STATE OF MINNESOTA

STATE REGISTER

4

DEPARTMENT OF ADMINISTRATION—DOCUMENTS DIVISION



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STATE REGISTER =

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

The State Register is the official publiction of the State of Minnesota, containing executive orders of the governor, proposed and adopted rules of state agencies, official notices to the public, state and non-state public contracts, grants, and supreme court and tax court decisions, and a monthly calendar of cases to be heard by the state supreme court.

Volume 11 Printing Schedule and Submission Deadlines

Vol. 11 Issue Number	*Submission deadline for Executive Orders, Adopted Rules and **Proposed Rules	*Submission deadline for State Contract Notices and other **Official Notices	lssue Date	
23	Friday 21 November	Monday 1 December	Monday 8 December	
24	Monday 1 December	Monday 8 December	Monday 15 December	
25	Monday 8 December	Monday 15 December	Monday 22 December	
26	Monday 15 December	Friday 19 December	Monday 29 December	

^{*}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.

Instructions for submission of documents may be obtained from the *State Register* editorial offices, 504 Rice Street, St. Paul, Minnesota 55155, (612) 296-4273.

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FOR LEGISLATIVE NEWS

Publications containing news and information from the Minnesota Senate and House of Representatives are available free to concerned citizens and the news media. To be placed on the mailing list, write or call the offices listed below:

SENATE

Briefly-Preview—Senate news and committee calendar; published weekly during legislative sessions.

Perspectives—Publication about the Senate.

Session Review—Summarizes actions of the Minnesota Senate.

Contact: Senate Public Information Office

Room 231 State Capitol, St. Paul, MN 55155

(612) 296-0504

Session Weekly—House committees, committee assignments of individual representatives; news on committee meetings and action. House action and bill introductions

HOUSE

This Week—weekly interim bulletin of the House.

Session Summary—Summarizes all bills that both the Minnesota House of Representatives and Minnesota Senate passed during their regular and special sessions.

Contact: House Information Office

Room 175 State Office Building, St. Paul, MN 55155

(612) 296-2146

^{**}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.

CONTENTS === MINNESOTA RULES AMENDMENTS AND STATE CONTRACTS **ADDITIONS Administration Department: Procurement** Contracts and Requisitions Open for Bid 1047 **Administration Department EXECUTIVE ORDERS** Request for Proposals for Office and Storage Space Order No. 86-14 Providing for Non-Discrimination Wanted for the Department of Revenue 1048 Request for Proposal for a Study of Agency Resident in State Government of Individuals because of Acquired Immune Deficiency Syndrome (AIDS).... 1026 Automated Information Systems That Interact PROPOSED RULES **Community College System Ethical Practices Board** Request for Insurance Pre-License and Continuing **Human Services Department Energy and Economic Development Department** Request for Proposals for a Residential Energy Efficiency and Moisture Education Project 1049 Teaching Board Teaching Licenses; Continuing Education and **Health Department** Request for Proposals on Behalf of the Minnesota AIDS Media Campaign Consortium 1049 ADOPTED RULES Request for Proposals from Qualified Physicians to Act as Area Physician Consultants to the Quality **Energy and Economic Development Department** Assurance and Review Program 1050 NON-STATE PUBLIC CONTRACTS Public Employees Retirement Association City of Woodbury Availability of Contract for Transportation Planning **EMERGENCY RULES Housing Finance Agency** STATE GRANTS Income Limits for Tax Reform Transition Demonstration Programs 1045 **Corrections Department** Availability of Funds for Battered Women Programs ... 1051 OFFICIAL NOTICES SUPREME COURT DECISIONS **Commerce Department** Review of the Worker's Compensation Assigned Decisions and Orders Filed Wednesday **Finance Department** TAX COURT Maximum Interest Rate for Municipal Obligations in **Housing Finance Agency ERRATA** Cancellation of Hearing on Bond Issue 1046 **Human Services Department** Inpatient Hospital Reimbursement under Medical **Investment Board** Assistance and General Assistance Medical Care . . . 1054 Nursing Home Operating Cost Payment Rate Determination and Determination of Payment **State Retirement System** Rates for Nursing Homes Participating in the Board of Directors Regular Meeting 1047 Medical Assistance Program 1054

NOTICE

How to Follow State Agency Rulemaking Action in the State Register

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:

- 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.
- Withdrawal of proposed rules (option; not required).

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 requested by an agency.)
- 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 April 8, 1985 are published in the *Minnesota Rules 1985*. ADOPTED RULES and ADOPTED AMENDMENTS TO EXISTING RULES filed after April 8, 1985 are included in a supplement published in Spring, 1986. Proposed and adopted EMERGENCY (formerly called TEMPORARY) RULES appear in the *State Register* but are generally not published in the *Minnesota Rules* 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 Issues 14-25, inclusive Issue 26, cumulative for 1-26 Issues 27-38, inclusive Issue 39, cumulative for 1-39 Issues 40-51, inclusive Issue 52, cumulative for 1-52

MINNESOTA RULES AMENDMENTS AND ADDITIONS

NOTE: This listing includes all proposed and adopted rules printed in this issue except emergency rules and errata for this issue. Please see those sections for the appropriate rule numbers.

ACCOUNTANCY BOARD	ENVIRONMENTAL QUALITY BOARD
1100.3600; .2150; .2750; .3250 (adopted) 1005	4410.0200; .0500; .3100; .3600; .4300; .4400;
AGRICULTURE DEPARTMENT	.4600; .7500 (Adopted)
1555.6950 (proposed)	ETHICAL PRACTICES BOARD
1580.01000900 (Adopted) 713	4500.0100; .1600; .3900; .4100; .4200; .4400;
COMMERCE DEPARTMENT	4505.0100; .0300; 4510.0100; .1000; 4515.0100;
2655.0100; .0200; .0300; .0400; .0500;	4520.0100; .4525.0100; .0200; .0500 (proposed) 1027
.0600 (proposed)	4500.1300; .3100; s.6; 4525.0300; .0400; .0600;
EDUCATION DEPARTMENT	.0700; .0800 (proposed repealer)
3510.9000 (proposed)	HEALTH DEPARTMENT
3510.9000, s.6 (proposed repealer)	
ENERGY & ECONOMIC DEVELOPMENT	4655.5610 (Emer. adopted)
4160.5100; .5200; .5300; .5400; .5500;	.0070; .0080; .0090 (proposed)
.5600; .5700; .5800; .5900 (proposed)	• •
4300.3100 s.2 (adopted)1042	HOUSING FINANCE AGENCY
4360.0100; .0200; .0300; .0400; .0500; .0600; .0700;	4900.0010 (adopted) 740
.0800; .0900; .1000; .1100; .1200 (adopted)	4900.0381 (Emer. Extended)

MINNESOTA RULES AMENDMENTS AND ADDITIONS

HUMAN RIGHTS DEPARTMENT 5000.0050; .0300; .0400; .0500; .0510; .0520; .0530; .0540; .0550; .0560; .0570; .0580; .0700; .0550; .0560; .0570; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0580; .0700; .0580; .0580; .0700; .0580; .0580; .0700; .0580; .0580; .0700; .0580; .0580; .0700; .0580; .0580; .0700; .0580; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580; .0700; .0580;		PUBLIC EMPLOYEES RETIREMENT ASSOCIATION 7950.0100; .0200; .0300; .0400; .0500 (adopted) ENERGY AND ECONOMIC DEVELOPMENT DEPARTMEN	
.0750; .0800; .0900; .1100; .1200; .2000; .2100; .2200; .2250; .2300; .2400 (adopted)	740 740	8300.41014112 (adopted)	669 713
LABOR & INDUSTRY DEPARTMENT 5200.0010; .0030; .0060; .0070; .0080; .0090;		8400.40004080 (adopted)	742
.0120; .0121; .0211; .0221; .0241; .0242; .0251; .0261; .0262; .0270; (proposed)	768 768 867 711	8700.0210; .0502; .0900; .1000; .1100; .1300; .1400; .2200; .4710; .5900; .7800 (proposed)	1035
.0700; .0800; .0900; .1000 (Withdrawal Proposed Repeal)	711 738	8860.0100; .0200; .0300; .0400; .0500; .0600; .0700; .0800 (adopted)	690
MEDIATION SERVICES BUREAU 5510.1410; .1510; .1710 (adopted)	669	8900.01001100 (adopted)	691
MEDICAL EXAMINERS BOARD	•	9300.0010; .0020; .0030; .0040; .0050; .0060; .0070; .0080; .0090; .0100; .0110; .0120; .0120; .0140; .0150; .0160; .0170; .0180;	
NATURAL RESOURCES DEPARTMENT	777	.0130; .0140; .0150; .0160; .0170; .0180; .0190; .0200; .0210 (proposed)	854
6100.1710 (Adopted) OPTOMETRY BOARD	714	9500.1090; .1100; .1110; .1115; .1125; .1126; .1130; .1135; .1150; .1155 (proposed)	975
6500.0100; .0150; .2700 (proposed)	773	9500.1125 s.5 (proposed repealer)	975 987
7001.0150; .0520; .0590; .0600; .0620; .0650; .0712; .0720; 7045.0200; .0075; .0080; .0102; .0120; .0125; .0135; .0139; .0141; .0214; .0261; .0275; .0296; .0302; .0395; .0458; .0460; .0468; .0476; .0478; .0482; .0484; .0485; .0538; .0552; .0556; .0584; .0588; .0638; (proposed)	916 916	9525.1290 (proposed)	957 714 1031 709 1005 866 710 988
PUBLIC SAFETY DEPARTMENT		9549.0060 (proposed)	
7414.0200; .0400 (proposed)	891 777	9555.5105; .5205; .5305; .5405; .5415; .5505; .5605; .5705; .6105; .6115; .6125; .6145; .6155; .6165; .6167; .6175; .6185; .6195; .6205; .6215; .6225; .6233; .6245;	
7440.0100; .0300; .0350; .0400 (adopted)	957 775	.6255; .6265 (proposed)	650 650
PUBLIC UTILITIES COMMISSION 7845.01001000 (Adopted Emergency)	715	9575.1070 (adopted) 9575.1070 s.3,4,5; .1080 s.3 (repealed)	893

EXECUTIVE ORDERS

Executive Order No. 86-14

Providing for Non-Discrimination in State Government of Individuals because of Acquired Immune Deficiency Syndrome (AIDS)

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 inalienable right of privacy for all Minnesotans must be vigorously enforced; and

WHEREAS, government must not allow discrimination or harassment on the basis of sexual orientation; and

WHEREAS, all state workers have the right to a work environment free from hostile, intimidating, or offensive behavior; and

WHEREAS, Acquired Immune Deficiency Syndrome (AIDS) has become a major public health problem;

NOW, THEREFORE, I hereby order that:

The agencies, departments, boards and commissions within the Executive Branch of state government and under the jurisdiction of the Governor:

- 1. Shall not discriminate in state employment against any individual based on that person's sexual orientation including, but not limited to, recruitment, hiring, promotion, tenure, and compensation.
- 2. Shall provide a work environment free of harassment, which is a form of discrimination and in general is the display of behavior by one employee toward another which has the purpose or effect of unreasonably interfering with an individual's work performance or creating a hostile, intimidating, or offensive work environment.
- 3. Shall provide that no employee shall be discriminated against because of his or her AIDS status, including testing, removal from normal and customary status, or deprivation of any rights, privileges, or freedoms, except for clearly stated and specific medical and/or public health reasons.

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 rescinded by proper authority or it expires in accordance with Minnesota Statutes, Section 4.035, Subdivision 3.

IN TESTIMONY WHEREOF I have set my hand this nineteenth day of November, 1986.

Rudy Perpich, Governor

PROPOSED RULES

Pursuant to Minn. Stat. of 1984, §§ 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.

Ethical Practices Board

Proposed Permanent Rules Relating to Ethics in Government

Notice of Intent to Adopt a Rule without a Public Hearing

Notice is hereby given that the State Ethical Practices Board proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes, section 10A.02, subd. 13.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. The 30-day period ends January 7, 1987. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw the request in writing. 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 addressed, the reason for the request, and any change proposed. If a public hearing is required, the Board will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing should be submitted to Mary Ann McCoy, Executive Director, Ethical Practices Board, 625 North Robert Street, St. Paul, MN 55101-2520.

The proposed rule may be modified if the modifications are supported by data and views submitted to the Board and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Ms. McCoy upon request.

Please be advised that Minn. Stat. Ch. 10A requires each lobbyist to register with the Ethical Practices Board within five days after she or he 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 her or his own traveling expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating with or urging others to communicate with public officials; or (b) who spends more than \$250, not including her or his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating with or urging others to communicate with public officials. The statute provides certain exceptions. Questions should be directed to the Board at the address above, telephone (612) 296-5615.

Minn. Stat. § 14.115 requires the Board to provide an opportunity for small businesses to participate in the rulemaking process.

PROPOSED RULES

It appears that the proposed amendments do not directly affect small business, for by definition, the regulations are imposed on individuals. However, small businesses may be affected indirectly by these regulations, for example a lobbyist may disclose information on her or his registration which may affect small businesses. For more information on the possible small business impact, see the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the rule, the rule and the supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. 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 adopted rule, must submit the written request to Ceil Gerlach, at the Board Office address listed above.

Dated: 24 November 1986

Mary Ann McCoy, Executive Director

Rules as Proposed

4500.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. la. Address. "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 8. [Unchanged.]

4500.1600 CONTRIBUTIONS FROM NON-MINNESOTA DOMICILED ASSOCIATIONS AND DOMICILED, FEDERALLY REGISTERED POLITICAL COMMITTEES OF POLITICAL FUNDS.

Non-Minnesota domiciled associations and domiciled, federally registered political committees or political funds which contribute Subpart 1. Optional disclosure. An association that contributes more than \$100 in a calendar year to a political committee or political fund may, in lieu of registration with the board, provide the recipient political committee or political fund with a report of receipts and expenditures containing all information required by Minnesota Statutes, section 10A.20 for the reporting period in which the contribution was made.

- <u>Subp. 2.</u> Exception. A Minnesota-domiciled association that makes separate contributions of more than \$100 to more than three committees or funds in a calendar year must register with the board.
- Subp. 3. Hennepin County. In lieu of registration with the board, an association registered with the Hennepin County filing officer under Laws of Minnesota 1980, chapter 362, that makes contributions of more than \$100 to a committee or fund in a calendar year may notify the recipient committee of its registration with Hennepin county and instruct the recipient committee to include the notice when the recipient committee discloses receipt of the contribution.

4500.3900 RESPONSIBILITIES OF TREASURERS.

A treasurer may transfer records and receipts to a new treasurer relieving that treasurer of record retention responsibility by written notification to the board by either

- Subpart 1. Change of treasurer. The new treasurer or the candidate shall send the board written notice of a change of treasurers within ten days after the change occurs. Such The notice shall must include the name and address of the new treasurer and the effective date of the transfer of records and receipts to the new treasurer.
- <u>Subp.</u> 2. Former treasurer. A former treasurer who transfers committee or fund records and receipts to a new treasurer is relieved of record retention responsibilities.
- <u>Subp.</u> 3. Canceled check. A copy of a canceled check with an invoice stating the purpose of the expenditure will be treated as a receipted bill.

4500.4100 TAX CREDIT AGREEMENT.

A candidate may sign <u>file</u> a tax credit agreement at any time after registration of <u>his</u> the <u>candidate's</u> principal campaign committee for the office sought or held through December 31. An agreement <u>signed</u> <u>filed</u> on or after January 1 <u>shall is</u> not <u>be</u> applicable to a preceding calendar year.

4500.4200 TAX CREDIT AGREEMENT AND PUBLIC FINANCING AGREEMENT.

A candidate must sign file a separate agreement in order to participate in each public financing program.

4500.4400 TERMINATION OF REGISTRATION.

<u>Subpart 1.</u> **Termination report.** A termination report shall <u>must</u> cover the period from the closing date of the last previous report filed through the date of termination. Any terminated political committee or political fund which subsequently becomes subject to the registration and reporting requirements of the act is required to reregister.

Subp. 2. Transfer of debts. An agreement to terminate a candidate's principal committee for one office under Minnesota Statutes, section 10A.241, must be made in writing, signed by the candidate and the committee treasurers, and preserved in the records of each committee.

4505.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. Address. "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 5. [Unchanged.]

4505.0300 LATE FILING FEES.

The board shall send a delinquency notice by certified mail to a public official or candidate within ten business days after a filing date. If A certified letter is returned by the post office to the board as refused, then the letter shall be deemed to have been is considered received by the addressee on the date refused. The late filing fee will then commence begins accumulating on the eighth day after refusal. A certified letter returned to the board as undelivered or refused shall must be forwarded by first class mail to the public official or candidate. An undelivered notice of late filing is considered received by the recipient five business days after the first class mailing. The late filing fee for an undelivered notice will commence begins accumulating on the eighth day after the notice is deposited in first class mail. A late filing fee will must be charged through the business day preceding the day of filing of a late statement. A late filing fee shall may not be assessed for Saturday, Sunday, or legal holidays.

4510.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. Address. "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 5. [Unchanged.]

4510.1000 LOBBYIST DISBURSEMENTS FOR ADMINISTRATIVE ACTIONS.

A lobbyist who does <u>both</u> legislative and administrative lobbying may file separate reports for the purpose of segregating those <u>for the same entity in a reporting period shall disclose</u> disbursements which were incurred for administrative lobbying from those <u>and</u> disbursements incurred for legislative lobbying. Unless separate reports are filed the board will treat all disbursements as <u>legislative lobbying disbursements in the categories specified in part 4510.0500, subpart 3, on the applicable lobbyist disbursement report.</u>

4515.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 2. Address. "Address" means street and number (post office box or rural route if appropriate), room number (if any), eity, state, if other than Minnesota, and zip code, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 3. to 7. [Unchanged.]

4520.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

PROPOSED RULES

Subp. 2. Address. "Address" means street and number (post office box or rural route, if appropriate), room number (if any), eity, and zip code, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 4. to 7. [Unchanged.]

4525.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. Address. "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 7. [Unchanged.]

4525.0200 FILING COMPLAINT COMPLAINTS OF VIOLATIONS.

Subpart 1. Who may complain. Any A person authorized by law to submit to the board a complaint that any person has not complied with the requirements of Minnesota Statutes 1974, sections 10A.01 to 10A.34 who believes a violation of Minnesota Statutes, chapter 10A or rules of the board has occurred may request that submit an oral or written complaint to the board investigate the alleged noncompliance by filing a complaint.

- Subp. 2. Form. There is no prescribed form for a written complaint, but all written complaints must be typewritten or handwritten legibly. The name and address of the person making the complaint must be typewritten or hand-printed on the complaint and it must be signed by the complainant. A complainant shall list the alleged violator and describe the complainant's knowledge of the alleged violation. Any evidentiary material should be submitted with the complaint. Complaints are not available for public inspection or copying until after the board makes a finding. No investigations are required if a complaint is frivolous on its face, illegible, too indefinite, does not identify the violator, or is unsigned by the complainant.
- Subp. 3. Oral complaints. The board need not investigate an oral complaint. No investigation or audit may be undertaken if an oral complaint is frivolous on its face, too indefinite, does not identify the violation, or does not identify the complainant. There is no prescribed form for an oral complaint, but all oral complaints must describe in sufficient detail the alleged violator and the violation.
- Subp. 4. Oath. Before a witness gives testimony in a meeting conducted by the board under part 4525.0500 or this rule, the following oath must be administered to the witness: "Do you solemnly swear or affirm that you will fully and truly answer all questions put to you and that all statements made or submitted to this board are true to the best of your knowledge?"
- Subp. 5. Confidentiality. Any portion of a meeting during which the board is hearing testimony or taking action concerning any complaint, investigation, preparation of a conciliation agreement, or a conciliation meeting must be closed to the public. The minutes and tape recordings of the meeting must be kept confidential.
- Subp. 6. Hearings. At any time during an investigation of a complaint, the board in its discretion, may hold a contested case hearing before making a finding on the complaint.

4525.0500 INVESTIGATIONS AND AUDITS.

Upon receipt of a complaint, the board or its employees shall undertake an investigation into the allegations contained therein. Immediately following receipt of a complaint, the executive director of the board shall inform the person complained against that a complaint has been filed against him.

- <u>Subpart 1.</u> No complaint. The board may also undertake investigations or audits with respect to statements and reports which are filed or should have been filed under the provisions of Minnesota Statutes 1974, sections 10A.01 to 10A.34, chapter 10A although no complaint has been filed. Any decision as to whether an investigation should be undertaken shall <u>must</u> be made at a closed meeting of the board.
- <u>Subp. 2.</u> Conduct. All Investigations and audits shall <u>must</u> be conducted in an expeditious manner, but with regard for fundamental fairness. Within a reasonable time after undertaking an investigation or audit, the executive director of the board shall inform the person under investigation or audit of the fact of the investigation or audit. The board shall make no final decision on any investigation or audit unless the person under investigation or audit has been informed of the charges against him and has had the opportunity to make a statement to the board or its employees or agents.
- Subp. 3. Contested case hearing. At any time during an investigation or audit, the board in its discretion may hold a contested case hearing before making a finding on any investigation or audit.

- Subp. 4. Dispositions. At the conclusion of an investigation or audit or after a hearing if a hearing has been ordered, the board shall take the action in item A or B or both of those actions.
- A. The board may make a finding that there is or is not probable cause to conclude that a violation of Minnesota Statutes, chapter 10A has occurred. The board shall report any finding of probable cause to the appropriate law enforcement authorities.
 - B. The board may authorize the commencement of a civil action for injunctive or other appropriate relief.
- Subp. 5. Board meetings. Board meetings related to an investigation or audit must be conducted in accordance with part 4525.0200, subparts 3 to 6.

REPEALER. Parts 4500.1300; 4500.3100, subpart 6; 4525.0300; 4525.0400; 4525.0600; 4525.0700; and 4525.0800 are repealed.

Department of Human Services

Proposed Permanent Rules Relating to Hospital Admission Certification

Notice of Intent to Adopt a Rule without a Public Hearing and Notice of Intent to Adopt a Rule with a Public Hearing if Twenty-Five or More Persons Request a Hearing

Notice is hereby given that the State Department of Human Services proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in Minnesota Statutes, section 14.22 to 14.28. The specific statutory authority to adopt the rule is Minnesota Statutes, section 256B.503 and 256D.03, subdivision 7 (b).

Persons interested in this rule shall have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule and comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

The proposed rule may be modified if the modifications are supported by data and views and do not result in a substantial change in the proposed rule as noticed.

A free copy of this rule is available upon request for your review from:

Eleanor Weber Division of Appeals and Regulations Department of Human Services 444 Lafayette Road St. Paul, MN 55101

A copy of the proposed rule may be viewed at any of the county welfare or human service agencies in the State of Minnesota.

The proposed amendments to the rule have the following effects: clarification of the definition of "readmission" in part 9505.0500, subpart 24; provision for a request for retroactive admission certification in part 9505.0520, subpart 14; establishment of criteria for determination of the medical necessity of residential chemical dependency treatment and inpatient psychiatric treatment; clarification of parties who may appeal. In addition several technical amendments are proposed that do not change the substance of the rule.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Eleanor Weber upon request.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. 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 addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, section 14.131 to 14.20. PLEASE NOTE THAT IF TWENTY-FIVE OR MORE PERSONS SUBMIT WRITTEN REQUESTS FOR A PUBLIC HEARING WITHIN THE 30-DAY

PROPOSED RULES =

COMMENT PERIOD, A HEARING WILL BE HELD ON January 15, 1987, UNLESS A SUFFICIENT NUMBER WITHDRAW THEIR REQUEST, IN ACCORDANCE WITH THE NOTICE OF PUBLIC HEARING ON THESE SAME RULES PUBLISHED IN THIS STATE REGISTER AND MAILED TO PERSONS REGISTERED WITH THE DEPARTMENT OF HUMAN SERVICES. To verify whether a hearing will be held, please call the Department of Human Services between January 8, 1987 and January 14, 1987 at (612) 297-4301.

Persons who wish to submit comments or a written request for a public hearing must submit such comments or requests to:

Eleanor Weber Division of Appeals and Regulations Department of Human Services 444 Lafayette Road St. Paul, MN 55101

Comments or requests for a public hearing must be received by the Department by 4:30 p.m. on January 7, 1987.

Adoption of these rules will not result in additional spending by local public bodies in the excess of \$100,000 per year for the first two years following adoption under the requirements of Minnesota Statutes, section 14.11. A fiscal note prepared according to the requirements of Minnesota Statutes, section 3.98, subdivision 2, estimating the fiscal impact of the rule is available upon request from Eleanor Weber.

If no hearing is required upon adoption of the rule, the rule and the required supporting documents will be delivered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. 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 adopted rule, must submit the written request to Eleanor Weber.

Leonard W. Levine, Commissioner Department of Human Services

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 Rules without a Public Hearing

NOTICE IS HEREBY GIVEN that a public hearing on the above-entitled matter will be held in the Veterans Service Building, Room D, Fifth Floor, 20 West 12 Street and Columbus Avenue, St. Paul, Minnesota 55155 on January 15, 1987 commencing at 10:00 a.m. and continuing until all interested or affected persons have an opportunity to participate. The proposed rules may be modified as a result of the hearing process. Therefore, if you are affected in any manner by the proposed rules, you are urged to participate in the rule hearing process.

PLEASE NOTE, HOWEVER, THAT THE HEARING WILL BE CANCELLED IF FEWER THAN TWENTY-FIVE PERSONS REQUEST A HEARING IN RESPONSE TO THE NOTICE OF INTENT TO ADOPT THESE SAME RULES WITHOUT A PUBLIC HEARING PUBLISHED IN THIS *STATE REGISTER* AND MAILED TO PERSONS REGISTERED WITH THE DEPARTMENT OF HUMAN SERVICES. To verify whether a hearing will be held, please call the Department of Human Services between January 8, 1987 and January 14, 1987 at (612) 297-4301.

Following the agency's presentation at the hearing, all interested or affected persons will have an opportunity to participate. Such persons may present their views either orally at the hearing or in writing at any time prior to the close of the hearing record. All evidence presented should be pertinent to the matter at hand. Written material not submitted at the time of the hearing which is to be included in the hearing record may be mailed to Allan Klein, Administrative Law Judge, Office of Administrative Hearings, 400 Summit Bank Building, 310 Fourth Avenue South, Minneapolis, Minnesota 55415; telephone (612) 341-7609, either before the hearing or within five working days after the public hearing ends. The Administrative Law Judge may at the hearing, order the record be kept open for a longer period not to exceed 20 calendar days. The comments received during the comment period should be available for review at the Office of Administrative Hearings. 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. No additional evidence may be submitted during the 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 Minnesota Statutes, sections 14.15 and 14.50. The rule hearing is governed by Minnesota Statutes, section 14.14 to 14.20 and by Minnesota Rules, parts 1400.0200 to 1400.1200. Questions about procedure may be directed to the Administrative Law Judge.

Parts 9505.0500 to 9505.0540 establish the procedure and criteria for determining the medical necessity of inpatient hospital services to recipients of medical assistance and general assistance medical care. The proposed amendments clarify the definition of readmission, authorize retroactive admission certification, clarify parties who may appeal, and establish criteria for determining

PROPOSED RULES

the medical necessity of residential chemical dependency treatment and inpatient psychiatric treatment. Additionally, the proposed amendments make technical corrections that do not affect the substance of the rules.

The agency's authority to adopt the proposed rules is contained in Minnesota Statutes, sections 256B.503 and 256D.03, subdivision 7 (b). Adoption of these rules will not result in additional spending by local public bodies in excess of \$100,000 per year for the first two years following adoption under the requirements of Minnesota Statutes, section 14.11. A fiscal note prepared according to the requirements of Minnesota Statutes, section 3.98, subdivision 2, estimating the fiscal impact of the rule is available upon request from:

Eleanor Weber Division of Appeals and Regulations Department of Human Services 444 Lafayette Road St. Paul, MN 55101

Copies of the proposed rules are now available and at least one free copy may be obtained by writing to:

Eleanor Weber Division of Appeals and Regulations Department of Human Services 444 Lafayette Road St. Paul, MN 55101

A copy of the proposed rule may be viewed at any of the county welfare or human service agencies in the state of Minnesota.

Additional copies will be available at the hearing. If you have any questions on the content of the rule contact Eleanor Weber, (612) 297-4301.

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 rules for a period of five working days. If you desire to be 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. Any person may request notification of the date on which the rules were adopted and filed with the secretary of state. The notice must be mailed on the same day the rules are filed. If you want to be so notified you may so indicate at the hearing or send a request in writing to the agency at any time prior to the filing of the rules with the secretary of state.

NOTICE IS HEREBY GIVEN that a Statement of Need and Reasonableness is now available for review at the agency and at the Office of Administrative Hearings. The Statement of Need and Reasonableness includes a summary of all the evidence and argument which the agency anticipates presenting at the hearing justifying both the need for and reasonableness of the proposed rules. Copies of the Statement of Need and Reasonableness may be reviewed at the agency or the Office of Administrative Hearings and copies may be obtained from the Office of Administrative Hearings at the cost of reproduction.

Minnesota Statutes, chapter 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 Minnesota Statutes, section 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 travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communication or urging others to communicate with public officials; or
- (b) who spends more than \$250, not including 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, 625 North Robert Street, St. Paul, Minnesota, 55101, telephone (612) 296-5615.

Leonard W. Levine, Commissioner Department of Human Services

PROPOSED RULES =

Rules as Proposed

9505.0500 **DEFINITIONS**.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Admission certification.** "Admission certification" means the determination of the medical review agent that inpatient hospitalization is medically necessary and that medical assistance or general assistance medical care funds may be used to pay the admitting physician, hospital, and other vendors of inpatient hospital services for providing medically necessary services, subject to parts 9500.0750 to 9500.1080, 9505.1000 to 9505.1040, and 9505.5000 to 9505.5020 [Emergency], and 9505.1000 to 9505.1040 9505.105.

Subp. 4. to 23. [Unchanged.]

Subp. 24. **Readmission.** "Readmission" means <u>an</u> admission for an inpatient hospital service for the same diagnosis or a related condition or the treatment of a condition which grew out of the previous diagnosis which that occurs within seven days of a prior discharge of the same recipient from a hospital.

Subp. 25. to 27. [Unchanged.]

9505.0510 APPLICABILITY.

Parts 9505.0500 to 9505.0540 establish the standards and procedures for admission certification to be followed by admitting physicians and hospitals seeking medical assistance or general assistance medical care payment for inpatient hospital services provided to medical assistance or general assistance medical care recipients under Minnesota Statutes, chapters 256B and 256D. Parts 9505.0500 to 9505.0540 are to be read in conjunction with Code of Federal Regulations, title 42, and titles XVIII and XIX of the Social Security Act. The department retains the authority to approve prior authorizations established under parts 9505.5000 to 9505.5020 [Emergency] 9505.5105. Parts 9505.0500 to 9505.0540 do not apply to out-of-state hospitals and admitting physicians who seek medical assistance or general assistance medical care program payment for inpatient hospital services provided to recipients who are Minnesota residents. Instate admitting physicians who admit a Minnesota resident who is a recipient to an out-of-state hospital must comply with parts 9505.0500 to 9505.0540. Out-of-state admitting physicians who admit a Minnesota resident who is a recipient to an in-state hospital must comply with parts 9505.0500 to 9505.0540.

9505.0520 INPATIENT ADMISSION CERTIFICATION.

Subpart 1. Requirement for admission certification. Except as provided in subpart subparts 2 and 14, an admission providing inpatient hospital service to a recipient must receive admission certification prior to the recipient's admission in order for the admitting physician, the hospital, or other vendor of an inpatient hospital service to receive medical assistance or general assistance medical care program payment for the inpatient hospital service.

Subp. 2. to 5. [Unchanged.]

Subp. 6. Medical review agent responsibilities. The medical review agent shall:

A. to G. [Unchanged.]

- H. notify the admitting physician and the person responsible for the hospital's utilization review, by phone, of a reconsideration decision within 24 hours of the decision, exclusive of weekends and holidays; and
- I. mail a written notice of the reconsideration decision to the admitting physician, the person responsible for the hospital's utilization review, and the department within five ten days of the determination, exclusive of weekends and holidays; and
 - J. provide for consideration of a request for retroactive admission certification.

Subp. 7. and 8. [Unchanged.]

Subp. 9. **Reconsideration.** The admitting physician or the hospital may request reconsideration of a decision to deny or withdraw an admission certification. The admitting physician or the hospital shall submit the request in writing to the medical review agent within 30 days of the date of receipt of the letter denying or withdrawing admission certification. Upon receipt of the request, the medical review agent shall appoint at least three physician advisers, none of whom shall have been involved previously in the procedure for the recipient's admission certification, to hear the reconsideration. The reconsideration may be conducted by means of a telephone conference call. The admitting physician or the hospital may submit additional facts at their own expense to support the request for admission certification. The physician advisers may seek additional facts and medical advice as necessary to decide whether the admission is medically necessary. The reconsideration shall be completed within 30 days of the receipt of the request. Any party The admitting physician or the hospital may appeal the determination of the physician advisers according to the contested case provisions of Minnesota Statutes, chapter 14, by filing a written notice of appeal with the commissioner within 20 days of the date of receipt of the notice of the determination.

Subp. 10. to 13. [Unchanged.]

Subp. 14. Retroactive admission certification. If the admitting physician fails to request admission certification by contacting the medical review agent prior to an admission for an inpatient hospital service other than a service under subpart 2, the admitting physician may retroactively request admission certification. The admitting physician shall submit at his or her own expense the recipient's complete medical record to the medical review agent within 30 days of the recipient's discharge. The medical record must contain the information required in subpart 3, items B and C, and any other facts necessary to establish that the recipient's admission was medically necessary. The procedure outlined in subpart 8 shall also be followed in the case of retroactive admission certification. The denial of retroactive admission certification and the withdrawal of retroactive admission certification may be appealed to the medical review agent through the reconsideration process in subpart 9.

9505.0530 ADOPTION OF THE APPROPRIATENESS EVALUATION PROTOCOL INCORPORATION BY REFERENCE OF CRITERIA TO DETERMINE MEDICAL NECESSITY.

The most recent edition of the Appropriateness Evaluation Protocol of the National Institutes of Health is incorporated by reference. The book is available at the Health Data Institute, 7 Wells Avenue, Newton, Massachusetts, 02159, and it is also available through the Minitex interlibrary loan system. The book is subject to change.

The Effective Care '81 Criteria for Residential Chemical Dependency Treatment, 1983 edition, and the Criteria for Inpatient Psychiatric Treatment, 1981 edition, published by Blue Cross and Blue Shield of Minnesota are incorporated by reference. The criteria are available at Blue Cross and Blue Shield of Minnesota, P.O. Box 64560, Saint Paul, Minnesota 55164, and at the state law library, Ford Building, Saint Paul, Minnesota 55155. The criteria are not subject to frequent change.

9505.0540 CRITERIA TO DETERMINE MEDICAL NECESSITY.

The medical review agent shall follow the Appropriateness Evaluation Protocol and Effective Care '81 Criteria for Residential Chemical Dependency Treatment and Criteria for Inpatient Psychiatric Treatment of Blue Cross and Blue Shield of Minnesota in determining whether a recipient's admission is medically necessary, whether the inpatient hospital services provided to the recipient were medically necessary, whether the recipient's continued stay will be medically necessary, and whether all medically necessary inpatient hospital services were provided to the recipient.

Minnesota Board of Teaching

Proposed Permanent Rules Relating to Teaching Licenses; Continuing Education and Miscellaneous Others

Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the State Board of Teaching intends to adopt the above-entitled rules without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, section 14.22 to 14.28. The statutory authority to adopt the rules is Minnesota Statutes, section 125.05, subd. 1, and subd. 6, and 125.185, subd. 4.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rules or any part or subpart of the rules. Comment is encouraged. Each comment should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rules within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and

PROPOSED RULES

address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, section 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Kenneth L. Peatross, Executive Secretary Minnesota Board of Teaching 608 Capitol Square 550 Cedar Street St. Paul, Minnesota 55101 612/296-2415

The proposed rules may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rules as noticed.

A copy of the proposed rules is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rules has been prepared and is available from Kenneth L. Peatross, Executive Secretary, Minnesota Board of Teaching, 608 Capitol Square, 550 Cedar Street, St. Paul, MN 55101, upon request.

If no hearing is required, upon adoption of the rules, the rules and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. 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 adopted rules, must submit the written request to Kenneth L. Peatross, Executive Secretary, Minnesota Board of Teaching, 608 Capitol Square, 550 Cedar Street, St. Paul, MN 55101.

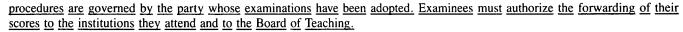
Dated: 24 November 1986

Kenneth L. Peatross, Executive Secretary Minnesota Board of Teaching

Rules as Proposed

8700.0210 EXAMINATIONS FOR TEACHER LICENSES.

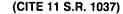
- Subpart 1. Examination requirement. Effective April 4, 1988, an applicant described in Minnesota Statutes, section 125.03, subdivision 5 for an initial license, shall provide evidence of having successfully completed examinations of skills in reading, writing, and mathematics before being issued an initial Minnesota teaching license. The examinations must have been adopted by the Board of Teaching.
- Subp. 2. Selection and adoption. The Board of Teaching shall solicit proposals for the development, validation, and implementation of a statewide examination system. The Board of Teaching shall select the proposal of a party whose understanding of the project, statement of work to be performed, management plan, staffing, and related experience demonstrate the ability to develop, validate, and implement a statewide examination system and to conduct subsequent administrations of the adopted examinations. The Board of Teaching shall adopt examinations that have been validated by another state or reputable national testing organization and field tested in Minnesota.
- <u>Subp. 3.</u> Requirement. To meet the requirement of subpart 1, an applicant shall achieve a minimum passing score on each of the examinations adopted by the Board of Teaching. The Board of Teaching shall determine minimum passing scores based on validation for use in Minnesota of the examinations adopted by the board.
- Subp. 4. Notification. Minimum passing scores applicants must achieve on the examinations and the identification of the examinations adopted shall be published in the State Register within 60 days of adoption by the Board of Teaching. Before July 2 of each calendar year, the Board of Teaching shall notify the colleges and universities approved by the board to prepare persons for teacher licensure of the minimum passing score applicants must achieve on the examinations and which examinations are adopted under subpart 2.
- <u>Subp. 5. Licensure recommendation. In recommending candidates for licensure, Minnesota colleges and universities shall attest that license requirements have been met, including successful completion of the requirement in subpart 3.</u>
- Subp. 6. Administration, scoring, and reporting. Administration, scoring, and reporting of examinations shall be conducted by the party whose examinations have been adopted by the Board of Teaching. Applicants may take the examinations on any of the dates that are established by the party for national administration or on dates established by the Board of Teaching for special administration. Examinations shall be administered at least four times a year in Minnesota. It is the responsibility of the applicant to be informed about the dates and locations of the examinations and to apply for the appropriate examinations. Registration



- Subp. 7. Fees. Candidates for licenses shall pay the examination fee approved by the Board of Teaching for the examinations they take. The fee may not exceed \$50.
- Subp. 8. Admission to upper division or graduate coursework. Candidates for an initial license shall provide provisional evidence to the institutions they attend of having taken the examinations adopted in subpart 2 before enrolling in upper division coursework in the professional education sequence. Candidates for an initial license who have a baccalaureate degree shall provide evidence to the institutions they attend of having taken the examinations adopted in subpart 2 before enrolling in coursework in the professional education sequence. Candidates who fail to achieve the minimum passing score on one or more of the examinations may enroll in upper division or graduate coursework in the professional education sequence; however, candidates must achieve the passing scores established in subpart 3 before recommendation for an initial teaching license. Colleges and universities must provide candidates who fail the examinations access to opportunities to enhance their skills.
- Subp. 9. Candidates already enrolled in education sequences. Candidates who have been enrolled in upper division or graduate coursework before April 4, 1988, shall provide evidence of successful completion of the examinations adopted in subpart 2 before licensure recommendation.
- Subp. 10. Retesting procedures. Examinees who fail to achieve at least the minimum score on one or more of the examinations are permitted to retake the examination or examinations for which the minimum score was not achieved under this part. No minimum waiting time is required.
- Subp. 11. Applicants prepared in other states. Applicants for Minnesota licensure who are prepared in other states who otherwise meet the applicable statutes and rules shall be granted a one-year nonrenewable provisional license, during which time the applicant must provide evidence of successful completion of the requirements of this part. Applicants prepared in other states who provide evidence of meeting requirements for initial Minnesota licensure shall be granted an entrance license.
- Subp. 12. Review and modification. The Board of Teaching shall periodically review the examination system to determine whether the system meets the requirements of this part. Modifications by the Board of Teaching in the adoption of examinations or the minimum passing scores shall be published in the State Register. The modifications are effective for administration of the examinations 30 days after publication.

8700.0502 PROVISIONAL LICENSES; TEACHING IN UNLICENSED SUBJECTS OR FIELDS.

- Subpart 1. Authority to issue provisional licenses; scope of rule. The Board of Teaching may issue provisional licenses that permit a teacher to teach in related subjects or fields for which the teacher is not currently licensed. This part applies only to those subjects or fields for which provisional licensure is not specifically authorized by license rules.
- Subp. 2. Criteria for issuance. The Board of Teaching shall issue provisional licenses authorized by subpart 1 if it finds that the following conditions are met:
- A. the superintendent of schools of the employing school district requests a provisional license under this part and Minnesota Statutes, section 125.05, subdivision 6;
 - B. the superintendent of schools of the employing school district verifies that:
- (1) no teacher holding a teaching license in a subject or field for which a provisional license is requested is available for the position; and
- (2) no teacher holding a teaching license in the subject or field for which a provisional license is requested has been placed on unrequested leave by the school district and wishes to resume teaching in that subject or field; and
- C. the teacher for whom the request is made holds a current Minnesota license granted by the Board of Teaching valid for teaching in another subject or field; and
- D. the teacher for whom the provisional license is requested has completed a minimum of 15 quarter credits of the approved licensure program in the subject or field for which a provisional license is requested and has been recommended for provisional licensure by the college or university maintaining the approved program.
- Subp. 3. Application procedure. The applicant must submit a completed endorsement application containing the verification required in subpart 2, official transcripts, and the required processing fee.



PROPOSED RULES =

<u>Subp.</u> <u>4.</u> **Duration of provisional license.** <u>A provisional license issued under this part is valid for no more than two school years and is nonrenewable.</u>

8700.0900 CONTINUING LICENSE.

Subpart 1. to 3. [Unchanged.]

- Subp. 4. Renewal of continuing license. A license renewal period begins on July 1 of the year of expiration. Applications for renewal are accepted for processing by the department of education after January 1 of the year of expiration. Pursuant to procedures specified in parts 8700.0900 to 8700.2300, a valid continuing license shall be renewed for a subsequent period of five years when an applicant presents evidence of having been granted 120 renewal units 125 clock hours by the local continuing education/relicensure committee during the five-year period immediately preceding the date on which the required renewal is to be made effective.
- Subp. 5. Transition from renewal units to clock hours. Renewal units that have been granted by local continuing education/relicensure committees shall be allocated toward clock hours for renewal. For every one renewal unit granted by the local continuing/relicensure committee for experiences completed before June 30, 1987, one clock hour of continuing education shall be granted. Persons who have been granted 120 renewal units by a local continuing education/relicensure committee before June 30, 1987, shall be permitted to renew their license for one five-year period based on completion of the renewal unit requirement.

8700.1000 RENEWAL UNITS CLOCK HOURS.

- Subpart 1. **Definition.** The renewal unit is based on the college credit. Ten hours of classroom instruction are equivalent to one quarter hour of college credit and ten renewal units. Therefore, one renewal unit is equal to one hour of college classroom instruction and the work and expectations associated with the classroom. One hour of college instruction usually carries with it two additional hours of related work. The allocation of one renewal unit per college credit hour is based, then, on the assumption of this investment of three hours of actual time "Clock hour" means an hour of actual instruction, supervised group activities, or planned individual professional development.
- Subp. 2. Allocation of renewal units clock hours. This equation of three hours of actual time for one renewal unit may be used by the local committee for determination of the allocation of renewal units in all categories. Except as provided in subpart 4 the local committee may make exceptions to this ratio. The local committee, in making such exceptions, shall consider such criteria as the quality of the professional growth experiences and the relationship of such experiences to maintaining and improving general, academic, or professional qualifications. Decisions shall not be based solely on the number of hours involved In each five-year relicensure period, a minimum of 90 clock hours of the required 125 clock hours of continuing education must be earned from among the categories in subpart 3, items A to D. At least 45 of the 90 clock hours must be earned in programs that are consistent with local continuing education goals if the programs are locally available. A maximum of 35 clock hours may be earned from among the categories in subpart 3, items E to G.
- Subp. 3. Categories for allocation. Categories for which renewal units clock hours shall be allocated granted by the local committee, and for which renewal units clock hours may be granted to applicants, are listed below in items A to G. Verification of completion of experiences must be submitted by the applicant to the local committee. Renewal units Clock hours must be earned in two or more of the following categories listed in items A to G:
 - A. college courses and related work relevant course work completed at accredited colleges and universities;
- B. supervision of clinical experiences educational workshops, conferences, institutes, seminars, or lectures in areas appropriate to licenses held;
- C. attendance at professional meetings, workshops, conferences, and seminars staff development activities, inservice meetings, and inservice courses;
- D. attendance at lectures by persons with expertise in the areas for which licensure is requested building, district, regional, state, national, or international curriculum development;
- E. systematic, purposeful observation during visits to schools and to related business and industry professional service in the following areas:
 - (1) supervision of clinical experiences of persons enrolled in teacher licensure programs;
- (2) membership on national, state, and local committees involved with licensure, teacher education, or professional standards;
 - (3) participation in national, regional, or state accreditation;
- F. volunteer work in professional organizations or situations related to the areas for which licensure is requested leadership experiences in the following areas:
 - (1) development of new or broader skills and sensitivities to the school, community, or profession;

- (2) publication of professional articles in a professional journal in an appropriate field;
- (3) volunteer work in professional organizations related to the areas of licensure held; and
- G. development of demonstrations or curriculum innovations for use with student teachers or in-service programs; opportunities to enhance knowledge and understanding of diverse educational settings in the following areas:
 - (1) experiences with students of another age, ability, culture, or socio-economic level;
 - (2) systematic, purposeful observation during visits to schools and to related business and industry;
 - (3) travel for purposes of improving instructional capabilities related to the field of licensure;
 - (4) work experience in business or industry appropriate to the field of licensure.

H.creative endeavor (art, music, or writing) related to the individual's licensure;

I-publication of professional articles in a professional journal in an appropriate field;

J.travel related to the professional licensure areas (prior approval of this experience shall be obtained);

K-maintenance and evaluation of an annotated log or record of activities with a class or group;

L-exchange situations to gain experience with students at another age, ability, culture, socioeconomic level, or in another subject for which the teacher is qualified;

M.attendance at and participation in in-service meetings with opportunity for staff members in various roles (college faculty, community persons) to work together;

N. participation in in-service meetings to include active staff planning and involvement (demonstrations with student exhibits, explanation of special or new techniques);

O.direct involvement, individually or within a group, to research, plan, and implement innovative educational practices;

P. planning and production of television or other special programs for use in the schools;

Q.leadership experiences, which involve the exercise and/or development of new or broader skills and sensitivities to the school, community, and profession;

R. membership on national, state, and local committees involved with licensure, teacher education, or professional standards, and participation in national, regional, or state accreditation; or

S. additional kinds of experiences may be approved. These experiences shall be experiences especially appropriate for a particular school district or a particular education area.

- Subp. 4. **Maximum allocation.** The local committee shall grant renewal units clock hours and allow accumulation of renewal units according to the provisions of clock hours under parts 8700.0900 to 8700.2300. Maximum renewal unit clock hour allocations for specific experiences identified below are to be used as a guide for allocating renewal units for other experiences shall be made under items A to C:
- A. One quarter eredit (when related to professional growth) equals ten renewal units Relevant course work shall be rated at 15 clock hours for each quarter credit earned, and 20 clock hours for each semester credit earned.
- B. One semester credit (when related to professional growth) equals 15 renewal units Subpart 3, items B to D, shall be rated up to one clock hour for each hour of participation by the local continuing education/relicensure committee, in accordance with the local guidelines established under part 8700.1100.
- C. Supervision of the clinical experiences of a college student for one quarter or one semester equals ten renewal units, provided that no more than 30 such renewal units may be granted in any five year period Subpart 3, items E to G, shall be rated at one clock hour for every three hours of participation by the local continuing education/relicensure committee in accordance with the local guidelines established under part 8700.1100.
- (1) Supervision of clinical experiences of persons enrolled in teacher licensure programs for one quarter or one semester equals ten clock hours. No more than 30 clock hours may be granted in a five-year relicensure period for supervision.
- (2) One week of travel for purposes of improving instructional capabilities equals ten clock hours. No more than 30 clock hours may be granted in a five-year relicensure period for travel.

PROPOSED RULES =

D.One week of approved travel equals ten renewal units, provided that no more than 30 such renewal units may be granted in any five-year period.

E.A one-day workshop, seminar, or conference equals up to five renewal units based on type of experience, involvement, and outcome product.

- Subp. 5. Experience for renewal unit clock hour credit. Experiences for renewal unit clock hour credit must aid the applicant in maintaining and improving general, academic, or professional qualifications. Except for subpart 3, item $\frac{L}{L}$ $\frac{G}{L}$, subitem (1), teaching experiences for which licensure is required shall not qualify for renewal unit clock hour credit.
- Subp. 6. **Period for earning renewal units clock hours.** An applicant requesting renewal of a license to teach must earn a minimum of 120 renewal units 125 clock hours during each five-year licensure period from July 1 of the year of issuance to June 30 of the year of expiration. An applicant may not bank renewal units clock hours for purposes of relicensure.
- Subp. 7. Evaluation of further education. In cases where local school board policies require further education on a periodic basis, such education shall be evaluated in the same manner as other experiences and may apply as renewal units clock hours.
- Subp. 8. Renewal of license for two or more areas. An applicant who seeks renewal of a continuing license for two or more areas should allocate at least 30 renewal units clock hours to each of the licensure areas for a total of no fewer than 120 units 125 clock hours, with priority given to work in areas where the candidate is employed during the licensure period. Those candidates possessing administrative licensure may allocate units clock hours for the renewal of teaching licensure in this same manner.

8700.1100 LOCAL COMMITTEES FOR CONTINUING EDUCATION AND RELICENSURE.

Subpart 1. to 6. [Unchanged.]

- Subp. 7. Duties. The duties of the local committee are as follows:
 - A. Set procedures for its own operation:
- (1) Establish written guidelines which set time, place, and procedures for local committee meetings; set procedures for local committee operations, including a procedure for emergency approval during periods when the committee is not regularly meeting; and determine renewal units clock hours to be allocated for each category enumerated in part 8700.1000, subpart 3 in accordance with the maximum renewal unit clock hour allocations stipulated in part 8700.1100, subpart 4;
- (2) Make the guidelines available to persons interested in or affected by decisions of the local committee, together with a list of the current local committee membership; and
- (3) Hold a hearing annually to allow the teachers in the district to review proposed or revised guidelines established by the local committee. It is recommended that this hearing be held in the fall.

A working draft of local guidelines and proposed revisions shall be made available prior to the local hearing.

The local committee shall schedule the hearing at a time and place which is convenient for those interested in or affected by the guidelines to be able to attend.

Adequate and proper notice shall be given to all such persons within the district.

All local committee members should be present at the hearing.

The hearing shall continue until all persons who wish to speak have had an opportunity to do so.

Although input received at the hearing is not binding, the local committee is encouraged to modify its guidelines, insofar as modifications are consistent with parts 8700.0900 to 8700.2300, if the information received during the hearing indicates that changes are necessary or desirable.

- B. [Unchanged.]
- C. Forward to the Board of Teaching the following information in accordance with due dates set forth in this rule:
 - (1) Prior to November 1 of each year, verification of the current membership of the local committee.
- (2) Prior to November 1, 1980, and every five years thereafter, a copy of the published local committee guidelines. At such time that substantial changes are made in local guidelines, a revised copy of these guidelines shall be forwarded to the Board of Teaching.
- (3) During February of each year, any recommendations for modifications in parts 8700.0900 to 8700.2300, based upon an evaluation of procedures and criteria for granting renewal units clock hours.
 - D. to E. [Unchanged.]

8700.1300 TRANSFER OF RENEWAL UNITS CLOCK HOURS.

If a licensed person employed by one school district becomes employed by a different district during a renewal period, units

PROPOSED RULES

<u>clock</u> <u>hours</u> already earned and granted during that renewal period shall forthwith be transferred to the local committee for the new district. Such <u>units</u> <u>clock</u> <u>hours</u> shall be accepted by that committee.

8700.1400 GRANTOR OF RENEWAL UNITS CLOCK HOURS.

Renewal units Clock hours shall be granted by the committee of the district where the applicant was employed at the time that the experience was completed.

Persons who have not been employed by a school district for a period of time will be granted renewal units clock hours in either of the following ways: by the local committee of the district where the applicant was last employed, or by the local committee of the district where the applicant currently resides, if accepted by the local committee.

8700.2200 RIGHT OF APPEAL.

Subpart 1. Appeal to local committee. When an applicant has not been granted the requested number of renewal units clock hours by a local continuing education/relicensure committee, an appeal may be made to the local committee. An applicant must appeal to the local committee within 20 working days after notification of the decision of the local committee. Failure to file a written request with the local committee for an appeal within 20 working days constitutes a waiver of the individual's right to appeal.

- Subp. 2. [Unchanged.]
- Subp. 3. **Nonendorsement of application by local committee.** In cases where the applicant has not been granted the required number of renewal units clock hours for relicensure, local committees shall not endorse the application for renewal of the continuing license.
- Subp. 4. Appellant's duty to inform manager of licensing loss. In the event that the renewal units clock hours under appeal result in loss of licensure, it shall be the responsibility of the appellant to inform the manager of licensing of such loss of licensure. The manager of licensing shall extend the previous continuing license until all avenues of administrative appeal have been exhausted.

8700.4710 TEACHERS OF BUSINESS.

- Subpart 1. License requirements. A candidate recommended for a license to teach business in secondary schools shall:
 - A. hold a baccalaureate degree;
 - B. satisfactorily complete requirements for secondary school teachers enumerated in part 8700.3510; and
- C. satisfactorily complete a preparation program leading to a license for teachers of business approved by the Board of Teaching, consisting of a minimum of 75 quarter hours or the equivalent.
- Subp. 2. Program requirements. A program leading to the licensure of teachers of business shall provide candidates recommended for licensure with the knowledge, skills, and understandings listed in this subpart:
 - A. accounting principles including financial statement analysis and computerized applications;
 - B. economic principles including consumer and personal economics principles;
 - C. management principles and applications;
 - D. sales and marketing principles;
 - E. business law concepts;
 - F. business structure and function;
 - G. international business;
 - H. advanced business ownership principles including business finance, risk taking, and enterpreneurship;
 - I. information systems and analysis;
 - J. current business technology;
 - K. computerized business applications;
 - L. origination and presentation of oral and written business communications;

PROPOSED RULES

- M. advanced keyboarding and typewriting;
- N. text editing and word processing production from various input media;
- O. recording data using written notes or electronic media and transcribing the data; and
- P. business behavior including interpersonal relations, leadership, work attitudes, job seeking skills, and business decision making.
- Subp. 3. Program approval for institutions. An institution applying to the Board of Teaching for approval of its preparation program for teachers of business shall comply with part 8700.7700.
- <u>Subp. 4.</u> Continuing licenses. A continuing license shall be issued and renewed according to rules of the Board of Teaching governing continuing education and relicensure.
 - Subp. 5. Effective date. This part is effective July 1, 1990, for applicants for entrance licensure as teachers of business.

8700.5900 SCHOOL LIBRARIANS.

Teachers who are assigned duties as <u>school</u> librarians shall <u>hold licensure</u> <u>as an elementary or secondary classroom teacher and shall have at least completed an approved college minor in library science.</u>

8700.7800 TEACHERS PREPARED IN STATES OTHER THAN MINNESOTA.

Subpart 1 to 3. Unchanged.

Subp. 4. Entrance Provisional licenses. Notwithstanding the rule governing human relations, persons who have been prepared as teachers in states other than Minnesota shall be granted a Minnesota entrance one-year nonrenewable provisional license based upon the provisions of this part. Upon meeting the provisions of this part, an entrance license shall be granted.

REPEALER. Minnesota Rules, parts 8700.2600 and 8700.5000 are repealed.

Minnesota Rules, part 8700.4700 is repealed effective July 1, 1990.

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.

Department of Energy and Economic Development

Adopted Permanent Rules Governing Community Block Grant Contracts

The rule proposed and published at *State Register*, Volume 11, Number 12, pages 482-483, September 22, 1986 (11 S.R. 482) is adopted as proposed.

Public Employees Retirement Association

Adopted Rules Relating to Membership of Elected Officials

The rules proposed and published at *State Register*, Volume 11, Number 3, pages 73-77, July 21, 1986 (11 S.R. 73) are adopted with the following modifications:

Rules as Adopted

7950.0100 DEFINITIONS.

- Subpart 1. Scope. As used in parts 7950.0100 to 7950.0500 7950.0300, the following terms have the meanings given.
- Subp. 5. **New public official.** "New public official" means a public official who is elected to or appointed to fill a vacancy in an elective office and who commences employment in such office on or after the effective date of parts 7950.0100 to 7950.0500 7950.0300.
- Subp. 6. Current public official. "Current public official" means a public official who was elected to or appointed to fill a vacancy in an elective office, who commences employment before the effective date of parts 7950.0100 to 7950.0500 7950.0300, and whose incumbency in the elective office continues through or beyond that effective date.
 - Subp. 10. Current appointed official. "Current appointed official" means a person:

A. who is a public employee and a member of PERA within the meaning of Minnesota Statutes, section 353.01;

B. who is appointed to a nonelective office before the effective date of this rule; and

C. whose term in the nonelective office continues through or beyond that effective date.

7950.0300 OPTION TO BECOME A MEMBER.

- Subpart 1. **Option.** If, following the effective date of parts 7950.0100 to 7950.0500 7950.0300, a new or current public official is not a member of PERA but is eligible to become a member, the official shall have an option to become a member of PERA. The option may be exercised by filing an application for membership on forms provided by the executive director of PERA.
- Subp. 5. **Repayment of refunds.** Nothing contained in this part, part 7950.0400, or 7950.0500 shall circumscribe or otherwise limit the option of a former public official who was a PERA member at the time service as a public official was rendered, to repay refunds of contributions to restore past service credit in accordance with Minnesota Statutes, section 353.35.

7950.0400 GENERAL TRANSITION RULE BUY BACK OF PRIOR SERVICE.

Subpart 1. Option. A current appointed official or a current public official who is a member of PERA or a current public official who is eligible to become a member of PERA and who exercises the option to become a member in accordance with part 7950.0300, subpart 1, within one year after the effective date of parts 7950.0100 to 7950.0500, has the option to buy back credit for all or any part of prior service as a public official. The option shall be exercised by filing an application to buy back prior service as a public official on forms provided by the executive director of PERA. Prior service shall be bought back in order, beginning with the most recent period, by making payment of the appropriate amount of:

A: the employee contribution at the rate in effect at the time the service was rendered plus six percent interest compounded annually;

B.the employer contribution at the rate in effect at the time the service was rendered; and

C.the employer additional contribution at the rate in effect at the time the service was rendered.

The governmental subdivision for which the prior service was rendered at its sole discretion may pay the required employer and employer additional contributions.

Subp. 2. Exercise, payment, and expiration. The option to buy back prior service may only be exercised by a current appointed official or by a current public official who is, or has exercised the option to become, a member of PERA. An option to buy back prior service must be exercised in accordance with subpart 1 before the expiration of one year after the effective date of this rule. Also, before the expiration of the one-year period, the amount of contributions required under subpart 1 must be paid to PERA in a lump sum. If the option to buy back prior service is not exercised within the one-year period, the option shall expire. If the required contributions are not remitted to PERA within the one-year period, the exercise of the option shall be void.

Subp. 3. Early expiration. A current appointed official or a current public official:

A. who is a member of PERA;

B. who has prior service as a public official of any governmental subdivision;

C: whose status as an appointed official or public official ceases before the expiration of one year from the effective date of this rule; and

ADOPTED RULES =

D. who failed to exercise the option to buy back prior service in accordance with subpart 1 before such status as an appointed official or public official ceased, shall not have any further or future option to buy back prior service.

Subp. 4. No option for non-PERA member. A current public official:

A. who is not a member of PERA but who is eligible to become a member of PERA;

B. who has prior service as a public official of any governmental subdivision; and

C. who failed to exercise the option to become a member of PERA in accordance with part 7950.0300, Subpart 1, before the earlier of the date on which status as a public official ceases or before the expiration of one year from the effective date of parts 7950.0100 to 7950.0500, shall not have an option to buy back prior service.

7950.0500 SPECIAL TRANSITION RULE BUY BACK OF PRIOR SERVICE.

Subpart 1. Current public official. A current public official:

A. who has prior service as a public official of any governmental subdivision;

B. who was not eligible to become a member of PERA on the effective date of parts 7950.0100 to 7950.0500; but

C. who exercises the option to become a member of PERA in accordance with part 7950.0300, subpart 1, within one year from the date on which the public official becomes eligible to become a member of PERA, shall have an option to buy back all or any part of the prior service provided that prior service shall be bought back in order, beginning with the most recent period.

Subp. 2. New public official: A new public official:

A. who has prior service as a public official of any governmental subdivision;

B. who was not a current appointed official or a current public official eligible to become a member of PERA on the effective date of this rule; and

C. who exercises the option to become a member of PERA in accordance with part 7950.0300, subpart 1, within one year from the date on which the public official becomes eligible to become a member of PERA, shall have an option to buy back all or any part of the prior service, provided that prior service shall be bought back in order, beginning with the most recent period.

Subp. 3. Exercise, payment, and expiration. Before the expiration of one year from the date on which a public official described in subpart 1 or 2 becomes eligible to become a member of PERA but not before the date on which the option to become a member is exercised in accordance with subpart 1 of part 7950.0300:

A.the option to buy back prior service must be exercised in accordance with the provisions of subpart 1 of part 7950.0400; and

B-the amount of contributions required must be remitted to PERA in a lump sum.

If the option is not exercised within the one-year period, the option shall expire. If the required contributions are not remitted to PERA within the one-year period, the exercise of the option shall be void.

EFFECTIVE DATE. Parts 7950.0100 to 7950.0500 7950.0300 are effective 90 days after the notice of adoption is published in the *State Register*.

EMERGENCY RULES

Proposed Emergency Rules

According to Minn. Stat. of 1984, §§ 14.29-14.30, state agencies may propose adoption of emergency rules if: 1) expressly required; 2) authorized by statute; or 3) if the manner permitted by a directive (given by statute, federal law or court order) does not allow for compliance with sections 14.14-14.28. The agency must, however, publish a notice of intent to adopt emergency rules, along with the rules themselves, in the *State Register*. The notice must advise the public:

- 1) that a free copy of the proposed emergency rule is available upon request from the agency;
- 2) that notice of the date that the rule is submitted to the attorney general will be mailed to persons requesting notification;
- 3) that the public has at least 25 days after publication of the proposed emergency rule to submit data and views in writing; and
- 4) that the emergency rule may be modified if the data and views submitted support such modification.

Adopted Emergency Rules

Emergency rules take effect five working days after approval by the attorney general, and after compliance with Minn. Stat. §§ 14.29-14.365. As soon as possible, emergency rules are published in the State Register in the manner provided for in section 14.18.

Emergency rules are effective for the period stated in the notice of intent to adopt emergency rules. This may not exceed 180 days.

Continued/Extended Emergency Rules

Adopted emergency rules may be continued in effect (extended) for an additional 180 days. To do this, the agency must give notice by: 1) publishing notice in the *State Register*; and 2) mailing the same notice to all persons who requested notification on rulemaking. No emergency rule may remain in effect 361 days after its original effective date. At that point, permanent rules adopted according to Minn. Stat. 14.14-14.28 supercede emergency rules.

MINNESOTA RULES AMENDMENTS AND ADDITIONS

(Emergency rules published in this issue)

Minnesota Housing Finance Agency

Extension of Emergency Rules Relating to Income Limits for Tax Reform Transition Demonstration Program

Notice is hereby given that Minnesota Rules, Part 4900.0381, (emergency) which relates to Income Limits for Tax Reform Transition Demonstration Program, effective June 17, 1986 and published in the *State Register* as Adopted at Volume 11, Number 1, page 6 are being continued in effect for an additional 180 days. This continuation is in accordance with chapter 640, 1984 Laws of Minnesota. The new expiration date for Minnesota Rules, Part 4900.0381 (emergency) will be June 15, 1987 or the date Minnesota Rules, Part 4900.0381 (emergency) are replaced by permanent rules; whichever date is earlier.

OFFICIAL NOTICES :

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.

Department of Commerce

Notice of Commissioner's Review of the Workers' Compensation Assigned Risk Plan Rates

Pursuant to Minnesota laws of 1983, chapter 290, the Commissioner of Commerce is required to establish rates applicable to coverages issued through the Workers' Compensation Assigned Risk Plan.

By Order dated December 23, 1983 the Commissioner established rates applicable to such coverages issued with effective dates of January 1, 1984 and thereafter. Subsequent to that time the Minnesota Workers' Compensation Insurers' Association filed a rate making report for 1985 with the Department pursuant to Minnesota Statute Section 79.61 subdivision 1. Accordingly the Commissioner on the 28th day of February, 1985 issued his Order setting rates for all new policies issued effective March 15, 1985 and all renewal policies issued effective June 1985. On December 20, 1985 new rates were set for all new and renewed policies issued after March 1, 1986.

Since the issuance of the Commissioner's Order on the 20th day of December 1985 no adjustments of the rates for the Workers' Compensation Assigned Risk Plan have been made. Accordingly at this time the Commissioner does hereby notify any and all interested parties of his intent to review the rates to determine the appropriate action to be taken in regard to them. Such action may include an increase in the rates, a decrease of the rates, levying of assessments for deficiencies and other powers granted to the Commissioner pursuant to law. Accordingly at this time the Commissioner does solicit any and all interested parties comments, data and other information that would be pertinent to the determination of the actions to be taken by the Commissioner.

This information may be submitted in writing to the Commissioner directed to the attention of Rose Ortiz, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101. Persons wishing to provide the information in some other manner should make a request to the Commissioner to do so as soon as possible. It is the intent of the Department to cease taking information as of 4:30 P.M. December 29, 1986. Thereafter the Commissioner will take such action as is appropriate based upon the information submitted and other information available to the Commissioner.

Dated: 2 December 1986

Michael A. Hatch Commissioner of Commerce

Department of Finance

Maximum Interest Rate for Municipal Obligations in December

Pursuant to Minnesota Statutes, Section 475.55, Subdivision 4, Commissioner of Finance, Jay Kiedrowski, announced today that the maximum interest rate for municipal obligations in the month of December would be eight (8) percent per annum. Obligations which are payable wholly or in part from the proceeds of special assessments or which are not secured by General Obligations of the municipality may bear an interest rate of up to nine (9) percent per annum.

Dated: 1 December 1986

Peter Sausen, Assistant Commissioner Cash and Debt Management

Minnesota Housing Finance Agency

Cancellation of Hearing on Bond Issue

Due to a change in plan, the Minnesota Housing Finance Agency hereby cancels the public hearing that it had announced in the December 1, 1986 *State Register* as to be held at 1:00 p.m. on Tuesday, December 23, 1986. This hearing was to be in reference to the sale of single family mortgage revenue bonds, and will be rescheduled as appropriate.

James Solem, Executive Director

State Board of Investment

Notice of Meetings

The State Board of Investment will meet on Thursday, December 18, 1986 at 8:00 A.M. in Room 118, State Capitol, Saint Paul, MN

The Investment Advisory Council will meet at 2:00 P.M. on Wednesday, December 17, 1986 in the MEA Building, 41 Sherburne Avenue, Conference Room "A," Saint Paul, MN.

Minnesota State Retirement System

Board of Directors Regular Meeting

A meeting of the Board of Directors, Minnesota State Retirement System, will be held on Friday, December 12, 1986 at 8:30 a.m. in the office of the System, 529 Jackson Street, St. Paul, Minnesota.

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. Certain quasi-state agencies are exempted from some of the provisions of this statute.

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.

Department of Administration: Procurement Division

Contracts and Requisitions Open for Bid

Call 296-6152 for Referral to Specific Buyers.

Commodity for Bid	Bid Closing Date at 2 pm	Department or Division	Delivery Point	Requisition #
Carpeting & Install	December 8, 1986	State University	Moorhead	26-072-07109, 26- 072-07110
Computer Software—Rebid	December 8, 1986	Corrections	St. Paul	78-000-17045
Computer Software—Rebid	December 8, 1986	Corrections	St. Paul	788-000-17046
Lease/Purchase Phones	December 8, 1986	Transportation: Drivers License Div.	St. Paul	07-700-39591
Computers	December 8, 1986	Finance	St. Paul	10-200-02798
Animation System	December 8, 1986	Community College	Worthington	27-146-87018-1
Printers	December 8, 1986	Finance	St. Paul	10-200-02799
Computer Software	December 8, 1986	Finance	St. Paul	10-010-02797
Cooler (Walk-in)	December 9, 1986	Regional Treatment Center	Fergus Falls	55-101-07148
Vans	December 9, 1986	=	Various	27-139-87008 etc.
1987 Traffic Marking Paint	December 10, 1986	Transportation	Various	79-100 thru 79- 900-03688 etc.
Sander Attachments	December 10, 1986	Transportation	Oakdale	79-382-01164
Laundry Service	December 10, 1986	Iron Range Resources and Rehabilitation Bd.	Biwabik	Price-Contract

STATE CONTRACTS

	Bid Closing	Department or	Delivery	
Commodity for Bid	Date at 2 pm	Division	Point	Requisition #
Steel Plate Sheet Strip Iron	December 10, 1986	Corrections	Stillwater	78-620-00084
Rubbish Disposal Contract	December 10, 1986	Corrections	Stillwater	Price-Contract
Micro Processor Computer Systems	December 11, 1986	Various	Various	Price-Contract
Audio Visual Equip.	December 11, 1986	Various	Various	Price-Contract
Aggregates-Mankato	December 11, 1986	Transportation	Mankato	79 - 700-A
Bleacher Seat Replacement	December 11, 1986	State University	Mankato	26-071-17107
Tear Down & Inspection of Two Trane Chillers	December 12, 1986	State University	Mankato	26-071-17086
Snowmobiles	December 12,	Natural Resources	Various	29-000-45038
Texas Instrument Equip.	December 15, 1986	State University	St. Cloud	26-073-19313
Meat for January, 1987	December 15, 1986	Various	Various .	Various
Microfiche Readers	December 15, 1986	Various	Various	Price-Contract
Ready Mix Concrete	December 15, 1986	Transportation	Rochester	79-600-RM
Aggregates—Rochester	December 15, 1986	Transportation	Rochester	79-600A
Aggregates—Detroit Lakes, MN	December 15, 1986	Transportation	Detroit Lakes	79-400A

Department of Administration

Request for Proposals for Office & Storage Space Wanted for the Department of Revenue

The Dept. of Administration desires proposals for rental of approx. 198,715 usable sq. ft. of office space, 57,985 usable usable sq. ft. of finished storage space, and approx. 5,000 usable sq. ft. of unfinished storage space for the Dept. of Revenue. Close proximity to the State Capitol Complex is desired. Contact the Dept. of Administration, Real Estate Management Division, 50 Sherburne Ave., Rm. G22. St. Paul, MN 55155 (612) 296-6674. Proposals must be submitted by 4:30 p.m. (CST) on Friday, January 23, 1987.

Department of Administration Intergovernmental Information Systems Advisory Council (IISAC)

Request for Proposal for a Study of Agency Resident Automated Information Systems That Interact with Local Government(s)

The Intergovernmental Information Systems Advisory Council (IISAC), a Division within the Department of Administration, is issuing a Request for Proposal for a study to evaluate the status of State Agency housed automated information systems that have significant interaction with Minnesota local government(s). In addition to the study itself, the contractor will be expected to prioritize the systems most in need of remedial attention.

The IISAC may, subsequently, fund in-depth studies of several of these systems.

Key dates associated with this effort are:

-Pre-bidders conference has been scheduled for December 17, 1986

STATE CONTRACTS

- -Deadline for receipt of proposals is December 29, 1986
- -Selection of winning proposal is to be made on January 8, 1987

The maximum funds available for this effort is \$30,000.

The RFP can be obtained from Roger Sell, Executive Director of the IISAC, COB-5th floor, 658 Cedar Street, St. Paul, MN 55155 [612/297-2172] or from Janet Bourgoin [621/297-1369].

Community College System

Request for Insurance Pre-License and Continuing Education Instructors

Anoka-Ramsey Community College is looking for a company to teach insurance pre-licensure and continuing education courses beginning January 31, 1987. Individual instructors must be certified/approved instructors by the Minnesota Department of Commerce. The college anticipates writing eight contracts for between \$5-20,000 each. Proposals must be submitted by December 19, 1986. Submit proposals to Ken Hess, Anoka-Ramsey Community College, 11200 Mississippi Blvd N.W., Coon Rapids, MN 55433-9987. Phone (612) 427-2600.

Department of Energy and Economic Development

Request for Proposals for a Residential Energy Efficiency and Moisture Education Project

The Department of Energy and Economic Development, Energy Division (DEED) has issued a request for proposals for a contractor to conduct an education project for Minnesota home builders, contractors and energy auditors. The primary objective of this project is to develop and provide training to these audiences so they have an understanding of the rationale and techniques for providing air tightness and controlled household ventilation in homes.

The total funding available for this project is \$22,500. A project start date of January 20, 1986 is expected, and the project must be completed by October 20, 1987. The deadline for receipt of proposals is 2:00 p.m., January 5, 1987.

A copy of the Request for Proposals may be obtained from Bruce D. Nelson, Senior Engineer, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101, telephone (612) 297-2313.

This project is supported by DEED, Northern States Power Co. and Minnesota Power. DEED, NSP and Minnesota Power reserve the right to not award any contract, to negotiate modifications with the selected contractor, and to limit funding.

Minnesota Department of Health

Request for Proposals on Behalf of the Minnesota AIDS Media Campaign Consortium

Purposes

The Minnesota Department of Health (MDH), in cooperation with nine other public and private community agencies known as the Minnesota AIDS Media Campaign Consortium, proposes to stimulate and fund an effective media campaign, designed to reach the multiple constituencies living in urban, suburban, and rural areas of Minnesota. The MDH, acting on behalf of the Consortium, has funds of up to \$100,000 available for planning and implementing a multi-phase mass media campaign. Of this amount, \$30,000 is available for developing a creative platform and strategic plan, implementing the initial phase of the plan, recommending media placement strategies, and developing master copies of materials for the initial phase of the 1987 campaign.

Project Duration

Up to \$30,000 is available for this phase of the project.

The grant period is established for approximately 3 months, 1/19/87-4/15/87. If additional funds become available, contract(s) may be renewed.

STATE CONTRACTS

For a full copy of the RFP, please contact:

Diane O'Brien or Karen Heckert Minnesota Department of Health Acute Disease Epidemiology Section AIDS Unit 717 S.E. Delaware Street Minneapolis, Minnesota 55440 (612) 623-5414

Proposal Deadline

Monday, January 5, 1987, no later than 4:00 p.m. LATE PROPOSALS WILL NOT BE ACCEPTED OR CONSIDERED.

Department of Health Health Resources Division

Request for Proposals from Qualified Physicians to Act as Area Physician Consultants to the Quality Assurance and Review Program

The Minnesota Department of Health is seeking proposals from qualified physicians for the purpose of retaining seven to ten physicians to act as Area Physician Consultants to the Quality Assurance and Review Program for the period October 1, 1986 to September 30, 1987. A similar notice was published at *State Register*, Vol. 11, on August 18, 1986.

Physician consultants will be responsible for matters relating to Case Mix classification and the inspection of care and services provided to residents of long-term care facilities participating in the Minnesota Medical Assistance Program.

Reimbursement for these services will be at an hourly rate of \$40.00, plus reasonable travel and subsistence expenses in accordance with state travel regulations. The Department has estimated that the total cost of this project should not exceed \$85,000.

Copies of the Request for Proposal and other information are available from:

Marian E. Lewis, Program Director Quality Assurance and Review Program Minnesota Department of Health 717 Delaware Street S.E. Minneapolis, Minnesota 55440 (612) 623-5292

The deadline for submission of proposals has been extended from September 10, 1986 to January 1, 1987.

NON-STATE PUBLIC CONTRACTS

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.

City of Woodbury

Availability of Contract for Transportation Planning and Engineering Services

The City of Woodbury intends to retain the services of a transportation planning and engineering consultant to conduct the necessary studies, prepare the necessary reports and preliminary plans for proposed access modifications and additions to Interstate

SUPREME COURT DECISIONS

494 at Valley Creek Road (T.H. 120) and Center Drive in Woodbury. This study is proposed to start in the second quarter of 1987 and to be completed as quickly as possible.

Firms desiring more information should contact the City Engineer:

Mr. David R. Jessup City Engineer City of Woodbury 2100 Radio Drive Woodbury, Minnesota 55125 Telephone Number: 738-2278

Initial response deadline is 3:00 P.M., December 22, 1987.

James V. Lacina, City Administrator City of Woodbury, Minnesota

STATE GRANTS:

In addition to requests by state agencies for technical/professional services (published in the State Contracts section), the *State Register* also publishes notices about grant funds available through any agency or branch of state government. Although some grant programs specifically require printing in a statewide publication such as the *State Register*, there is no requirement for publication in the *State Register* itself.

Agencies are encouraged to publish grant notices, and to provide financial estimates as well as sufficient time for interested parties to respond.

Department of Corrections Community Services Division

Availability of Funds for Battered Women Programs

Notice is hereby given that the Department of Corrections intends to engage the services of grantees to conduct education on the issue of battered women or to provide direct advocacy services for battered women in the Southeast Asian communities in Minnesota from January 1, 1987 to June 30, 1987.

This project will be financed out of funds made available by the Minnesota Legislature. A total of \$22,640 will be available. Any nonprofit corporation serving the Southeast Asian communities is eligible to apply. Proposals are due no later than December 29, 1986.

For a request for proposal which explains how to apply for funding, contact Maggie Arzdorf-Schubbe or Judy Jayasuriya, Program for Battered Women, Minnesota Department of Corrections, 300 Bigelow Building, 450 Syndicate Street, St. Paul, MN 55104.

Dated: 1 December 1986

SUPREME COURT DECISIONS =

Decisions Filed Wednesday 26 November 1986

Compiled by Wayne O. Tschimperle Clerk

C4-84-1869 In the Matter of the Application for the Discipline of Clayton E. Parks, Jr., an Attorney at Law of the State of Minnesota. Supreme Court.

Disbarment is mandated for a lawyer who converted client's money to his own personal use and thereafter engaged in dishonest and fraudulent concealment of the misappropriation.

Disbarred. Per Curiam.

SUPREME COURT DECISIONS

Orders

C0-85-1426 State of Minnesota, petitioner, Appellant, v. Howard Elmer Anderson. Court of Appeals.

Reversed and remanded. Amdahl, C.J.

C6-86-1246 In the Matter of the Application for the Discipline of Roger J. Helder, Jr., an Attorney at Law of the State of Minnesota. Supreme Court.

Indefinitely suspended. Amdahl, C.J.

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.

Order for Judgment Dated: 12 November 1986

Docket No. 4351

Michael J. Bryan and Juana Bryan and Michael J. Bryan d/b/a/ Nisswa Dairy Queen, Appellants, vs. Commissioner of Revenue, Appellee.

The above-entitled matter came on for hearing on the 10th day of June, 1986, the 5th day of August, 1986 and the 16th day of September, 1986, at the Crow Wing County Courthouse, Brainerd, Minnesota, Chief Judge Earl B. Gustafson presiding. Post-trial briefs were submitted by counsel.

Appellants are appealing Orders of the Commissioner of Revenue dated June 23, 1986 assessing additional income taxes and additional sales taxes.

Max J. Ruttger, III, of Ryan, Ryan, Ruttger & Drake, appeared for appellants.

Michele M. Owen, Special Assistant Attorney General, appeared for appellee.

The Court, having heard and considered the evidence adduced at trial and upon all of the files and records herein, now makes the following:

FINDINGS OF FACT

- 1. Appellants Michael J. Bryan and Juana Bryan and Michael J. Bryan d/b/a/ Nisswa Dairy Queen (hereinafter "appellants") are cash basis, calendar year taxpayers who were residents and domiciliaries of the State of Minnesota for the 1981, 1982 and 1983 tax years.
- 2. During the calendar years 1981, 1982 and 1983, appellants operated the Nisswa Dairy Queen in Nisswa, Minnesota, which they were purchasing on a contract for deed.
- 3. Appellants timely filed joint 1981, 1982 and 1983 Minnesota income tax returns, all of which showed a zero balance due because payments of estimated tax exceeded the taxes computed on the returns.
- 4. Appellants' 1981 Minnesota income tax return as filed reported a Minnesota taxable income of \$7,415.00, their 1982 return reported taxable income of \$4,543.00, and their 1983 return reported taxable income of \$4,555.00.
- 5. Appellants' 1981, 1982 and 1983 Minnesota income tax returns were audited by the Minnesota Department of Revenue using two audit methods, the mark-up method and the bank deposit method.
- 6. The mark-up method audit examined appellants' business records to estimate gross taxable sales from the gallons of Dairy Queen mix purchased and compare these annual sales figures with income reported by appellants. The amount of Dairy Queen mix purchased by appellants in 1981 was 4,976 gallons. In 1982 it was 4,621 gallons and in 1983 it was 5,004 gallons.
- 7. The mark-up method audit found that appellants had not reported \$31,767.55 in sales for 1981, \$49,879.99 in sales for 1982 and \$62,361.00 in sales for 1983.
 - 8. The bank deposit method audit examined all activity in four of appellants' bank accounts which were known to the examiner

at the time of the audit. The bank deposit method audit found that appellants had not reported \$25,967.53 of gross income for 1981, \$43,728.40 of gross income for 1982, and \$55,348.17 of gross income for 1983.

- 9. As part of the Department of Revenue audit, the examiner also disallowed certain business expenses claimed by appellants on their 1981, 1982 and 1983 income tax returns because the expenses were personal. For the year 1981, the examiner disallowed \$2,433.04 of claimed business expenses. For the year 1982, the examiner disallowed \$1,869.98 of claimed business expenses. For the year 1983, the examiner disallowed \$3,127.98 of claimed business expenses. These items are not disputed by appellants.
- 10. Based upon the mark-up method audit, the Commissioner of Revenue issued Orders dated June 23, 1985 assessing additional income tax, penalty and interest against appellants for the years 1981, 1982 and 1983 based on unreported income and disallowance of claimed business expenses. For all three years a 50% fraud penalty was assessed. An additional tax charge was assessed in 1982 and 1983 for underpayment of estimated tax. The amounts assessed for each year by the Commissioner of Revenue are as follows:

	<u>1981</u>	<u>1982</u>	<u>1983</u>	
Additional Income Tax	\$4,540.00	\$ 7,654.78	\$10,321.30	
Penalty	2,270.00	3,827.39	5,160.65	
Interest to 6/23/85	3,094.72	3,119.67	2,172.55	
Add'l Tax Charge		<u>817.43</u>	<u>766.71</u>	
TOTALS	\$9,904.72	\$15,419.27	\$18,421.21	

- 11. The Department of Revenue also audited appellants' sales tax returns for the Nisswa Dairy Queen for the period March 1, 1981 through October 31, 1983. The examiner assessed additional sales tax based on unreported taxable sales at the Nisswa Dairy Queen and a 50% fraud penalty. For the entire period March 1, 1981 through October 31, 1983, \$7,398.97 of additional sales tax was assessed and \$3,699.44 penalty was assessed, for a total of \$11,098.43, not including applicable interest.
- 12. Appellants did not keep records of waste of Dairy Queen mix or dollar yield per gallon of Dairy Queen mix at the Nisswa Dairy Queen during the years 1981, 1982 and 1983.
 - 13. Appellants destroyed their cash register tapes for the Nisswa Dairy Queen in 1981, 1982 and 1983.
- 14. Appellants did not include in their 1981, 1982 and 1983 Minnesota income tax returns the income they received from sales of Dairy Queen products at Brainerd International Raceway in 1981, 1982 and 1983.
- 15. Appellants had gross sales at Brainerd International Raceway of \$4,289.95 in 1981, \$6,968.75 in 1982 and \$8,624.00 in 1983.
- 16. Appellants understated their gross sales and income for the years 1981, 1982 and 1983 in their Nisswa Dairy Queen books and on their income and sales tax returns.
- 17. Appellants' 1981, 1982 and 1983 living expenses as shown by the bank deposit method audit substantially exceeded their reported income for those years.
- 18. Appellant Michael Bryan stated to third persons that he engaged in the practice of underreporting sales and income from the Nisswa Dairy Queen.
- 19. Appellant Michael Bryan stated to third persons that his practice was to claim that the underreported Dairy Queen sales and income was gifts or loans from relatives.
- 20. Appellants intentionally understated their gross sales and income for the years 1981, 1982 and 1983 in their Dairy Queen books and on their income tax reports.
- 21. Appellants willfully understated their gross sales for the Nisswa Dairy Queen for the periods March, 1981 through October 31, 1983 on their sales tax returns for those periods.
 - 22. Appellants filed false or fraudulent 1981, 1982 and 1983 Minnesota income tax returns with intent to evade taxation.
- 23. Appellants filed false or fraudulent Minnesota sales tax returns for the periods March 1, 1981 through October 31, 1983 with intent to evade or defeat taxation.
 - 24. Appellants' evidence has not rebutted the presumption of correctness of the Commissioner's Orders in this case.
 - 25. The attached Memorandum is hereby made a part of these Findings of Fact.

CONCLUSIONS OF LAW

1. The Orders of the Commissioner of Revenue dated June 23, 1985, assessing additional income tax, penalty and interest against appellants for the years 1981, 1982 and 1983 are correct and are hereby affirmed in their entirety.



TAX COURT

2. The Order of the Commissioner of Revenue assessing additional sales tax and penalty against appellants for the periods March 1, 1981 through October 31, 1983 is correct and is hereby affirmed.

LET JUDGMENT BE ENTERED ACCORDINGLY. A STAY OF 15 DAYS IS HEREBY ORDERED.

BY THE COURT, Earl B. Gustafson, Chief Judge Minnesota Tax Court

ERRATA =

Department of Human Services

Proposed Amendments Relating to Inpatient Hospital Reimbursement under Medical Assistance and General Assistance Medical Care

Notice of Public Comment Period

Correction to notice published in Volume 11, Number 22, page 987. This notice should have included the following information:

The public comment period ends at 4:30 p.m. on December 31, 1986. Written comments should be forwarded to the following address:

Juli Ann Menssen
Director of Hospital Rates
Department of Human Services
444 Lafayette Road
St. Paul, Minnesota 55155

Notice of adopted changes in diagnostic categories will be published in the State Register.

Department of Human Services

Proposed Rules Relating to Nursing Home Operating Cost Payment Rate Determination and Determination of Payment Rates for Nursing Homes Participating in the Medical Assistance Program

Notice of Hearing

The Notice of Hearing that appeared in *State Register* vol. 11, #22, page 988 applies to both the above-entitled rules. The rules were printed beginning at pages 990 and 1004. The public hearing will be held in the Veterans Home, Auditorium/Chapel, Building 15, 5101 Minnehaha Avenue South, Minneapolis, Minnesota 55417 on January 7 and 8, 1987 commencing at 9:00 a.m.



Pheasants in Minnesota

This new title by the Dept. of Natural Resources, Wildlife Section, is a delightful and fascinating booklet devoted exclusively to the ringneck pheasant. Included is a capsule history of the bird, its origin, development and introduction to this region. There is much practical information on the present distribution of this popular game bird, the maintenance of wildlife habitat and the wise management of the hunt. Many beautiful full-color photographs show off the pheasant in various Minnesota settings. A great gift for each member of your hunting party, or as a memento to a special Minnesota hunting vacation. Quantity discounts available. Code # 9-13, \$5.95.



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Business and NonProfit Corporation Act

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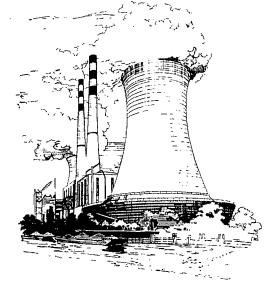
Laws dealing with water pollution, disposal facilities, solid waste

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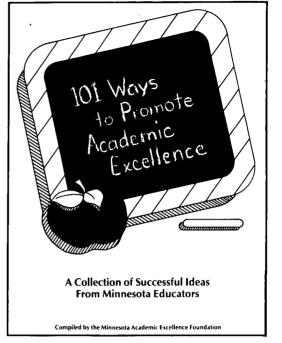
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This popular comprehensive directory contains Minnesota school districts, superintendents, principals, addresses, phone numbers and enrollment. 128 pages, paperbound. Code #1-93, \$5.00.



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Minnesota Manufacturers' Directory 1986-87

NEW: In the directory this year are two titles (where applicable) Chief Engineer and Data Processing Manager.



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