and assist with the examination, and provide such information as may be required.

**Subp. 10. Distributors' sales to out-of-state purchasers.** Gambling equipment ~~and supplies~~ sold by distributors to out-of-state customers for use out of state must either be shipped to the out-of-state site or the distributor must verify that the purchaser is from out of state.

**Subp. 11. Delivery in-state.** Gambling equipment ~~and supplies~~ sold for in-state use must be delivered to the gambling manager or ~~on his or her~~ authorized representative.

**Subp. 12. Distributors not to sell coin-operated machine or mechanical pull-tab dispensing devices.** No coin-operated machine or mechanical pull-tab dispensing device shall be sold or otherwise furnished to any organization in this state.

**Subp. 13. Distributors' information reports.** Each distributor shall mail a copy of each sales invoice, as described in subpart 8, to the board to be received by the board by the 15th of the month following the month in which the invoice was prepared along with the registration stamp number log described in subpart 8.

**Subp. 14. Rebate of purchase prices by distributor.** Rebates of purchase prices or discounts allowed by a distributor must be separately stated on the original purchase invoice or separately invoiced on a credit memo referenced to the original sales invoice.

**Subp. 15. Gifts from distributors prohibited.** Distributors may not directly or indirectly give gifts, trips, prizes, loans of money, excluding credit, premiums, or other gratuities to gambling organizations, or their employees, other than nominal gifts, premiums, or prizes not to exceed a value of \$25 per organization, including employees, in a calendar year.

**Subp. 16. Same serial number and color trim; prohibited.** No distributor shall sell or furnish to any organization a deal of pull-tabs or jar tickets with the same serial number and color trim combination as a deal which that organization has previously purchased or obtained but upon which play has not been completed.

**Subp. 17. Sales promotion.** No distributor or representative of a distributor shall use as a sales promotion any statement, demonstration, or implication that any certain portion of a deal of pull-tabs or a tipboard contains more winners than other portions of



the deal or that any deal of pull-tabs or tipboard tickets may be sold by the organization in a particular manner that would give the organization any advantage in selling more of the pull-tabs or tipboard tickets before having to pay out winners.

**Subp. 18. Return of merchandise; cancellation of registration stamp.** If an organization returns a purchased deal of pull-tabs, tipboards, or series of paddletickets to a distributor for whatever reason, the distributor shall void the Minnesota registration stamp and notify the board of the voiding and the reason for the voiding on a standard form prescribed by the board. The distributor shall return all voided registration stamps to the board. If the distributor resells or re-issues the item, the distributor shall place a new Minnesota registration stamp upon the flare of the deal of pull-tabs; or the master flare of the tipboards; or paddletickets paddleticket cards that are sold or otherwise disposed of.

**Subp. 19. Must use sales invoice.** No distributor shall sell, issue, or have returned ~~a deal of pull-tabs, a tipboard tipboards,~~ or paddleticket cards to or from an organization without first recording the transaction on a sales invoice.

**Subp. 20. License fee.** The annual distributor license fee is \$1,500.

**Subp. 21. Renewal date.** All distributor licenses must be renewed on March 1 of each year. There will be no proration of the license fee.

#### **7860.0210 SPECIAL RESTRICTIONS; PULL-TABS AND TIPBOARDS.**

**Subpart 1. Sales.** No organization, distributor, or manufacturer, or representative thereof, with knowledge or in circumstances whereunder he or she reasonably should have known, shall possess, display, put out for play, sell, or otherwise furnish to any person any deal of pull-tabs or tipboards:

A. in which the winning pull-tabs or tipboard tickets have not been completely and randomly distributed and mixed among all other pull-tabs in the deal or tipboard tickets ~~in the deal~~;

B. in which the location, or approximate location, or any of the winning pull-tabs or tipboard tickets can be determined in advance of opening the pull-tabs or tipboard tickets in any manner or by any device, including but not limited to, any pattern in the manufacture, assembly, or packaging of the pull-tabs or tipboard tickets by the manufacturer, by any markings on the pull-tabs or tipboard tickets or container, or by the use of a light; or

C. which does not conform in any respect to the requirements of these rules as to manufacture, assembly, or packaging of pull-tabs and tipboards.

**Subp. 2. Purchases.** Effective September 1, 1985, a distributor shall not purchase or be furnished any deal of pull-tabs; ~~tipboard tipboards~~ from a manufacturer of pull-tabs or tipboards unless both of the following conditions are met:

A. the manufacturer's label or trademark has been registered with the board; and

B. each individual pull-tab or tipboard ticket manufactured has conspicuously set forth on it the name of the manufacturer or a label or trademark which identifies its manufacturer.

#### **7860.0220 REGISTRATION OF EQUIPMENT.**

**Subpart 1. Registration required.** All gambling equipment sold, leased, rented, or loaned by a distributor to an organization must be registered with the board as follows:

A. a state registration stamp must be affixed to the flare of each deal of pull-tabs;

B. a state registration stamp must be affixed to the master flare for each sealed grouping of tipboards;

C. a state registration stamp must be affixed to the master flare for each ~~series~~ sealed grouping of 100 ~~paddletickets~~ paddleticket cards and have a facsimile of the state registration stamp imprinted on each ~~series~~ paddleticket card stub with the distributor's license number printed on the facsimile in the place of the ~~series~~ paddleticket card numbers;

D. a state registration stamp must be affixed to each bingo card that is used or intended to be used for more than one game. Disposable bingo cards do not require a registration stamp, but will be considered registered when the distributor records on the invoice the series number and card numbers sold;

E. a state registration stamp must be affixed to paddlewheels and devices for selecting bingo numbers.

**Subp. 2. Registration of certain equipment.** By Prior to the use of nonregistered gambling equipment possessed by organiza- ~~tions~~ on or after March 1, 1985, organizations must apply for and affix registration stamps to all ~~nonregistered~~ such gambling

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equipment possessed by the organization on that date (except bingo cards) in the manner specified in subpart 1. Organizations must affix registration stamps to all nonregistered bingo cards used or intended to be used for more than one game by September 1, 1985. The board, upon receiving from an organization notification of the manufacturer's game serial numbers, or other identifying information if manufacturer serial numbers are not available, for each item of gambling equipment to be registered, will assign state registration numbers to the gambling equipment and will supply the organization with the appropriate registration stamps, free of charge, which the organization must affix to the corresponding gambling equipment.

### 7860.0230 BINGO.

**Subpart 1. Bingo equipment to be used.** The conduct of bingo must include the following items:

A. A machine or other device from which balls are withdrawn.

B. A set of 75 balls bearing the numbers 1 through 75 and the letters B, I, N, G, O. The 75 balls must be available for inspection by the players before a bingo session begins to determine that all are present and in operating condition. Each numbered ball must be essentially equal as to size, weight, shape, and balance and as to all other characteristics that may control their selection and all must be free from any defects and be present in the receptacle before each game is begun.

**Subp. 2. Numbering of cards.** In addition, each set of disposable bingo cards must be consecutively numbered from the first card to the last card, or from the first sheet of cards to the last sheet of cards, or be consecutively numbered through the set. Each card or sheet must have printed on its face both its individual card or sheet number, and the series number assigned by the manufacturer to that set of disposable bingo cards.

**Subp. 3. Other equipment.** Other equipment or devices may be used for the purpose of displaying numbers and letters called to the public, and such furniture and sound amplification systems as are necessary for the convenience and comfort of the players and the organization.

**Subp. 4. Manner of conducting bingo.** The conducting of a bingo game includes the following rules:

A. The organization shall post a notice on the site where bingo is played containing the rules governing the conduct of bingo.

B. All sales of bingo cards must take place upon the site immediately preceding or during the session for which the card is being sold.

C. Bingo cards must be sold and paid for prior to the start of a specified game or specified number of games. Each organization must establish and post house rules, pursuant to part 7860.0280, regarding the method of and procedure for payment for bingo cards. The rules must ensure prompt payment and collection of the money for the cards sold for each game that is commenced. Cards may not be sold for a game or number of games after the first number is called.

D. No organization shall reserve, or allow to be reserved, any bingo card for use by players except braille cards or other cards for use by legally blind or disabled players.

E. Legally blind players may use their personal braille cards when an organization does not provide these cards. The organization may inspect, and reject, any personal braille card. A legally blind or disabled person may use a braille card or reserved hard card in place of a purchased disposable bingo card.

F. If an organization has duplicate hard cards or disposable bingo cards in play, regardless of the series number for disposable bingo cards, the organization shall conspicuously post that fact or notify all players prior to their purchase of tickets for a game or number of games that will have duplicate bingo cards in play.

G. No two or more sets of disposable bingo cards can be used at the same time if they have identical series numbers.

H. The particular arrangement of numbers required to be covered in order to win the bingo game must be clearly described and announced to the players immediately before each game is begun.

I. Immediately following the drawing of each ball in a bingo game, the caller shall display the letter and number on the ball to the players.

J. The letter and number on the ball must be called out prior to the drawing of the next ball.

K. After the letter and number are called, the corresponding letter and number on the licensee's flashboard, if any, must be lit for player viewing.

L. No bingo game shall be conducted to include a prize determined other than by the matching of letters and numbers on a bingo card with letters and numbers called by the organization, in competition among all players in a bingo game.

M. No player shall separate a disposable bingo card when there are two or more cards on one sheet.

N. No player shall play more bingo cards than he or she actually paid for or received in free plays.

O. In the playing of bingo, no person who is not physically present on the site where the bingo game is actually conducted is allowed to participate as a player in the game.

P. A winner is determined when a specified pattern of called numbers appears on a card.

Q. Immediately upon a bingo player declaring a winning combination of letters and numbers, the winning card number shall be stated aloud by an organization employee. The winning card shall be verified by an organization employee and at least one neutral player.

R. Upon a bingo player declaring a winning bingo, the next ball out of the machine must be removed from the machine prior to shutting the machine off and must be the next ball to be called in the event the declared winning bingo is not valid.

S. No person shall engage in any act, practice, or course of operation as that would operate as a fraud to affect the integrity or adversely affect the outcome of any bingo game.

**Subp. 5. Employees and volunteers shall not play.** No organization shall allow a person who works at a bingo game, whether a paid employee or a volunteer, to play in a bingo game conducted by that organization during that bingo occasion.

**Subp. 6. Play by immediate family members prohibited.** ~~No person who is a member of the organization's gambling employee's employee at a bingo occasion may have direct contact with his or her immediate family may gamble at a site of the employee's regular place of employment members on any matter involving the play of bingo during the bingo occasion which the employee is working.~~ "Immediate family" is defined as consisting of the employee's spouse, child, parent, brother, or sister. For purposes of this subpart, the term "employee" includes a volunteer.

**Subp. 7. Multiple winners.** In the event that a sharing of the designated prize is required as a result of multiple winners on the last immediately called number, the following shall govern:

A. In the event that the designated prize consists of cash, the total amount of the prize must be divided equally between or among the verified winners, provided, however, that the licensee has the option of rounding fractional dollars to the higher dollar.

B. In the event that the designated prize consists of an item of tangible personal property, merchandise, or other things other than cash, the bingo licensee shall award, if the designated prize cannot be divided, substitute prizes to each verified winner; provided, however, that the substitute prizes shall, insofar as possible, be of equal value to each other.

C. Notwithstanding the foregoing, a licensee may establish minimum prizes.

**Subp. 8. General bingo records.** For each bingo occasion, the following records must be kept:

A. the number of players in attendance, taken at a regular time during each bingo occasion, which time is to be determined by the organization;

B. the total amount wagered;

C. the total prizes, cash and non-cash, awarded;

D. a copy of the schedule of games and their prizes; and

E. the number and price of cards sold, by type.

**Subp. 9. Checkers required.** One or more checkers must be engaged for each bingo occasion. The checker or checkers must record on a form prescribed by the board the number of cards played in each game, the registration or card number of each winning card, and the prizes awarded to the recorded cards. Each checker must certify that the figures are correct to the best of the checker's knowledge.

**Subp. 10. Gross receipts compared and discrepancies reported.** The gross receipts of each bingo occasion must be compared to the checkers' records by a member of the organization who did not sell cards for the occasion. The comparison must be on a form prescribed by the board. If a discrepancy of more than \$20 is found between the gross receipts as reported by the checkers and the gross receipts determined by totaling the cash receipts, a copy of the comparison must be provided to the board within five days of the bingo occasion.

**Subp. 11. Limit on number of bingo occasions per week and per year.** Organizations may not conduct more than two bingo occasions per week or more than 104 bingo occasions per year unless written approval is obtained from the board.

A written request to have more than two bingo occasions per week or more than 104 bingo occasions per year must be filed with the

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board and the clerk of the local governing body in which the premises where the additional bingo occasions will be conducted is located, pursuant to part 7860.0040, subpart 4, at least 60 days prior to the time when the additional occasions are desired. The request must be made on a form supplied by the board, which will require the following information:

- A. the name and address of the organization;
- B. the address of the premises for which the waiver is requested;
- C. the license number of the license for the premises for which the waiver is requested;
- D. the license numbers of any other lawful gambling licenses held by the organization;
- E. the name, address, and telephone number of the gambling manager for the premises for which the waiver is requested;
- F. the number of additional bingo occasions per week and per year requested;
- G. the reasons for the necessity of more than two bingo occasions per week or 104 bingo occasions per year; and
- H. a statement explaining why allowing additional bingo occasions is consistent with:
  - (1) preventing commercialization of gambling;
  - (2) ensuring the integrity of operations; and
  - (3) providing for the use of the profits only for lawful purposes.

### 7860.0240 PULL-TABS.

**Subpart 1. General.** The following general rules shall apply to the game of pull-tabs:

- A. Pull-tabs must not be dispensed from any coin-operated machine or mechanical dispensing device.
- B. ~~No player who is a member of the organization's gambling employee's immediate family may play at a site of the employee's regular place of employment during the time period the employee is working. "Immediate family" is defined as consisting of the employee's spouse, child, parent, brother, or sister. For purposes of this subpart, the term "employee" includes a volunteer.~~
- ~~C.~~ No gambling employee of the organization shall play purchase pull-tabs at the site of his or her regular place of employment on the day of his or her employment. For purposes of this subpart, the term "employee" includes a volunteer.
- ~~D. C.~~ No gambling employee of the organization shall provide any inside information to any player that would create an unfair advantage to the player related to the potential winnings of any deal of pull-tabs. For purposes of this subpart, the term "employee" includes a volunteer.
- ~~E. D.~~ No organization shall pay a player any prize unless the player redeems an actual winning pull-tab. A prize payout must not be made to any player for a lost or unredeemed pull-tab.
- ~~F. E.~~ No organization shall modify or otherwise change the flare related to a deal of pull-tabs once the deal has been received from a distributor, or use a flare that arrives in an altered or defaced condition. No pull-tab deal may be placed out for play where the value of the prizes awarded by the organization differs from the flare.

**Subp. 2. Single deals.** The following apply to single deal games of pull-tabs.

- A. No single deal of pull-tabs, shall be taken out of play once the deal has been offered for sale unless all the highest denomination winners have been redeemed.
- B. For all single deal games, the flare, with the state registration stamp attached, for the deal of pull-tabs in play shall be affixed to the receptacle containing that deal of pull-tabs.
- C. Separate cash banks must be maintained for each deal in order to determine the actual cash profit and cash long or short.

**Subp. 3. Commingled deals.** The following apply to commingled deals of pull-tabs:

- A. Single deals of pull-tabs may be commingled in one receptacle subject to all of the following provisions:
  - (1) the deals are identical as to a particular type of game and as to the number of pull-tabs per game;
  - (2) each deal is identified by its own flare displaying the state registration stamp and manufacturer's serial number; and
  - (3) the flares applicable to each deal are identical as to the price per ticket, the amount of prizes, and the denominations of prizes.
- B. The flares of all the deals inserted for which any pull-tabs remain in play must be displayed in the immediate vicinity so that the state registration stamp with the manufacturer's serial number is visible to the players.
- C. ~~The~~ Commingled deals ~~are placed into play and must be removed, at a minimum,~~ from play at the end of each month ~~and~~

for the purpose of reporting of the result of the games ~~are made~~ in the same month's tax return. Commingled deals must be returned to play unless all of the highest denomination winners have been redeemed.

D. The organization is prohibited from putting into play deals of pull-tabs commingled in one receptacle if it is determined by the board that such a nature of play has resulted in abnormal cash shortages.

**Subp. 4. Use of state registration stamp.** The state registration stamp must be used as follows:

A. No deal of pull-tabs will be sold for use within this state or put out for play unless and until a registration stamp obtained from the board by a distributor containing an identifying number has been permanently and conspicuously affixed to the flare. Once affixed, the registration stamp must not be removed from the flare or tampered with by any person.

B. No organization shall change the game serial number that was written on the registration stamp by the distributor.

**Subp. 5. Prize and bet limitations.** Prizes and bets will be limited, awarded, and controlled in the following manner:

A. The highest denomination of winning pull-tabs must not be more than \$500.

B. Individual pull-tabs must not be sold for more than \$2.

C. All prizes from the operation of pull-tabs must be awarded in cash, merchandise, or in free plays as designated on the flare.

(1) All merchandise prizes must be displayed in full view in the immediate vicinity of the pull-tab game and the merchandise prizes must be in full view of any person prior to that person purchasing the opportunity to play.

(2) Upon a determination of a winner of a merchandise prize, the organization shall immediately remove that prize from any display and make it available to the winner.

D. No organization shall offer to pay cash in lieu of merchandise prizes which may be won.

E. When any player wins a cash prize of \$100 or greater from the play of any deal of pull-tabs, the organization shall make a record of the win as set forth in subpart 7, item D.

**Subp. 6. Operation of pull-tab games.** The game of pull-tabs must be operated in accordance with the following:

A. No organization shall place a deal of pull-tabs in play unless the game serial number of the deal of pull-tabs corresponds to the game serial number written on the state registration stamp. If the game serial number does not correspond to the number written on the registration stamp, the organization shall return the deal of pull-tabs to the distributor from whom the organization purchased it.

B. No organization shall purchase deals of pull-tabs that have the same game serial number, nor shall ever obtain nor possess, nor shall ever allow upon a site, a deal of pull-tabs or portion thereof, with the same serial number and color trim combinations, as any other deals of pull-tabs or portions thereof in its possession. This does not prevent an organization from retaining upon the site pull-tabs remaining from a deal removed from play for the purposes of complying with state law or rule if that organization:

(1) has defaced each pull-tab removed and retained, immediately upon removal of the pull-tabs from play;

(2) made a written record of the game serial number, color trim, and the number of pull-tabs remaining in that deal, immediately upon removing that deal from play; and

(3) the written record so made is maintained upon the site for a period of three years after the deal is removed.

C. No deal of pull-tabs will be placed out for play in the original package, box, or other container in which they were received from the distributor. When a deal of pull-tabs is received from the distributor in two or more packages, boxes, or other containers, all of the deal's pull-tabs from the respective packages, boxes, or other containers must be placed out for play at the same time.

D. No deal of pull-tabs may be placed out for play unless the cost to the player for each pull-tab is clearly posted on the flare.

E. No organization shall permit the display or operation of any pull-tab which may have in any manner been marked, defaced, tampered with or otherwise placed in a condition, or operated in a manner, which tends to deceive the public or which affects the chances of winning or losing upon the taking of any chance thereon.

F. The jar operator shall not pay a prize to any player who is redeeming a winning pull-tab that has in any manner been marked, defaced, tampered with, or otherwise placed in a condition which may tend to deceive the organization.

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G. No organization shall pay a player a prize when the winning pull-tab has left the site where the deal is in play.

H. The jar operator shall deface each winning pull-tab redeemed.

I. A jar operator shall not assist players in the opening of purchased pull-tabs or jar tickets.

**Subp. 7. Records.** The following records must be kept of pull-tab activity:

A. The organization shall maintain the following information with regard to individual games for a period of three years from the end of the month for which the records are kept.

B. All records, reports, and receipts relating to a deal of pull-tabs in play must be retained at the site gambling premises so long as the deal is in play and must be made available on demand to the board.

C. For each deal of pull-tabs the flare, with the state registration stamp affixed, together with all player redeemed opened winning pull-tabs and all unopened and unsold pull-tabs must be retained and segregated by game serial number, except that these items as they relate to commingled deals of pull-tabs are not required to be segregated by game serial number. The organization shall not open any unsold or defective pull-tabs.

D. The ~~records~~ record of the win any winning pull-tab in the amount of \$100 or greater shall consist of one of two methods. If the pull-tab seller knows the actual name of the winner and the city in which he or she lives, the winner may legibly sign in ink the winning pull-tab with his or her real name. The legibility of the signature must be verified by the seller and the seller must initial the pull-tab and date it. If the identity of the winner is unknown, a sequentially numbered receipt shall be used and the receipt shall include at minimum the following information:

(1) The ~~jar operator~~ pull-tab seller must legibly print, in ink, on the face of the receipt the following:

(a) The name of the organization's gambling site.

(b) The registration stamp number and the game serial numbers of the deal of pull-tabs from which the prize was won.

(c) The name of the game of the particular deal of pull-tabs.

(d) The date of the win represented by the date of the receipt.

(e) The amount of the cash prize won represented by the amount of the receipt.

(f) The payee's name and driver's license number, including state of license registration. This information shall be identified by the ~~jar operator~~ pull-tab seller directly from the payee's driver's license. Provided, that if the payee does not have a driver's license, the ~~jar operator~~ pull-tab seller must indicate the payee's full name and the correct address which will include the street address, the city, and the state, which must be taken from another form of pictured identification. It is the responsibility of the organization to determine the real identity of the player and the organization shall require such additional proof of identification from a reliable source as is necessary to properly establish the player's identity. The organization shall not pay out any prize unless and until the ~~play player~~ player has fully and accurately furnished to the organization all information required by this item to be maintained in the organization's record of the win.

(2) The receipt must be either legibly signed or initialed, in ink, by the ~~jar operator~~ pull-tab seller ~~issuing the check~~ paying the winner.

(3) The ~~jar operator~~ pull-tab seller must legibly print, in ink, the receipt number on the winning pull-tab.

(4) The payee must legibly sign, in ink, the winning pull-tab.

(5) No organization shall use any other type of receipt to make a record of the win unless permission is requested of the board in writing and granted by the board. Every organization shall keep ~~the record of all prizes awarded containing~~ all of the information required in this item ~~and all winning pull-tabs~~ for a period of three years.

E. Organizations conducting the game of pull-tabs are required to prepare a detailed monthly record for each deal of pull-tabs removed from play during that month. This detailed monthly record must be recorded in a standard format prescribed by the board and must disclose for each deal of pull-tabs at a minimum, the following information:

(1) the date the record is prepared;

(2) the name of the recorder;

(3) the name of each deal of pull-tabs and the number of pull-tabs in the deal;

(4) the registration stamp number issued by the board and affixed to the flare or placed thereon;

(5) the game serial number of each deal of pull-tabs;

(6) the date placed out for play;

(7) the date removed from play;

- (8) the cost to the player for each pull-tab;
  - (9) the ideal gross receipts;
  - (10) the ideal prizes which includes last sale;
  - (11) the dollar amount of unsold and defective pull-tabs;
  - (12) the actual gross receipts (calculated by the ideal gross receipts less the dollar amount of unsold and defective pull-tabs);
  - (13) the actual prizes, including both cash and merchandise (calculated by the actual cost to the organization) prizes;
  - (14) the actual adjusted net receipts (calculated by the actual gross receipts less the actual prizes);
  - (15) the actual cash profit or loss resulting from each deal of pull-tabs removed from play;
  - (16) the cash long or short stated numerically and as a percentage (calculated by the difference between the actual adjusted net receipts and the actual cash profit resulting from each deal of pull-tabs removed from play).
- F. Records must provide sufficient detail to determine the actual net receipts, actual cash profit, and the cash long and short for each deal of pull-tabs.

**Subp. 8. Disposal of pull-tabs.** The organization shall manage and control the disposal of played deals of pull-tabs when the retention period expires. The disposal must be by a manner that will assure complete destruction such as shredding or burning.

**7360.0250 TIPBOARDS.**

**Subpart 1. General.** The following general rules apply to the game of tipboards:

- A. Every tipboard will have a serial number with that same serial number appearing on each ticket attached to the tipboard or otherwise.
- B. The tipboard will plainly have printed on it the cost per ticket, the value of the prizes for the top winning ticket and any consolation winners, the number of prizes, and the number of total tickets.
- C. No organization shall pay a player unless the player redeems an actual winning ticket. A prize will not be paid out to any player for a lost or unredeemed ticket.
- D. No organization shall modify or otherwise change the designation of prizes printed on the tipboard once the tipboard has been received from a distributor or use a tipboard that arrives in an altered or defaced condition. No tipboard may be placed out for play when the value of the prizes awarded by the organization differs from those printed on the tipboard.

**Subp. 2. Use of registration stamp.** The state registration stamp must be used as follows:

- A. No tipboard will be played unless the master flare for the tipboard has a state registration stamp which has been previously affixed to it by a licensed distributor.
- B. No tipboard will be played unless the serial number of the tipboard which is written on the master flare with state registration stamp attached, matches the serial number printed on the tipboard and the tipboard tickets. If the serial numbers do not correspond, the organization shall return the tipboard to the distributor from whom the organization purchased it.
- C. No organization may change the serial number written on the state registration stamp by the distributor.

**Subp. 3. Cost per ticket and prize limitations.** The cost per ticket and the value of the prizes will be as follows:

- A. Individual tipboard tickets will not be sold for more than \$2 each.
- B. Prizes may not have a value more than \$500 as the highest denomination winner.
- C. All prizes from the operation of tipboards must be awarded in cash or merchandise or free plays as indicated on the tipboard.
  - (1) All merchandise prizes must be displayed in full view in the immediate vicinity of the tipboard game.
  - (2) Upon a determination of a winner of a merchandise prize, the organization shall immediately remove that prize from any display and make it available to the winner.
- D. No organization shall offer to pay cash in lieu of merchandise prizes which may be won.

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**Subp. 4. Tipboards with same serial number.** No organization may purchase tipboards that have the same game serial number, nor shall obtain or possess, nor allow upon a site a tipboard with the same serial number and color trim combination as another tipboard in its possession.

**Subp. 5. Records.** The use of tipboards must be recorded in the same manner as pull-tabs, as set forth in part 7860.0240, subpart 7.

**Subp. 6. Determination of winner.** The winner of a tipboard game must be determined only by the number concealed under the seal.

**Subp. 7. Retention of played tipboards.** All played tipboards and the accompanying master flare with the state registration stamp affixed must be retained for three years following the end of the month in which that series was played and reported.

### 7860.0260 PADDLEWHEELS.

**Subpart 1. Paddletickets must be used.** The playing of paddlewheels must always be played using paddletickets.

Each series of paddletickets paddleticket card must have a series paddleticket card number preprinted on the stub and on each individual ticket. Each series paddleticket card must have a different series number. An organization may not have two series of paddletickets paddleticket cards with the same series number in their possession at the same time.

Each paddleticket stub must have a facsimile of the registration stamp number of the distributor who sells the series paddleticket card.

All the paddletickets ~~in~~ on a series paddleticket card must be sold prior to the spinning of the wheel. A new series of paddletickets paddleticket card must be sold for every spin of the wheel.

**Subp. 2. Registration stamps.** Each group of series of paddletickets sealed grouping of 100 paddleticket cards must have a state registration stamp affixed to the master flare accompanying the group with the series paddleticket card number written in by the distributor on the space provided on the master flare.

An organization may not use paddletickets:

- A. that do not have a state registration stamp affixed to the master flare accompanying the group;
- B. when the series paddleticket card number written on the master flare differs from the actual series paddleticket card number preprinted on the tickets; and
- C. when the series paddleticket card number preprinted on the stub does not match the series paddleticket card number preprinted on the individual tickets.

**Subp. 3. Records.** The use of paddletickets must be recorded in the same manner as for pull-tabs, as set forth in part 7860.0240, subpart 7.

**Subp. 4. Retention of played paddletickets.** All paddleticket stubs and the accompanying master flare with the state registration stamp affixed must be retained for a period of three years following the end of the month in which that series paddleticket card was played and reported.

**Subp. 5. House rules.** The organization must post house rules on the play of paddlewheels. One of the house rules must be that the wheel must make at least four revolutions before stopping at the winning number. If four revolutions are not made, a nonspin must be declared and the wheel must be spun again.

**Subp. 6. Prize limits and betting limits.** The value of the prizes and the amount of bets are limited as follows: bets may not exceed \$2 per paddleticket; and prizes may not exceed \$500 in value.

### 7860.0270 RAFFLES.

**Subpart 1. Raffle tickets; limitations and requirements for use.** Tickets for entry into a raffle must be sold or issued separately and each shall constitute a separate and equal chance to win with all other tickets sold or issued. No person may be required to obtain more than one ticket, or to pay for anything other than the ticket, in order to enter a raffle.

All tickets for use in any raffle shall have a stub or other detachable section, be consecutively numbered, and be accounted for separately through the use of a log book showing to whom the tickets were given to be sold. The ticket stub or other detachable section of the ticket must bear a duplicate number corresponding to the number on the ticket and shall contain the purchaser's name, complete address, and telephone number. Both parts must be imprinted with sequential numbers commencing with the number "1" through the maximum number of tickets to be sold.

Each raffle ticket must be sold for the same price as every other raffle ticket being used for that particular raffle.

No person may be required to be present at a raffle drawing in order to be eligible for the prize drawing.

In conducting a drawing in connection with any raffle, each ticket seller shall return to the organization the stubs or other



detachable section of all tickets sold. The organization shall then place each stub or other detachable section of each ticket sold into a receptacle out of which the winning tickets are to be drawn. The receptacle must be designed so that each ticket placed therein has an equal opportunity with every other ticket to be the one withdrawn.

**Subp. 2. Control of raffle prizes.** An organization conducting a raffle in which real or personal property prizes are to be awarded shall have paid for in full or otherwise become the owner, without lien or interest of others, of all the real or personal property prior to the drawing at which the winners of the prizes are to be determined.

**Subp. 3. Disclosure of prizes and rules.** The following information must be printed upon each ticket sold:

- A. the date and time of drawing;
- B. the location of the drawing;
- C. the name of the organization conducting the raffle;
- D. the license number, if any;
- E. the price of the chance; and
- F. the prize or prizes to be awarded.

**Subp. 4. Records.** The organization shall maintain the following records or information with regard to individual raffles for a period of three years;

- A. the current amount of proceeds received from the raffle;
- B. all allowable expenses deducted from the net receipts of a raffle; and
- C. the winning ticket stubs.

**Subp. 5. Prize limitations.** Prizes for a raffle may not exceed the following limits:

- A. Total prizes for raffles may not exceed a total value of \$50,000 per organization in a calendar year.
- B. Cash prizes may not exceed \$500 per day which may be awarded:
  - (1) as a single prize; or
  - (2) as the total amount of cash prizes for a single raffle; or
  - (3) as the total amount of prizes for several complete raffles, the drawings for which are conducted on the same day.
- C. Real and personal property prizes must be valued at actual market value or suggested market value, whichever is less.
- D. Cash is defined for purposes of this subpart as currency and coinage or negotiable instruments.
- E. Raffles that pre-exist November 20, 1984, must be allowed to continue after March 1, 1985, if the raffle was authorized by the local unit of government.

**Subp. Prizes must be awarded.** All raffle prizes must be awarded on the date indicated on the raffle ticket unless a different date is approved by the board. The board shall extend the date for the drawing if:

- A. weather has caused a postponement of the event at which the drawing was to occur; or
- B. not enough tickets are sold to cover the cost of the prizes, and an extension will make a material difference. The fact that a desired level of profit will not be attained is not a basis for an extension of the date of the drawing.

#### **7860.0280 RULES OF PLAY, ODDS, AND HOUSE PERCENTAGES.**

A licensed organization must prominently post the rules of play and the odds or the house percentages on each form of lawful gambling conducted by the organization. The odds or house percentages must be displayed on the flare accompanying ~~the~~ a deal of pull-tabs; and the master flare accompanying a sealed grouping of tipboards; or ~~series of 100 paddletickets~~ paddleticket cards.

This information is prominently posted if it can be readily seen by a player immediately before the player participates in the specific form of lawful gambling to which the information applies.

#### **7860.0290 AGE RESTRICTIONS.**

No person under the age of 18 may conduct or participate in playing the games of pull-tabs, tipboards, or paddlewheels.

**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

### 7860.0300 STANDARDS FOR PULL-TABS AND TIPBOARD TICKETS.

**Subpart 1. Standards.** All pull-tab and tipboard tickets sold in this state must conform to the following standards:

A. No operator shall put out for play, and no distributor shall sell or otherwise furnish, any deal of pull-tabs or tipboard tickets unless there is conspicuously set forth thereon a stamp, seal, or label which identifies its manufacturer and the city and state of its manufacturer. This item shall be effective September 1, 1985.

B. Each individual pull-tab and tipboard ticket shall have conspicuously set forth thereon the name of the manufacturer or label or trademark which identifies its manufacturer. The label or trademark must be filed with the board prior to the sale of the pull-tab and tipboard ticket by a distributor to an organization. This item shall be effective September 1, 1985.

C. Deals of pull-tabs and tipboard tickets must be manufactured, assembled, and packaged in such a manner that none of the winning pull-tab or tipboard tickets, nor the location or approximate location of any of the winning pull-tabs or tipboard tickets can be determined in advance of opening the pull-tabs or tipboard tickets in any manner or by any device, including but not limited to any pattern in manufacture, assembly, packaging, markings, or by the use of a light. Winning pull-tabs must be randomly distributed and mixed among all other pull-tabs in the deal to the state of art. The deal must be assembled and packaged with special care so as to eliminate any pattern as between deals, or portions of deals, from which the location or approximate location of any of the winning tabs may be determined. When the deal is packaged in more than one package, box, or other container, the entire deal of individual pull-tabs must be mixed in such a manner that no person can determine the position or approximate location of any of the winning pull-tabs or determine whether any one package or portion of a deal contains a larger or smaller percentage of winning pull-tabs than the balance of the deal. The packages, boxes, or other containers must not be numbered as to distinguish one from the other and have no marking other than the deal serial number. Each deal of pull-tabs and group of tipboards must contain a packing slip placed inside the package containing the name of manufacturer, serial number, date the deal or group was packaged, and the name or identification of the person who packaged the deal.

D. (1) Pull-tabs and tipboards must be constructed so that it is impossible to determine the covered or concealed number, symbol, or set of symbols, on the pull-tab or tipboard until it has been dispensed to and opened by the player, by any method or device, including but not limited to the use of a marking, variance in size, variance in paper fiber, or light.

(2) All pull-tabs, except banded and latex covered pull-tabs must be constructed using a two or three ply paper stock construction.

(3) The serial number and the name of the manufacturer or label or trademark identifying the manufacturer must be conspicuously printed on the face or cover sheet. On banded pull-tabs and tipboard tickets, the serial number and the name of the manufacturer must be printed so both are readily visible prior to opening the pull-tab or tipboard ticket.

(4) The cover sheet must be color coded when individual serial numbers are repeated and may show the consumer how to open the pull-tab to determine the symbols or numbers. The cover sheet must contain either or both perforated or clean-cut openings centered over the symbols or numbers on the back of the face sheet in such a manner as to allow easy opening by the consumer after purchase of the pull-tabs while at the same time not permitting pull-tabs to be opened prematurely in normal handling. Perforation must exist on both horizontal lines of the opening with either perforated or clean-cut on the vertical or elliptical line where the tab must be grasped for opening after bending the edge of ticket down. On latex covered pull-tabs or tipboard tickets, either the face or back of the pull tab must be color coded when individual serial numbers are repeated and may show the consumer how to remove the latex to determine the symbols or numbers. On banded pull-tabs, the band must be color coded when individual serial numbers are repeated.

(5) All pull-tabs within a single pull-tab deal must be of the same thickness.

(6) All pull-tabs within a single pull-tab deal must be uniform in length or width and not vary by more than 3/64 inch, provided that in no case shall winning pull-tabs be identifiable by visible variation in dimension.

(7) All pull-tabs or tipboard tickets must be constructed to ensure that, when offered for sale to the public, the pull-tab or tipboard ticket is virtually opaque and free of security defects wherein winning pull-tabs or tipboard tickets cannot be determined prior to being opened through the use of high intensity lights or any other method.

### 7860.0310 DOMESTIC MANUFACTURE.

Any person manufacturing gambling equipment within the state of Minnesota shall first register the manufacturing activity with the board before selling, marketing, or otherwise distributing such equipment, in or out of state. An organization which manufactures equipment for lawful gambling for its own use shall also obtain a state registration stamp from the board for each item of equipment manufactured.

## **Department of Economic Security**

### **Adopted Emergency Rules Governing Registration for Employment Services Under General Assistance**

The rules proposed and published at *State Register*, Volume 9, Number 24, pages 1300-1302, December 10, 1984 (9 S.R. 1300) are adopted as proposed.

## **Secretary of State**

### **Adopted Rules Relating to Uniform Commercial Code Standard Forms**

The rules proposed and published at *State Register*, Volume 8, Number 51, pages 2712-2723, June 18, 1984 (8 S.R. 2712) and Volume 9, Number 26, pages 1477-1478, December 24, 1984 (9 S.R. 1477) are adopted with the following modifications:

#### **Rules as Adopted**

##### **8260.0100 FINANCING STATEMENT: FORM UCC-1.**

**Subp. 4. Carbon pages.** The remaining four pages will be identical to the first page except: must appear at the bottom left.

B. The third page must be pink and of 12-pound bond paper. The signature on the first page should not be reproduced by carbon on the third page. This area on the third page requires an original signature when it is resubmitted as a termination statement. It must appear as follows:

##### **8260.0200 FIXTURE/REAL ESTATE: FORM UCC-2.**

**Subp. 4. Carbon pages.** The remaining four pages will be identical to the first page except:

A. The second page must be green and of 15-pound bond paper. The language "(2) Filing Officer Copy-Numerical" must appear at the bottom left.

B. The third page must be pink and of 12-pound bond paper. The signature on the first page should not be reproduced by carbon on the third page. This area on the third page requires an original signature when it is resubmitted as a termination statement. It must appear 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.

# OFFICIAL NOTICES

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Pursuant to the provisions of Minn. Stat. § 15.0412, subd. 6, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

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## **Department of Energy and Economic Development Energy Division Office of Energy Conservation and Development**

### **Outside Opinion Sought Concerning Proposed Permanent Rules Relating to Minimum Mandatory Energy Efficiency Standards for Residential Rental Units: Definition of Good Cause; Establishment of Fine Schedule**

The Order to Adopt Emergency Rules regarding the above-entitled matter was published in the *State Register* on December 10, 1984 (9 SR 1337), and was mailed to all persons who had registered their names with the Department. These emergency rules appear at Minn. Rule pt. 4170.4110. The Department is preparing to propose the adoption of the above-referenced rules as permanent rules without modification of the adopted emergency rule language, and without holding a public hearing on the matter.

Therefore, notice is hereby given that the Department of Energy and Economic Development is seeking information or opinions in preparing to adopt rules in the above-entitled matter. The promulgation of these rules is authorized by Minn. Stat. sect. 116J.27, subd. 4b, which permits the commissioner of the Department to adopt rules or temporary rules defining good cause for failure to comply with the standards and establishing a schedule of fines for non-compliance.

Pursuant to Minn. Stat. sect. 14.115, subd. 4a (1984), notice is also hereby given that the above-referenced proposed rule will have an impact on small businesses. Owners of residential rental housing who might also be considered "small business" owners as defined by the aforementioned statute should be aware of the probable economic impact of the proposed rules. If, after an inspection of an owner's residential rental property, the Department finds the owner out of compliance with the energy efficiency standards, the Department may initiate a hearing against the owner through the Office of Administrative Hearings. During the hearing, if the owner is unable to prove a good cause for failure to comply, as defined by the proposed rule, the Administrative Law Judge is required to assess a fine against the owner in accordance with the schedule of fines established by the proposed rule.

Any persons desiring to submit information or comment in this matter may do so either orally or in writing. All statements of information or comment must be received by March 22, 1985. Any written materials received by this date will become part of the record in the event that the rules are adopted.

Written or oral comment should be addressed to:

William B. Grant  
DEED/Energy Division  
900 American Center Building  
150 E. Kellogg Blvd.  
St. Paul, MN 55101  
(612) 297-1773

## **Department of Energy and Economic Development Financial Management Division**

### **Availability of Issuance Authority in Competitive Pool—Cities of Crosby, Northfield, Robbinsdale, Rockford**

Pursuant to Minn. Laws 1984, ch. 582 § 17, subd. 2, to be codified as 474.20, the Department gives notice that the amount of Industrial Development Bond issuance authority available in the Competitive Pool as of February 5, 1985, is \$22,520,000.00, and will be available to qualifying Industrial Development Bond Issuers submitting qualification criteria applications by February 20, 1985. Pursuant to Minn. Laws 1984, ch 582 § 16, to be codified as 474.19, non Entitlement Issuers must submit an application, a preliminary resolution, an application deposit and any other supporting documents required.

Balance of Competitive Pool on February 1, 1985—\$37,520,000.00 Add:

Returned Allocations:

\$0.00

Total Pool Available as of February 5, 1985

\$37,520,000.00

Allocations awarded from the Competitive Pool during the month ending February 5, 1985, are:

Issuer	Project	No. of Points	Amount
City of Crosby	Hickory Woods Resort	7	\$1,500,000.00
City of Northfield	Fairway Foods—Cold Storage Distribution Warehouse	7	2,000,000.00
City of Robbinsdale	Medical Office Building	6	8,500,000.00
City of Rockford	Minn. Diversified Products, Inc. Industrial Expansion	8	3,000,000.00
Total Allocations Awarded:			\$15,000,000.00
Amount of Issuance Authority Available as of February 5, 1985			\$22,520,000.00

## **Department of Human Services Social Services Bureau**

### **Outside Opinion Sought Concerning Parental Fees for Children Placed in 24-Hour Out-Of-Home Care**

Notice is hereby given that the Minnesota Department of Human Services is considering a permanent rule establishing fees to be paid by parents for children placed in 24-hour out-of-home care.

This rule is authorized by the Laws of Minnesota 1984, Chapter 530, which became effective in August 1, 1984. The primary provisions of Chapter 530 are the establishment of responsibility for parents to contribute toward the 24-hour, out-of-home cost of caring for children who have mental retardation, epilepsy, a physical or emotional handicap, are in a state hospital, or are eligible for medical assistance without the deeming of parental resources or income as specified in Minnesota Statutes 256B.18, subdivision 2.

The proposed rule sets forth the parent's reimbursement responsibility, how income and household size is determined, may further define mental retardation, epilepsy, physical or emotional handicap, and will establish a fee schedule or formula for uniform implementation by the counties.

All interested or affected persons or groups are requested to participate. Statements of information and comment may be made orally or in writing. Written statements of information and comment may be addressed to:

Gordon Buyse  
Department of Human Services  
Social Services Bureau  
4th Floor, Centennial Building  
St. Paul, Minn. 55155

Oral statements of information and comment will be received over the telephone at (612) 296-3979 between 9 a.m. and 4 p.m. Mondays through Fridays.

Statements of information and comment will be accepted until further notice. Any written material received by the Department shall become part of the hearing record. Oral statements will be considered but will not become part of the hearing record.

## **Metropolitan Council**

### **Notice of Revised Review Schedule Solid Waste Management Development Guide/Policy Plan**

Minnesota's Waste Management Act requires the Metropolitan Council to significantly revise its Metropolitan Development Guide Chapter on Solid Waste Management. Council review of this document is in progress. Significant changes from prior regional solid waste policy include: 1) termination of the practices of land disposal of mixed municipal solid waste by 1990; 2) coor-

## OFFICIAL NOTICES

dination by the metropolitan counties of development of a system of large-scale waste processing facilities; 3) participation by residential and business waste generators in programs of waste reduction and recycling.

The following is a revised schedule for final review and adoption of the guide chapter revision:

January 28	Public hearing
February 11	Hearing record closes
February 12	Metropolitan Waste Management Advisory Committee (MWMAC) reviews hearing report and approves changes to plan
February 19	MWMAC continues review of hearing report (optional)
February 20	Environmental Resources Committee (ERC) reviews hearing report and approves changes to plan
February 27	ERC continues review of hearing report (optional)
February 28	Metropolitan Council adopts Solid Waste Management Guide/Policy Plan

If you have any questions regarding the schedule or amendment, call Paul Smith of the Council's Environmental Planning staff at 291-6408.

## Pollution Control Agency Solid and Hazardous Waste Division

### Outside Opinions Sought Concerning Proposed Amendments to Minnesota Hazardous Waste Rules Governing the Accumulation of Wastes at Various Points of Generation ("Satellite" Accumulation)

Notice is hereby given that the Minnesota Pollution Control Agency (MPCA) is seeking information and opinions from sources outside the MPCA regarding possible amendments to the Minnesota hazardous waste rules governing the accumulation of wastes at various points of generation ("satellite" accumulation). The rule considered for amendment is Minnesota Rules part 7045.0292.

Consideration is being given to incorporation of Code of Federal Regulations, Title 40, part 262.34 (49 FR 49571, December 20, 1984) to allow accumulation of 55 gallons of hazardous waste or 1 quart of acutely hazardous waste at the point of generation prior to consolidation of wastes at a central location. Accumulation in excess of these amounts would be allowed for up to three days providing the requirements of Minnesota Rules part 7045.0526 are met.

The MPCA requests information and comments concerning the subject matter of the proposed amendments. Written or oral information or comments will be accepted until March 11, 1985. Written statements should be addressed to Melba Hensel, Minnesota Pollution Control Agency, 1935 West County Road B2, Roseville, Minnesota 55113. Oral statements will be received during regular business hours at 612/296-7776.

February 4, 1985

Thomas J. Kalitowski  
Executive Director

## Department of Transportation

### Amended Order and Notice of Street and Highway Routes Designated and Permitted to Carry the Gross Weights Allowed Under Minnesota Statute § 169.825, Order No. 69796—Thief River Falls

Whereas, the Commissioner of Transportation has made his Order No. 68884 as amended by Orders Nos. 69226, 69269, 69270, 69344, 69353, 69595 and 69770 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.

IT IS HEREBY ORDERED that Commissioner of Transportation Order No. 68884 is amended this date by adding the following designated streets and highway routes, or segment of routes, as follows:

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## STATE CONTRACTS

### TRUNK HIGHWAYS

T.H. 59 —From Jct. T.H. 2 to West Jct. T.H. 1 and 59 in Thief River Falls (12 month). (Change segment from 10 month 10-ton route to 12 month route.)

February 9, 1985

Richard P. Braun  
Commissioner

## Department of Transportation

### Petition of Nicollet County for a Variance from State Aid Standards for Design Speed

Notice is hereby given that the County Board of Nicollet County has made a written request to the Commissioner of Transportation pursuant to Minnesota Rules § 8820.3300 for a variance from minimum standards for a replacement of Bridge #89447 and approaches on County Road 71.

The request is for a variance from Minnesota Rules for State Aid Operations § 8820.9910 adopted pursuant to Minnesota Statutes Chapters 161 and 162, so as to permit a design speed of 30 instead of the required 40 miles per hour.

Any person may file a written objection to the variance request with the Commissioner of Transportation, Transportation Building, St. Paul, Minnesota 55155.

If a written objection is received within 20 days from the date of this notice in the *State Register*, the variance can be granted only after a contested case hearing has been held on the request.

February 7, 1985

Richard P. Braun  
Commissioner of Transportation

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## STATE CONTRACTS

Pursuant to the provisions of Minn. Stat. § 16.098, subd. 3, an agency must make reasonable effort to publicize the availability of any consultant services contract or professional and technical services contract which has an estimated cost of over \$2,000.

Department of Administration procedures require that notice of any consultant services contract or professional and technical services contract which has an estimated cost of over \$10,000 be printed in the *State Register*. These procedures also require that the following information be included in the notice: name of contact person, agency name and address, description of project and tasks, cost estimate, and final submission date of completed contract proposal.

Commodities contracts with an estimated value of \$5,000 or more are listed under the Procurement Division, Department of Administration. All bids are open for 7-10 days before bidding deadline. For bid specifics, time lines, and other general information, contact the appropriate buyers by calling 296-6152. If the appropriate buyer is not available, contact Harvey Leach or Barbara Jolly at 296-3779.

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## Department of Administration Procurement Division

### Commodities Contracts and Requisitions Currently Open for Bidding

Requisition #	Item	Ordering Division	Delivery Point	Estimated Dollar Amount
Contract	Ice Cream Products	Veterans Affairs— Veterans Home	Hastings & Minneapolis	Contact buyer
26-071-14926	Maint.-Varityper Photosetting Equip.	Mankato State University	Mankato	Contact buyer

## STATE CONTRACTS

Requisition #	Item	Ordering Division	Delivery Point	Estimated Dollar Amount
26-074-09880	3M Tattle-Taple Detection System	Winona State University	Winona	Contact buyer
26-071-14850	Purchase of Photocopy Machine	Mankato State University	Mankato	Contact buyer
79-000-46357 Contract	Used Truck Lawn & Shrub Care	Transportation Normandale Community College	St. Paul Bloomington	Contact buyer Contact buyer
Sch. 92-BG	Super Unleaded with 10% Ethanol (Gasohol)	Various	Various	Contact buyer
04-411-26511 Rebid	Displays	Agriculture	St. Paul	Contact buyer
29-000-37215	Surveying Equipment	Natural Resources—Southern Serv. Center	1200 Warner Rd., St. Paul	Contact buyer
29-004-06078	Fertilizer	Natural Resources—Lacqui Parle WMA	Watson	Contact buyer
07-700-33364, PD 6016	Printed Envelopes	Public Safety	Agency will pick-up	Contact buyer
07-700-33376, PD 6010	Printed Envelopes	Public Safety	St. Paul	Contact buyer
78-630-06255	Movable Storage & Retrieval System	MN Correctional Facility	Oak Park Heights	Contact buyer
26-073-17218 Rebid	Printer & Terminal	St. Cloud State University	St. Cloud	Contact buyer
27-160-45615	Ammunition	Law Enforcement Training Center	Bloomington	Contact buyer
78-630-06253	Soft Serve Freezer	MN Correctional Facility	Oak Park Heights	Contact buyer
Contract	Industrial Reproduction/Graphic Products	Various	Various	15,000.-25,000.
34-000-04505	Move of Office Furniture and Equipment	Housing Finance Agency	St. Paul	Contact buyer
26-073-17206	Terminal Connection Housings and Asynchronous Controllers	St. Cloud State University	St. Cloud	Contact buyer
22-400-00696, 5948	Spring/Summer Poster	Tourism	St. Paul	Contact buyer

Contact 296-6152 for referral to specific buyers.

## Department of Economic Security Office of Budget and Management

### Withdrawal of Request for Proposals for Minnesota Community Action Data Technical Support Services

The Request for Proposals for *Minnesota Community Action Data (MCADS) Technical Support Services* listed on page 1824 in the February 11, 1985 issue is withdrawn.



## **Department of Economic Security Program and Management Support Division**

### **Request for Proposals for Management Training Seminars**

The Division of Program and Management Support, Department of Economic Security, is seeking qualified persons to provide a series of seminars to top and middle management staff. These seminars are intended to:

- Develop appropriate management skills and styles
- Develop Communication skills and styles
- Reinforce those skills acquired in earlier sessions

The contract will begin approximately March 11, 1985 and end June 30, 1985.

The Department has approximately \$35,000 to spend for this training.

Requests for proposal applications are available upon request. Inquiries and requests should be directed to:

Deb Lindlief  
Department of Economic Security  
390 North Robert St.  
St. Paul, MN 55101  
612/296-8434

Proposals for this request will be accepted until 4:30 p.m., Monday, March 4, 1985.

## **Department of Energy and Economic Development Minnesota Office of Tourism**

### **Request for Proposals for Auditing Service**

The Minnesota Office of Tourism is seeking the services of a certified public accountant to perform an audit examination of the financial statements of five regional tourism organizations and six local organizations to ensure that grant funds are being used in adherence to the goals of the program and that grant funds are being well managed.

The formal RFP may be requested and inquiries directed to:

Dave Gaitley  
Minnesota Office of Tourism  
240 Bremer Building  
419 N. Robert St.  
St. Paul, MN 55101

It is anticipated that the cost of these services will not exceed \$18,000. The deadline for submission of completed proposals is 4:30 p.m., March 11, 1985.

## **Department of Labor and Industry**

### **Extension of Deadline for Request for Proposals for Cost Containment of Medical Costs**

"The Minnesota State Employees' Workers' Compensation Fund is requesting proposals for a pilot project(s) for selected state agencies for early intervention and containment for workers' compensation claims. The project goal is design and implementation of a permanent systematic plan for individual state agencies to control workers' compensation costs based on early intervention by medical personnel, early return to work, and provision of medical and physician advisory services in a comprehensive manner.

Respondents should have prior experience in doing similar projects for government or private industry.

This request for proposals does not obligate the State to complete the project and the State reserves the right to cancel solicitation if it is considered to be in its best interest.

The Department has estimated that the cost of the project(s) should not exceed \$20,000.00 for each pilot project.

## STATE CONTRACTS

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Questions and submission of proposals should be directed to Denise Fleury, Director of State Employees' Workers' Compensation Fund, 444 Lafayette Road, St. Paul, Minnesota 55101, telephone (612) 296-1093. All proposals must be received not later than February 15, 1985, at 2:00 P.M. Late proposals will not be accepted."

The above Request for Proposals calling for cost containment of medical costs appeared in the January 21, 1985, edition of the *State Register* on page 1661 with a deadline date of February 15, 1985, for submission of proposals. The deadline date has been extended to February 25, 1985, at 2:00 p.m.

### Department of Labor and Industry

#### Extension of Deadline for Request for Proposals for Cost Containment in Rehabilitation Costs

"The Minnesota State Employees' Workers' Compensation Fund is requesting proposals for a pilot project(s) for selected state agencies for early intervention and containment for workers' compensation claims. The project goal is design and implementation of a permanent systematic plan for individual state agencies to control workers' compensation costs based on early intervention and rehabilitation, early return to work, modern principles of ergonomics and safety industrial hygiene.

Respondents should have prior experience in doing similar projects for government or private industry.

This request for proposals does not obligate the State to complete the project and the State reserves the right to cancel solicitation if it is considered to be in its best interest.

The Department has estimated that the cost of the project(s) should not exceed \$20,000.00 for each pilot project.

Questions and submission of proposals should be directed to Denise Fleury, Director of State Employees' Workers' Compensation Fund, 444 Lafayette Road, St. Paul, Minnesota 55101, telephone (612) 296-1093. All proposals must be received not later than February 15, 1985, at 2:00 P.M. Late proposals will not be accepted."

The above Request for Proposals calling for cost containment in rehabilitation costs appeared in the January 14, 1985, edition of the *State Register* on page 1627, with a deadline date of February 15, 1985, for submission of proposals. The deadline date has been extended to February 25, 1985, at 2:00 p.m.

### State Planning Agency Planning Information Center

#### Request for Proposals for Archaeological Data Collection for Areas in Faribault and Crow Wing Counties

The Planning Information Center is requesting proposals for qualified contractors to provide archaeological data for 8 U.S.G.S. quadrangles—4 near Faribault and 4 near Crow Wing County. The data should include a literature search of published and unpublished data, mapping of site boundaries and surveyed areas, completing of standard Minnesota State Site Forms, recording site and survey boundaries on maps, and compiling a bibliography. The contractor is also required to develop a predictive model or models stating the relationship between archaeological sites and other environmental or cultural features. A bibliography of sources is required. Bidders should have archaeological qualifications and familiarity with data processing.

The Planning Information Center does not expect the cost of this contract to exceed \$15,000. Work should be completed in 90 days.

Qualified contractors interested in obtaining a copy of the RFP should contact:

Alan Robinette  
Planning Information Center  
Rm LL-65 Metro Square Building  
7th and Robert Streets  
St. Paul, MN 55101  
(612) 296-1209

All proposals must be received by the Planning Information Center by 4:00 p.m., Friday, March 8th, 1985.

## **State Designer Selection Board**

### **Request for Proposals for State Project**

#### **TO ARCHITECTS AND ENGINEERS REGISTERED IN MINNESOTA:**

The State Designer Selection Board has been requested to select designer for the Iron Range Resources Rehabilitation Board. Design firms who wish to be considered for this project should submit proposals on or before 4:00 P.M., March 6, 1985, to George Iwan, Executive Secretary, State Designer Selection Board, Room G-10, Administration Building, St. Paul, Minnesota 55155-1495.

#### **The proposal must conform to the following:**

1. Six copies of the proposal will be required.
2. All data must be on 8½" × 11" sheets, soft bound.
3. The cover sheet of the proposal must be clearly labeled with the project number, as listed in number 7 below, together with the designer's firm name, address, telephone number and the name of the contact person.
4. The proposal should consist of the following information in the order indicated below:
  - a) Number and name of project.
  - b) Identity of firm and an indication of its legal status, i.e. corporation, partnership, etc.
  - c) Names of the persons who would be directly responsible for the major elements of the work, including consultants, together with brief descriptions of their qualifications. If the applicant chooses to list projects which are relevant in type, scale, or character to the project at hand, the person's role in the project must be identified.
  - d) A commitment to enter the work promptly and to assign the people listed in "C" above and to supply other necessary staff.
  - e) A list of design projects in process or completed in the three (3) years prior to the date of this request for agencies or institutions of the State of Minnesota, including the University of Minnesota, by the firm(s) listed in "b" together with the approximate fees associated with each project.
  - f) A section of not more than fourteen (14) faces containing graphic material (photos, plans, drawings, etc.) as evidence of the firm's qualification for the work. The graphic material must be identified. It must be work in which the personnel listed in "c" have had significant participation and their roles must be clearly described.

The proposal shall consist of no more than twenty (20) faces. Proposals not conforming to the parameters set forth in this request will be disqualified and discarded without further examination.

5. In accordance with the provisions of Minnesota Statutes, 1981 Supplement, Section 363.073; for all contracts estimated to be in excess of \$50,000, all responders having more than 20 full-time employees at any time during the previous 12 months must have an affirmative action plan approved by the Commissioner of Human Rights before a proposal may be accepted. Your proposal will not be accepted unless it includes one of the following:

- a) A copy of your firm's current certificate of compliance issued by the Commissioner of Human Rights; or
- b) A statement certifying that your firm has a current certificate of compliance issued by the Commissioner of Human Rights; or
- c) A statement certifying that your firm has not had more than 20 full-time employees in Minnesota at any time during the previous 12 months.

6. Design firms wishing to have their proposals returned after the Board's review must follow one of the following procedures:

- a) Enclose a self-addressed stamped postal card with the proposals. Design firms will be notified when material is ready to be picked up. Design firms will have two (2) weeks to pick up their proposals, after which time the proposals will be discarded.
- b) Enclose a self-addressed stamped mailing envelope with the proposals. When the Board has completed its review, proposals will be returned using this envelope.

In accordance with existing statute, the Board will retain one copy of each proposal submitted.

Any questions concerning the Board's procedures or their schedule for the project herein described may be referred to George Iwan at (612) 296-4656.

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## STATE CONTRACTS

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### 7) PROJECT—4-85

Excursion Railroad

Iron Range Interpretative Center

Chisholm, Minnesota

Estimated Project Cost: \$1,245,000.00

The initial phase of railroad construction will require the laying of approximately 1.5 miles of track in a loop configuration which will double back upon itself at Mile Post .3, thus extending the total travel distance to approximately 1.8 miles. Maximum gradient and curvature will be limited to an acceptable 2% and 15 degrees, respectively. The work included in this project is earthwork, track, drainage, a turntable, rail bonding, wire, a maintenance building, a substation, loading platforms, water service and a coal dock platform. The restoration of the rail vehicles will not be included in this contract. The principal train consist will include a vintage steam locomotive. It is typical of the early locomotives used by the mining companies at the turn of the century. The locomotive has been restored to operating condition and is owned by the Lake Superior Museum of Transportation in Duluth, Minnesota and will be leased on a long term basis to the Interpretative Center. The passenger cars will be especially designed and constructed from the bases of four D.M. and I.R. period box cars. This modification will permit a covered, yet open air ride for passengers who will be able to experience the sights, sounds and smells of a steam locomotive in operation while enjoying the spectacular view of the mine, a beautiful wooded countryside, and the vestiges of the historic Glen Mine Location. Precedence for use of this type of equipment is well established. For years special visitors were privileged to tour mines while riding in similar open-sided freight cars pulled by a steam locomotive.

During the course of the study a decision was made to include a vintage trolley system as an important addition to the operating plan. Even though the steam locomotive would be well restored, it was determined that reliance upon a 70 year old engine, on a continuing basis, would be too risky. A trolley system patterned after the historic Mesaba Railway Company (1912-1927) would share the common track and would provide a reliable, low cost, alternative mode of transportation during the off-peak days of the week. Also, during periods of high traffic density (Polka Festivals, Ethnic Days, etc.) the trolleys would be needed to supplement the principal mode; and in the event of steam train outage, trolleys will be available, with adequate capacity, to handle the traffic. With the inclusion of the Mine Location Village, which would depend upon the railroad as its sole means of transportation, the alternative mode becomes imperative.

This project has an extremely tight time frame, i.e. construction to begin in Spring of 1985. Firms responding to this request must indicate the ability to meet these time parameters.

Questions concerning this project may be referred to Robert T. Scott at (218) 254-3323.

John D. Nagel, Chairman  
State Designer Selection Board

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## NON-STATE PUBLIC CONTRACTS

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The *State Register* also serves as a central marketplace for contracts let out on bid by the public sector. The *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 the editor for further details.

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### Carlton County Personnel Department

#### Request for Proposals for Personnel Classifications and Compensation Study

Sealed responses for furnishing material, labor, or material and labor combined as specified below will be received by the Coordinator/Personnel Department, Carlton County Courthouse, Carlton, MN 55718, (218) 382-4281, until noon, March 22, 1985, at which time the offers will be publicly opened.

## NON-STATE PUBLIC CONTRACTS

### IMPORTANT

This response is your offer to perform or supply the subject matter under "description" below. If this offer is judged to be the most responsive proposal meeting specifications, applicable performance bond as stated in the specifications or terms and conditions must be in our hands before an order will be issued to enable you to commence. This response, our order, and the plans and specifications will constitute the contract between us.

### DESCRIPTION

The County of Carlton solicits your proposal to provide a classification and compensation study according to specifications described herein.

Interested parties should return this signed form together with 10 copies of your proposal by noon, March 22, 1985, to the Coordinator/Personnel Office, Carlton County Courthouse, Carlton MN 55718.

Questions regarding this Request for Proposal should be submitted IN WRITING by March 1, 1985, to Carlton County Courthouse, Carlton, MN 55718 218/384-4281. An addendum to the RFP will be provided in answer to the questions submitted. The addendum will be sent to all parties making a request for the RFP and will be mailed by March 8, 1985.

Proposals should be prepared simply and economically with emphasis on completeness and clarity of contents.

Carlton County reserves the right to accept other than the lowest cost proposal and also reserves the right to reject all proposals. If it is determined that discussions are necessary, written or oral discussions will be held with one or all proposers. Contract development and award will be based upon judgment as to which proposal best meets requirements stated herein and is in Carlton County's best interests.

Carlton County will not be liable for any expense incurred by any vendor prior to the execution of a contract. The proposal will be prepared at no cost to Carlton County.

Consultant shall submit a proposal to deal with the entire program. No proposals shall be accepted that deal with less than the entire program.

**THERE IS NO BID BOND, PERFORMANCE BOND, OR INSURANCE REQUIRED FOR THIS PROPOSAL.**

State cash discount _____ %	_____
_____ days	_____
after bill is rendered	_____
	Cost of Study
	Company
	Signature
	Address
	Telephone #

(Unsigned responses will NOT be considered)

### REQUEST FOR PROPOSAL (RFP): CLASSIFICATION AND COMPENSATION STUDY COUNTY OF CARLTON

<u>Title</u>	<u>Table of Contents</u>	<u>Page</u>
Purpose .....		4
Background Information .....		4
Pertinent Facts .....		5
Scope of Work .....		6
Time, Staff, and Reporting Requirements .....		7
Performance Schedule .....		8
The End Product .....		9
Organization of Proposal .....		9
Evaluation Criteria .....		9

### PURPOSE

The purpose of this request for proposal (RFP) is to solicit your proposal to provide a classification and compensation study for Carlton County per the specifications described.

# NON-STATE PUBLIC CONTRACTS

## BACKGROUND INFORMATION

In an attempt to address sex-based wage disparities, the 1984 Minnesota Legislature enacted a bill requiring all political subdivisions in the State to perform a job evaluation study based on "comparable work values." Comparable work value as defined by statute is the value of work measured by the skill, effort, responsibility, and working conditions normally required in the performance of the work.

As a result of this legislation, Carlton County must meet the requirements of the bill to perform job evaluation studies based on comparable work value.

In addressing the issue of comparable worth, the following concerns and problems must be faced:

- Development of a job classification system and compensation study to address comparable worth.
- In the development of the study, the timelines and guidelines of the Minnesota legislation must be met.
- The development of job evaluation criteria must be free of sex bias.
- Implementation of a system for rectifying wage disparities which may exist as a result of the study, while maintaining the integrity of the collective bargaining relationship.
- Retrain personnel for continued maintenance of a new classification and compensation system.
- Prepare and apply an evaluation system offering the best defense against potential law suits.

Specifically, the classification and compensation study will involve such tasks as:

- Provide job description questionnaires to 100% of Employees.
- Conduct follow-up interview to the job description questionnaires as necessary.
- Review and revise current job descriptions using a common format.
- Train an internal evaluation committee
- Select an evaluation system.
- Evaluate jobs.
- Develop pay grades and ranges (External local factors to be considered).
- Conduct pay equity analysis and cost implications for state reporting requirement.
- Develop maintenance guidelines.

## PERTINENT FACTS

All classifications over which the Carlton County Board of Commissioners is the ultimate employer are to included in the study. This includes occupations falling in the following categories: officials/administrators, professionals, technicians, protective service, para-professionals, office/clerical, skilled craft, and service/maintenance.

Employee workforce facts statistics for Carlton County is attachment #1.

## SCOPE OF WORK

1. Consultant shall provide adequate staff and resources to redesign each county organizational units classification and grading plan.
2. Consultant shall submit tentative criteria for evaluating jobs which includes compensable factors to be considered. Consultant should be prepared to discuss these factors and their effect on final points and on the relative worth of jobs with County representation.
3. Consultant shall provide a letter to all employees, to be distributed by the Personnel Office, prior to the beginning of the study. This letter will outline the process which will occur, what the employees will be expected to do to assist in the process, and what will be the time frame and general results of the study.
4. Consultant shall provide a training package to current Personnel Department staff so the Personnel Department can provide an ongoing classification and grading service at the conclusion of the study. This training shall occur throughout the project, but shall include assignment of one consultant staff person who can be contacted as needed by the Personnel Department for assistance and advice after completion of the study. This service should be available for at least two years.
5. Consultant shall provide job description questionnaires which will fully and accurately collect information regarding all filled positions. Questionnaire will be subject to the approval of the joint Labor-Management Committee.
6. Consultant shall meet with all employees in informational sessions to instruct them in completing the questionnaires. Questionnaires shall be provided as necessary and follow-ups will be expected so that every occupied position is studied.

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## NON-STATE PUBLIC CONTRACTS

7. Consultant shall interview all incumbents except where a large number of personnel are in a specific job (truck drivers, grader operators, etc.). These interviews shall be conducted by the consultant's staff.

8. Consultant shall select a representative sample of job descriptions for each position to be evaluated and provide sufficient copies for classifications comparability team members. Classification comparability teams will be used but the number and make-up has not been included.

9. Consultant shall provide staff for classification comparability team to act as facilitator during evaluation sessions. Additional information required to facilitate the decision making process will be gathered by the consultant.

10. Consultant shall train county organization unit-selected personnel to participate on classification comparability teams. The training materials, including an outline of the sessions, shall remain the property of the county.

11. As positions are given final points the consultant shall group positions, prepare new class specifications and develop recommendations regarding grades and salary ranges. (Salary adjustments are subject to negotiation with bargaining units; members of approximately 7 units will be affected by this study.) All materials developed in the study shall become the exclusive property of each county organizational unit for its ongoing use.

12. Consultant shall prepare a draft report to joint Labor-Management Committee. The draft report shall include the class specifications, salary ranges, charts and guides used to develop a point system and to train the classification comparability teams. It shall also include a narrative of the process by which all the above were derived and make recommendations regarding implementation.

13. Prepare and submit final report to the joint Labor-Management Committee. The report shall document, with the Scope of Work as a framework, the steps taken to answer each need and the conclusions which resulted. Those elements included in the draft report which are identified as pertinent and acceptable shall also be included in this final report.

### TIME, STAFF AND REPORTING REQUIREMENTS

Proposals must set forth full and accurate information as required by this Request for Proposal. Proposals shall:

1. Describe how the consultant will deal with each item outlined in the section of the Request for Proposal headed Scope of Work and an estimated time line of dates for accomplishing each item.

2. Set forth a work plan specifying the staff, tasks to be performed, when actual work will begin if contract award is received and a timeline including completion date. This work plan shall include a breakdown of the project into phases. These phases will also be itemized as to cost as listed in #8.

3. Include a detailed resume and a time commitment for each professional or technical person to be assigned to the project. This should include an itemization of the elements of their assignment in the project and role in completing it.

4. Include copy of questionnaire(s) to be used or narrative of how it will be constructed. This should clearly demonstrate how it is related to the factors to be considered.

5. Include narrative on methodology to be used including how anticipated concerns will be addressed.

6. Include compensable factors used and documents used to support point system or narrative of how they will be developed.

7. Include final reports from other classification and compensation plans or studies undertaken by consultant's staff who will be assigned to this project. It is desirable that the material be in the form of a summary.

8. Include an itemized budget projecting the cost of the project. Break down costs by phases and include total not-to-exceed cost.

9. Include a statement regarding the institutional biases which have existed in traditional classification and compensation systems and how the consultant will seek to address and correct them.

10. Include a statement of how public and/or press relations will be handled.

11. Provide to the County 25 bound copies of the final report; 8 copies, bound, of the draft report.

12. Include the names, addresses and telephone numbers of contact persons from agencies for whom the offeror has previously conducted similar studies.

### PERFORMANCE SCHEDULE

Based on a contract date of April 1, 1985, outline by phase the length of time to completion. Give both starting date and completion date for each phase and completion date for the project. Performance under contract will be subject to 10% holdback of total bid amount, the release of holdback to be at the sole discretion of the County's Project Manager.

### THE END PRODUCT

In all phases of this project, compliance with the Comparable Worth Bill, Chapter No. 651 of 1984 is MANDATORY.

# NON-STATE PUBLIC CONTRACTS

## ORGANIZATION OF PROPOSAL

To aid in the comparative evaluation of proposals Carlton County requires that all responses to this Request for Proposal be submitted in the following format. Deviations from this format, though not in and of themselves excluding an offeror, might well decrease the proposal's evaluating score.

Cover Letter  
Understanding of Problem  
Proposed Methodology  
Comparative Qualifications  
Cost to the County of Carlton by Individual Organization  
Appendices

## EVALUATION CRITERIA

Proposals will be evaluated by the joint Labor-Management Committee, which will identify the proposal deemed most advantageous to the County. In requiring proposals, the committee will consider each of the following factors.

- |     |  |
|-----|--|
| 30% | 1. Offeror's proposed statement of work. Emphasis will be on grasp of the project and soundness of approach.   |
| 30% | 2. Background and previous experience of consultant's staff to be assigned to the project and their demonstrated competence in the type of work each is to perform. The joint Labor-Management Committee may give special consideration to consulting organizations with demonstrated expertise in personnel administration and those with labor relations background. |
| 20% | 3. Cost to County.<br>a. Total<br>b. By phase  |
| 15% | 4. Organization and management. Consideration will be given to management and project control, commitment of staff and consultants within time requirements and recent relevant performance record.  |
| 5%  | 5. Ability to establish rapport with the Personnel Office and the joint Labor-Management Committee.  |

Listed below are up-dated totals since the EEO-4 report was filed for FY 7-1-83 through 6-30-84:

	TOTALS:
Officials/Admin: No Change	12
Professionals: +4 (3 male 1 female)	44
Technicians: No Change	18
Protective Serv: No Change	33
Paraprofessionals: No Change	21
Office/Clerical: +2 (- 1 male +3 female)	48
Skilled Craft: No Change	5
Service/Maintenance: - male	31
TOTAL	212
(Elected officials not included)	



<b>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</b> <b>STATE AND LOCAL GOVERNMENT INFORMATION (EEO-4)</b> EXCLUDE SCHOOL SYSTEMS AND EDUCATIONAL INSTITUTIONS (Read attached instructions prior to completing this form)				APPROVED BY OMB 3046-0008  EXPIRES 5/31/86
<b>DO NOT ALTER INFORMATION PRINTED IN THIS BOX</b>  1985 - CARLTON COUNTY CARLTON COUNTY COUNTY AUDITOR COURT HOUSE CARLTON			MAIL COMPLETED FORM TO:  STATE-LOCAL REPORTING COMMITTEE PO BOX 1830 NORFOLK, VA. 23501  PHONE: 800-768-9331	
<b>A. TYPE OF GOVERNMENT (Check one box only)</b>				
<input type="checkbox"/> 1. State <input checked="" type="checkbox"/> 2. County <input type="checkbox"/> 3. City <input type="checkbox"/> 4. Township <input type="checkbox"/> 5. Special district  <input type="checkbox"/> 6. Other (Specify) _____				
<b>B. IDENTIFICATION</b>				
1. NAME OF POLITICAL JURISDICTION (If same as label, skip to Item C)				EEOC USE ONLY
2. Address - Number and Street		CITY/TOWN	COUNTY	
<b>C. FUNCTION</b>				
(Check one box to indicate the function(s) for which this form is being submitted. Data should be reported for all departments and agencies in your government covered by the function(s) indicated. If you cannot supply the data for every agency within the function(s), please attach a list showing name and address of agencies whose data are not included.)				
<input checked="" type="checkbox"/>	1. FINANCIAL ADMINISTRATION. Tax assessing, tax billing and collection, budgeting, purchasing, central accounting and similar financial administration carried on by a treasurer's, auditor's or comptroller's office and  GENERAL CONTROL. Duties usually performed by boards of supervisors or commissioners, central administrative offices and agencies, central personnel or planning agencies, all judicial offices and employees (judges, magistrates, bailiffs, etc.)	<input checked="" type="checkbox"/>	8. HEALTH. Provision of public health services, out-patient clinics, visiting nurses, food and sanitary inspections, mental health, alcohol rehabilitation service, etc.	
<input checked="" type="checkbox"/>	2. STREETS AND HIGHWAYS. Maintenance, repair, construction and administration of streets, alleys, sidewalks, roads, highways and bridges.	<input checked="" type="checkbox"/>	9. HOUSING. Code enforcement, low rent public housing, fair housing ordinance enforcement, housing for elderly, housing rehabilitation, rent control.	
<input checked="" type="checkbox"/>	3. PUBLIC WELFARE. Maintenance of homes and other institutions for the needy; administration of public assistance. (Hospitals and sanatoriums should be reported as item 7.)		10. COMMUNITY DEVELOPMENT. Planning, zoning, land development, open space, beautification, preservation.	
<input checked="" type="checkbox"/>	4. POLICE PROTECTION. Duties of a police department, sheriff's, constable's, coroner's office, etc., including technical and clerical employees engaged in police activities.		11. CORRECTIONS. Jails, reformatories, detention homes, half-way houses, prisons, parole and probation activities.	
	5. FIRE PROTECTION. Duties of the uniformed fire force and clerical employees. (Report any forest fire protection activities as item 6.)		12. UTILITIES AND TRANSPORTATION. Includes water supply, electric power, transit, gas, airports, water transportation and terminals.	
	6. NATURAL RESOURCES. Agriculture, forestry, forest fire protection, irrigation drainage, flood control, etc., and  <input checked="" type="checkbox"/> PARKS AND RECREATION. Provision, maintenance and operation of parks, playgrounds, swimming pools, auditoriums, museums, marinas, zoo, etc.		13. SANITATION AND SEWAGE. Street cleaning, garbage and refuse collection and disposal. Provision, maintenance and operation of sanitary and storm sewer systems and sewage disposal plants.	
	7. HOSPITALS AND SANATORIUMS. Operation and maintenance of institutions for inpatient medical care.		14. EMPLOYMENT SECURITY	
			15. OTHER (Specify on Page Four)	

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# NON-STATE PUBLIC CONTRACTS

D. EMPLOYMENT DATA AS OF JUNE 30 (Do not include elected/appointed officials. Blanks will be counted as zero)												
1. FULL-TIME EMPLOYEES (Temporary employees not included)												
JOB CATEGORIES	ANNUAL SALARY (In thousands 000)	TOTAL (COLUMNS B-K) A	MALE					FEMALE				
			NON-HISPANIC ORIGIN		HISPANIC D	ASIAN OR PACIFIC ISLANDER E	AMERICAN INDIAN OR ALASKAN NATIVE F	NON-HISPANIC ORIGIN		HISPANIC I	ASIAN OR PACIFIC ISLANDER J	AMERICAN INDIAN OR ALASKAN NATIVE K
			WHITE B	BLACK C				WHITE G	BLACK H			
OFFICIALS/ ADMINISTRATORS	1. \$ 0.1-5.9											
	2. 6.0-9.9											
	3. 10.0-12.9											
	4. 13.0-15.9											
	5. 16.0-19.9											
	6. 20.0-24.9											
	7. 25.0-32.9	9	7					2				
	8. 33.0 PLUS	3	3									
PROFESSIONALS	9. 0.1-5.9											
	10. 6.0-9.9											
	11. 10.0-12.9											
	12. 13.0-15.9											
	13. 16.0-19.9	10	1					9				
	14. 20.0-24.9	12	5					7				
	15. 25.0-32.9	16	13					3				
	16. 33.0 PLUS	2	1					1				
TECHNICIANS	17. 0.1-5.9											
	18. 6.0-9.9											
	19. 10.0-12.9	1						1				
	20. 13.0-15.9	2						1				1
	21. 16.0-19.9	4	3					1				
	22. 20.0-24.9	9	8					1				
	23. 25.0-32.9	2	2									
	24. 33.0 PLUS											
PROTECTIVE SERVICE	25. 0.1-5.9											
	26. 6.0-9.9											
	27. 10.0-12.9	1						1				
	28. 13.0-15.9											
	29. 16.0-19.9	4	1					3				
	30. 20.0-24.9	26	19				2	5				
	31. 25.0-32.9	2	2									
	32. 33.0 PLUS											
PARA-PROFESSIONALS	33. 0.1-5.9											
	34. 6.0-9.9											
	35. 10.0-12.9											
	36. 13.0-15.9	5						8				
	37. 16.0-19.9	8						8				
	38. 20.0-24.9	4						4				
	39. 25.0-32.9	1						1				
	40. 33.0 PLUS											
OFFICE/CLERICAL	41. 0.1-5.9											
	42. 6.0-9.9											
	43. 10.0-12.9	4						4				
	44. 13.0-15.9	28	2					26				
	45. 16.0-19.9	10						10				
	46. 20.0-24.9	2						2				
	47. 25.0-32.9	3	1					1				
	48. \$ 33.0 PLUS											

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# NON-STATE PUBLIC CONTRACTS

D. EMPLOYMENT DATA AS OF JUNE 30 (Cont.) (Do not include elected/appointed officials. Blanks will be counted as zero)												
1 FULL-TIME EMPLOYEES (Temporary employees not included)												
JOB CATEGORIES	ANNUAL SALARY (In thousands 000)	TOTAL (COLUMNS B-K) A	MALE					FEMALE				
			NON-HISPANIC ORIGIN		HISPANIC	ASIAN OR PACIFIC ISLANDER	AMERICAN INDIAN OR ALASKAN NATIVE	NON-HISPANIC ORIGIN		HISPANIC	ASIAN OR PACIFIC ISLANDER	AMERICAN INDIAN OR ALASKAN NATIVE
			WHITE	BLACK				WHITE	BLACK			
			B	C	D	E	F	G	H	I	J	K
SKILLED CRAFT	49. \$ 0.1-5.9											
	50. 6.0-9.9											
	51. 10.0-12.9											
	52. 13.0-15.9											
	53. 16.0-19.9	1	1									
	54. 20.0-24.9	4	4									
	55. 25.0-32.9											
	56. 33.0 PLUS											
SERVICE/ MAINTENANCE	57. 0.1-5.9											
	58. 6.0-9.9											
	59. 10.0-12.9	3						3				
	60. 13.0-15.9	1					1					
	61. 16.0-19.9	3	3									
	62. 20.0-24.9	25	23				2					
	63. 25.0-32.9											
	64. \$ 33.0 PLUS											
65. TOTAL FULL TIME (LINES 1-64)		267	99				5	102				1
2. OTHER THAN FULL-TIME EMPLOYEES (Include temporary employees)												
66. OFFICIALS / ADMIN.												
67. PROFESSIONALS	2	1						1				
68. TECHNICIANS	2	1						1				
69. PROTECTIVE SERV.												
70. PARA-PROFESSIONAL	3							3				
71. OFFICE / CLERICAL	15	1						14				
72. SKILLED CRAFT												
73. SERV. / MAINT.	62	41						21				
74. TOTAL OTHER THAN FULL TIME (LINES 66-73)		54	44					40				
3. NEW HIRES DURING FISCAL YEAR - Permanent full time only JULY 1 - JUNE 30												
75. OFFICIALS / ADMIN.												
76. PROFESSIONALS	6	2						4				
77. TECHNICIANS	2	1						1				
78. PROTECTIVE SERV.	7	3						4				
79. PARA-PROFESSIONAL	4							4				
80. OFFICE / CLERICAL	7							7				
81. SKILLED CRAFT												
82. SERV. / MAINT.	6	6										
83. TOTAL NEW HIRES (LINES 75-82)		32	12					20				

RESPONDENT'S COPY

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# NON-STATE PUBLIC CONTRACTS

<p>REMARKS (List National Crime Information Center (NCIC) numbers assigned to any Criminal Justice Agencies whose data are included in this report.)</p> <p style="text-align: center;">MN 0090000</p>		
<p style="text-align: center;">*** INCLUDE LIST OF AGENCIES IN THIS FUNCTION ***</p> <p> <i>Auditor</i>  <i>Data Processing</i>  <i>Personnel/Safety</i>  <i>Assessor</i>  <i>Court System</i>  <i>Aq Extension Service</i>  <i>Treasurer</i>  <i>Veterans Service</i>  <i>Recorder</i>  <i>Attorney</i>  <i>Building Maintenance</i>  <i>Highway - Road &amp; Bridge</i>  <i>Human Services - Welfare</i>  <i>Sheriff's Dept</i>  <i>Forestry</i>  <i>Nursing Service</i> </p> <p style="text-align: right;"><i>Planning/Zoning</i></p>		
<p>CERTIFICATION. I certify that the information given in this report is correct and true to the best of my knowledge and was reported in accordance with accompanying instructions. (Willfully false statements on this report are punishable by law, U.S. Code, Title 18, Section 1001.)</p>		
NAME OF PERSON TO CONTACT REGARDING THIS FORM		TITLE
Rita M. Butterfield		Personnel Clerk
ADDRESS (Number and Street, City, State, Zip Code)		TELEPHONE NUMBER AREA CODE
Carlton County Courthouse Third & Maple Carlton MN 55718		218-384-4281
DATE	TYPED NAME / TITLE OF AUTHORIZED OFFICIAL	SIGNATURE
10/25/84	Rita M. Butterfield	<i>Rita M. Butterfield</i>

850C FORM 104, OCT. 80

RESPONDENT'S COPY

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## **Minnesota Counties Computer Cooperative**

### **Request for Proposals for Law Enforcement Software Products**

The Minnesota Counties Computer Cooperative (MCCC), a joint powers organization with fifty-one member counties, is soliciting proposals from qualified firms for development and support of law enforcement software products and options available to the MCCC for purchase of software products required by Minnesota county sheriff's departments which use IBM Systems 34 and 36. The MCCC is interested in development of new systems and the alternatives for purchase of proprietary software or distribution rights to the software available from each prospective vendor. All inquiries regarding this Request for Proposals must be directed to:

Joel L. Oliver, Executive Director  
Minnesota Counties Computer Cooperative  
555 Park Street, Suite 300  
St. Paul, Minnesota 55103  
(612) 224-3344

The deadline for proposals to be submitted to the MCCC is April 15, 1985 with the project expected to start around June 1, 1985.

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## **SUPREME COURT**

### **Decisions Filed Friday, February 8, 1985**

#### **Compiled by Wayne O. Tschimperle, Clerk**

**C0-83-1888 Basil J. Peterson and Gladys A. Peterson v. James B. Marston and Jeannine Rinde, Petitioners. Court of Appeals.**

A letter sent to the attorney for decedent's estate, written in response to a published notice to creditors and referring to a contractual obligation of the decedent, constituted sufficient presentment of a claim to satisfy the requirements of Minn. Stat. § 524.3-804(1) (1982).

The claim was allowed pursuant to Minn. Stat. § 524.3-806 (1982) because it was not affirmatively disallowed within the time period specified in the statute.

Affirmed. Amdahl, C.J.

Dissenting, Simonett, J., Wahl, J., & Coyne, J.

**CX-84-161 State of Minnesota v. Calvin G. Daniels, Appellant. Hennepin County.**

The evidence was sufficient to support appellant's conviction for first-degree murder.

The trial court did not err by admitting into evidence a gun found in the car of appellant's companion the night of the shooting.

Testimony that a syringe was found on appellant's person when he was arrested was admissible.

The trial court properly excluded photographs of the scene of the shooting for lack of proper foundation.

The trial court properly admitted identification evidence.

The trial court properly excluded hearsay statements of a witness, sought to be admitted under Rule 804(b)(5), for lack of sufficient guarantees of trustworthiness.

The trial court properly admitted statements of coconspirators made during the course of and in furtherance of the conspiracy.

The trial court did not abuse its discretion by excluding the testimony of a witness discovered after the defense had rested but before closing argument had commenced.

The trial court's refusal to give some of appellant's requested jury instructions was not improper.

The trial court properly prevented appellant from commenting in closing argument on the state's failure to call a witness when that witness was equally available to both prosecution and defense.

Affirmed. Amdahl, C.J.

## SUPREME COURT

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**C4-83-503 Duluth Federation of Teachers, Local 692, Appellant, v. Independent School District No. 709, Peter Bergman, et al., Intervenor, Sheldon Johnson, Intervenor, Duluth Principals and Supervisors Association, et al. St. Louis County.**

Chapter 237, 1974 Minn. Laws, which authorizes negotiation of provisions for calculation of seniority contrary to Minn. Stat. § 125.17, subd. 11 (1984), applies only to classroom teachers and has no effect on the seniority of laid-off administrators seeking re-employment as teachers.

Affirmed. Peterson, J.

Dissenting. Yetka, J.

**C1-83-1060 State of Minnesota, v. Robert Albert Wyatt, Petitioner, Appellant. Hennepin County.**

Minneapolis Ordinance § 341.90, which prohibits unlicensed taxicabs from soliciting or picking up business, does not prevent a suburban taxicab operator from picking up fares within Minneapolis for transportation to the suburbs pursuant to a prior arrangement made outside Minneapolis.

Reversed. Todd, J.

**C0-84-10 Gary L. Williams v. State of Minnesota, Petitioner, Appellant. Court of Appeals.**

Legislative action permitting a reduction in time served under a previously imposed sentence does not mandate such a reduction.

Under the facts of this case we find sufficient reasons for departure from the Sentencing Guidelines.

Prospective rules are adopted regarding the statement of reasons for departure from the Sentencing Guidelines.

Affirmed in part, reversed in part. Todd, J.

**C0-83-1146 State of Minnesota v. Jeff Allan Stephenson, Appellant. Anoka County.**

Evidence was sufficient to sustain conviction of two counts of making a terroristic threat.

Trial court did not err in admitting evidence that one of the threats included reference by defendant to his prior criminal record, where defendant's apparent purpose in referring to his record was to convince victim of the seriousness of the threat.

Affirmed. Yetka, J.

**CX-83-327 State of Minnesota v. Scott T. Berrisford, Appellant. Anoka County.**

The evidence was sufficient to sustain the jury's finding of murder in the first degree.

Hearsay evidence was properly admitted under Minnesota Rules of Evidence in the exercise of the sound discretion of the trial court.

The instructions to the jury were ample and without prejudicial error.

Affirmed. Scott, J.

**C0-83-773 Doris E. Sorbo, as Trustee for Next of Kin of Aldean M. Sorbo, Deceased, v. Jane Mendiola, et al., State Farm Mutual Automobile Insurance Co., Appellant. Faribault County.**

Where automobile liability insurance in the required amount was in effect at the time of the accident, the vehicle that caused the injury was not uninsured.

Reversed. Scott, J.

**C5-83-915 State of Minnesota v. William E. Lone, Appellant. Ramsey County.**

When a crime of theft by swindle is proven, it is no defense that the victim received something of value.

Appellant's conduct is clearly a major economic offense, an aggravating factor justifying a dispositional departure from the presumptive sentence of the Minnesota Sentencing Guidelines.

Affirmed. Scott, J.

Took no part, Kelley, J.

**C9-84-538, C0-84-539 Kerrie S. Machacek, Kristine Marie Pirkel and County of Steele, Appellants, State of Minnesota, by its Attorney General Hubert H. Humphrey, III, Intervenor, Appellant, v. Richard E. Voss, Kevin John Owen. Steele County.**

Minnesota Statutes § 257.62, subd. 5 (1984), is constitutionally valid.

Reversed. Simonett, J.

**C3-83-640 Calvin Finch, Appellant, v. Sharon Wemlinger (Now Known as Sharon O'Flannigan), and Michael O'Donnell. Ramsey County.**

Whether a public official may prevail in his/her qualified immunity defense to a damage action asserted under 42 U.S.C. § 1983 (1982) depends upon the objective reasonableness of his/her conduct as measured by reference to clearly established law. No other circumstances are relevant to the legal issue of qualified immunity. Since appellant cannot establish that his actions were within a clearly established constitutional or statutory right as of 1977, respondent officials must be afforded the protections of the qualified immunity defense.

Affirmed. Kelley, J.

**C0-84-847 John Knotz, v. Viking Carpet, Relator. Workers' Compensation Court of Appeals.**

Minn. Stat. § 176.011, subd. 3 (1984) requires determination of an employee's daily wage based on his earnings rather than on remuneration he actually receives.

Corporate minutes disclosing a contract of employment providing that employee would work 40 hours a week in 1982 and would receive \$200 a week for wages require a finding that he was earning a weekly wage of \$200 on March 8, 1982, when he sustained injuries in a work-related accident.

Affirmed in part, reversed in part, and remanded. Kelley, J.

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## **TAX COURT**

Pursuant to Minn. Stat. § 271.06, subd. 1, an appeal to the tax court may be taken from any official order of the Commissioner of Revenue regarding any tax, fee or assessment, or any matter concerning the tax laws listed in § 271.01, subd. 5, by an interested or affected person, by any political subdivision of the state, by the Attorney General in behalf of the state, or by any resident taxpayer of the state in behalf of the state in case the Attorney General, upon request, shall refuse to appeal. Decisions of the tax court are printed in the *State Register*, except in the case of appeals dealing with property valuation, assessment, or taxation for property tax purposes.

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### **State of Minnesota Tax Court Regular Division**

**Gerald and Judith Funk, Appellants, v. The Commissioner of Revenue, Appellee, Docket  
Nos. 3893 and 3760**

**Findings of Fact, Conclusions of Law, and Order for Judgment Dated January 31, 1985**

The above matter was tried on August 7, 1984 by the Minnesota Tax Court, Judge Carl A. Jensen presiding, at the Courthouse in Hastings, Minnesota.

Gerald Funk and Judith Funk appeared on their own behalf.

Neil Scott, Special Assistant Attorney General, appeared on behalf of appellee.

Briefs were subsequently filed by the parties.

#### **SYLLABUS**

Residents of the State of Minnesota who are employed within the State of Minnesota are subject to Minnesota Income Taxes.

#### **FINDINGS OF FACT**

1. Appellants Gerald Funk and Judith Funk were residents of the State of Minnesota during the years 1979, 1980 and 1981. Gerald Funk was employed by Republic Airlines and Judith Funk was employed by J. C. Penney Company, and they were paid by checks from their employers.

2. Appellee has assessed additional income taxes due from appellants for the years 1979, 1980 and 1981. It appeared at the trial that appellee agreed that some adjustments should be made to the previous assessments after taking into consideration additional facts that had come into the possession of the appellee.

## TAX COURT

3. Appellants claim that they were not liable for Minnesota income taxes during the years in question on the basis that they owed allegiance only to their creator, that appellants were sovereign, that they received no benefits from the State of Minnesota, and that they received no taxable income on the grounds that they exchanged their labor for the payments received from their employers. They also made some claim that they received Federal Reserve Notes in exchange for the checks and that Federal Reserve Notes are not legal tender.

4. Appellants are liable for Minnesota income taxes during the years 1979, 1980 and 1981 and the appellee should recalculate the income taxes due from appellants on the basis of the information now in the hands of appellee, together with all penalties and interest.

### CONCLUSIONS OF LAW

1. Appellee is directed to recalculate the correct amount of Minnesota income taxes due from appellants for the years 1979, 1980 and 1981, together with penalties and interest, and to serve notice of such recalculation on appellants by registered mail.

2. Such recalculated amount shall become the judgment of this court.

LET JUDGMENT BE ENTERED ACCORDINGLY. A STAY OF 15 DAYS IS HEREBY ORDERED.

January 31, 1985

By the Court,  
Carl A. Jensen, Judge  
Minnesota Tax Court

## ERRATA Municipal Board

### Correction of Proposed Rules Relating to Municipal Board Procedures

The following are corrections of errors that appeared in the *State Register*, Vol. 9, Issue #31, on January 28, 1985 (SR 1683):

**6000.0400 REPRESENTATION**, which read:

"The parties A party may appear. . . ." should have read: "The parties A party may appear. . . ."

**6000.0500 PLEADINGS**, which read (line 3):

"as necessary to become a party of record. . . ." should have read: "is necessary to. . . ."

**6000.1200 PUBLIC HEARINGS**, which read (line 2):

"regarding the hearing. Public. . . ." should have read: "regarding the hearing."

**6000.1900 EVIDENCE IN A ~~CONTESTED CASE~~ PROCEEDING.**

**Subpart 1.** line 5, which read:

"parties of record ~~limiting~~. The. . . ." should have read: "parties of record limiting. The. . . ."

**6000.2600 FILING AND SERVICE OF BRIEFS WRITTEN ARGUMENTS.** should have read:

**6000.2600 FILING AND SERVICE OF ~~BRIEFS~~ WRITTEN ARGUMENTS.**

**6000.3000 PETITIONS REQUEST FOR FURTHER ADDITIONAL HEARING.** should have read:

**6000.3000 PETITIONS REQUEST FOR FURTHER ADDITIONAL HEARING.**

**6000.3400 SCHEDULE OF FILING FEES.**

"Subpart 1. Incorporation of a municipality." should have read:

"Subpart 1. Incorporation of ~~a~~ municipality."

Under the same rule, "Subp. 3. Annexation of ~~unincorporated~~ property by board order." should have read: "Subp. 3. Annexation of ~~unincorporated~~ property by board order."

Under the same rule, Subpart 5, line 2, previously read:

"submitted to the board; with a. The minimum. . . ." should be changed to read:

"submitted to the board; with a. The minimum. . . ."

Under the same rule, "Subp. 9. Waiver of fees." should read: "Subp. 9. Waiver of fees."

These errors occurred on pages 1683-1688.



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