

STATE OF MINNESOTA

# Journal of the Senate

EIGHTIETH LEGISLATURE

TWENTY-NINTH DAY

St. Paul, Minnesota, Tuesday, April 1, 1997

The Senate met at 11:45 a.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Richard J. Leisen.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Anderson	Hanson	Krentz	Novak	Scheevel
Beckman	Higgins	Laidig	Oliver	Scheid
Belanger	Hottinger	Langseth	Olson	Solon
Berg	Janezich	Larson	Ourada	Spear
Berglin	Johnson, D.E.	Lesewski	Pappas	Stevens
Betzold	Johnson, D.H.	Lessard	Pariseau	Stumpf
Cohen	Johnson, D.J.	Limmer	Piper	Ten Eyck
Day	Johnson, J.B.	Marty	Price	Terwilliger
Dille	Junge	Metzen	Ranum	Vickerman
Fischbach	Kelley, S.P.	Moe, R.D.	Robertson	Wiener
Flynn	Kelly, R.C.	Morse	Robling	Wiger
Foley	Kleis	Murphy	Sams	
Frederickson	Knutson	Neuville	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## MEMBERS EXCUSED

Mrs. Lourey was excused from the Session of today.

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 26, 1997

Senator Allan H. Spear  
President of the Senate

Dear Senator Spear:

As Minority Leader of the Senate, I have made the following appointments:

Pursuant to Minnesota Statutes 1996

3.303: Legislative Coordinating Commission - Mr. Belanger

3.97: Legislative Audit Commission - Ms. Kiscaden, Mrs. Pariseau and Mr. Belanger

116O.03: Minnesota Technology Inc., Board of Directors - Mr. Joe Weis

175.007: Advisory Council on Workers' Compensation - Ms. Runbeck, Messrs. Jack Wagnon and Paul Bailey

268.665: Governor's Workforce Development Council - Ms. Lesewski

15.95: Government Information Access Council - Mr. Frederickson

Respectfully,  
Dean E. Johnson  
Senate Minority Leader

March 26, 1997

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 417 and 124.

Warmest regards,  
Arne H. Carlson, Governor

March 26, 1997

The Honorable Phil Carruthers  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1997 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1997	Date Filed 1997
417		15	10:18 a.m. March 26	March 26
124		16	10:21 a.m. March 26	March 26

Sincerely,  
Joan Anderson Growe  
Secretary of State

March 26, 1997

Mr. Pat Flahaven  
Secretary of the Senate

Dear Mr. Flahaven:

Pursuant to the request of the Senate, I hereby return S.F. No. 463 to you for further consideration.

Warmest regards,  
Arne H. Carlson, Governor

Ms. Junge moved that S.F. No. 463 and the message thereon be laid on the table. The motion prevailed.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 889.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1997

### FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

**H.F. No. 889:** A bill for an act relating to housing; providing for changes in rights of parties to mobile home park rentals; amending Minnesota Statutes 1996, sections 327C.02, subdivision 5; 327C.07, subdivision 2; and 327C.09, subdivision 4.

Referred to the Committee on Jobs, Energy and Community Development.

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 705. The motion prevailed.

#### **Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 1027:** A bill for an act relating to domestic abuse; changing procedures and terminology for presentence domestic abuse investigations; amending Minnesota Statutes 1996, section 609.2244.

Reports the same back with the recommendation that the bill do pass. Report adopted.

#### **Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 555:** A bill for an act relating to telecommunications; authorizing creation of telecommunication services purchasing cooperatives; amending Minnesota Statutes 1996, section 237.065; proposing coding for new law in Minnesota Statutes, chapter 308A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [237.066] [TELECOMMUNICATION SERVICES PURCHASING COOPERATIVE.]

Subdivision 1. [DEFINED.] For purposes of this section, a "telecommunication services purchasing cooperative" means a cooperative organized under section 308A.210 for the purposes of aggregating demand and negotiating reduced rates for advanced services on behalf of its members.

Subd. 2. [REDUCED RATES.] A telephone company or telecommunications carrier may provide members of a telecommunication services purchasing cooperative within its service area services at reduced wholesale rates negotiated under section 237.071 by the telephone company or telecommunications carrier and the telecommunication services purchasing cooperative. No member of a telecommunications purchasing cooperative receiving telecommunication services at reduced rates may resell or sublease the discounted services. Any telecommunications services provided hereunder shall be provided in accordance with Public Law Number 104-104 and with regulations of the Federal Communications Commission promulgated thereunder.

Subd. 3. [SUBJECT TO OTHER CHARGES.] Members of a telecommunication services purchasing cooperative receiving telecommunication services at rates negotiated by the telecommunication services purchasing cooperative shall be subject to the same access charges, surcharges, taxes, and other fees assessed upon customers of a telephone company.

Sec. 2. [308A.210] [TELECOMMUNICATION SERVICES PURCHASING COOPERATIVES.]

Subdivision 1. [PURPOSE; TERRITORY.] A telecommunication services purchasing cooperative may be formed under this chapter for the sole purpose of aggregating demand and negotiating reduced rates for advanced services for its members. A purchasing cooperative must declare in its articles of incorporation a contiguous area comprising less than the entire state in which it may operate.

Subd. 2. [LOCAL GOVERNMENT UNITS.] In addition to others that may form a cooperative, a political subdivision of the state, including a service cooperative created under section 123.582, may act to organize a telecommunication services purchasing cooperative within its jurisdiction for the benefit of its residents.

Subd. 3. [POWERS.] A purchasing cooperative has all of the powers described in section 308A.201, except that a purchasing cooperative does not have the power of eminent domain. A purchasing cooperative that aggregates demand and negotiates reduced rates for its members is not a telephone or electric cooperative as those terms are used in this chapter and chapters 216B and 237.

Subd. 4. [GOVERNING BOARD.] A board of directors of five to seven members shall govern a telecommunication services purchasing cooperative. The directors must be elected according to the requirements of section 308A.311, except that:

- (1) all of the directors must be members of the purchasing cooperative;
- (2) a director may not be a provider of services to the cooperative or an employee of the provider;
- (3) a director may not be a member of a governing body of a political subdivision; and
- (4) a majority of the directors must be seeking to purchase some residential telecommunication services through the cooperative.

Subd. 5. [RESIDENTIAL MEMBERSHIP REQUIREMENT.] In order to ensure that residential customers experience the benefits of cooperative purchasing, at least 50 percent of the total number of entities or individuals who are members of the purchasing cooperative must be seeking to purchase residential telecommunication services through the cooperative. If the telecommunication services purchasing cooperative fails to comply with this subdivision, it shall

notify the department of public service and shall have one year from the date of noncompliance to come into compliance. If it does not come into compliance, the telecommunication services purchasing cooperative shall be dissolved and its assets distributed to its members.

Subd. 6. [FILINGS WITH DEPARTMENT OF PUBLIC SERVICE.] A purchasing cooperative must immediately file a copy of its contracts with telecommunication services providers with the department of public service. A purchasing cooperative must file its annual financial statements with the department.

Subd. 7. [OPEN MEMBERSHIP.] Any person within the geographic operating area declared in a cooperative's articles of incorporation or any person within the exchange boundary or service area of a telephone company or telecommunication carrier that in whole or in part is included in the geographic operating area declared in the cooperative's articles of incorporation may become a member of the telecommunication services purchasing cooperative.

Subd. 8. [ADVANCED TELECOMMUNICATION SERVICES; DEFINED.] "Advanced telecommunications service" includes any service that would be classified as a flexibly priced service within the meaning of section 237.761, subdivision 4, or nonprice regulated service within the meaning of section 237.761, subdivision 4, provided that a service may be an advanced telephone service whether or not the telephone company has adopted an alternative rate plan within the meaning of section 237.76."

Amend the title as follows:

Page 1, delete line 4

Page 1, line 6, delete "chapter" and insert "chapters 237; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 1051:** A bill for an act relating to boilers; modifying show boiler and engine provisions; amending Minnesota Statutes 1996, section 183.411, subdivisions 1, 2, and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, strike "section" and insert "chapter, the terms" and after the second quotation marks, insert "and "hobby boiler"" and strike "means" and insert "are synonymous and mean"

Page 1, line 12, after "agricultural" insert ", transportation,"

Page 3, line 7, after "repairs" insert "and alterations"

Page 3, line 8, delete "183.60, subdivision 2" and insert "183.466"

Page 3, line 29, strike ", grade A"

Page 3, line 30, before "engineer" insert "or higher class"

Page 3, line 31, before "engineer" insert "(hobby)"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 832:** A bill for an act relating to crime prevention; specifying that the prosecution may reply in rebuttal to the closing argument of the defense; amending Minnesota Statutes 1996, section 631.07.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Solon from the Committee on Commerce, to which was referred**

**S.F. No. 1527:** A bill for an act relating to insurance; Minnesota Insurance Guaranty Act; conforming state law to provisions of the Post-Assessment Property and Liability Insurance Guaranty Association Model Act of the National Association of Insurance Commissioners; amending Minnesota Statutes 1996, sections 60C.02; 60C.03, subdivisions 6, 8, and by adding a subdivision; 60C.05, subdivision 1; 60C.07, subdivision 2; 60C.09; 60C.11, subdivision 5; 60C.13, subdivision 1; 60C.14, subdivision 2; 60C.15; 60C.19; and 60C.21, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 60C; repealing Minnesota Statutes 1996, section 60C.06, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 19, reinstate the stricken language

Page 3, line 21, after "jurisdiction" insert "in"

Page 4, line 13, after "paid" insert "or acknowledged in writing as an obligation"

Page 7, line 15, reinstate the stricken language

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Solon from the Committee on Commerce, to which was referred**

**S.F. No. 1715:** A bill for an act relating to insurance; Minnesota comprehensive health insurance association; modifying eligibility for coverage under the state plan; providing funding for the expenses of the association; prohibiting unfair referrals; amending Minnesota Statutes 1996, sections 62E.10, subdivision 7; 62E.11, by adding a subdivision; 62E.14, by adding a subdivision; 256B.0625, subdivision 15; 256D.03, subdivision 3b; and 268.022, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

INDIVIDUAL MARKET CHANGES (MCHA)

Section 1. Minnesota Statutes 1996, section 62E.02, subdivision 13, is amended to read:

Subd. 13. [ELIGIBLE PERSON.] "Eligible person" means an individual who is currently and has been a resident of Minnesota for the six months immediately preceding the date of receipt by the association or its writing carrier of a completed certificate of eligibility and who meets the enrollment requirements of section 62E.14. For purposes of eligibility under section 62E.14, subdivision 4c, paragraph (b), this definition is modified as provided in that paragraph.

Sec. 2. Minnesota Statutes 1996, section 62E.14, subdivision 3, is amended to read:

Subd. 3. [PREEXISTING CONDITIONS.] No person who obtains coverage pursuant to this section shall be covered for any preexisting condition during the first six months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the filing of an application except as provided under subdivisions 4, 4a, 4b, 4c, 4d, 5, and 6, and 7 and section 62E.18.

Sec. 3. Minnesota Statutes 1996, section 62E.14, subdivision 4c, is amended to read:

Subd. 4c. [WAIVER OF PREEXISTING CONDITIONS FOR PERSONS WHOSE COVERAGE IS TERMINATED OR WHO EXCEED THE MAXIMUM LIFETIME BENEFIT.]  
(a) A Minnesota resident may enroll in the comprehensive health plan with a waiver of the

preexisting condition limitation described in subdivision 3 if that person applies for coverage within 90 days of termination of prior coverage and if the termination is for reasons other than fraud or nonpayment of premiums.

For purposes of this subdivision paragraph, termination of prior coverage includes exceeding the maximum lifetime benefit of existing coverage.

Coverage in the comprehensive health plan is effective on the date of termination of prior coverage. The availability of conversion rights does not affect a person's rights under this subdivision paragraph.

This section does not apply to prior coverage provided under policies designed primarily to provide coverage payable on a per diem, fixed indemnity, or nonexpense incurred basis, or policies providing only accident coverage.

(b) An eligible individual, as defined in the federal Health Insurance Portability and Accountability Act of 1996, section 111 (to be codified as United States Code, chapter 42, section 2741(b)) may enroll in the comprehensive health insurance plan with a waiver of the preexisting condition limitation described in subdivision 3 and a waiver of the evidence of rejection or similar events described in subdivision 1, clause (c). The eligible individual must apply for enrollment under this paragraph within 63 days of termination of prior coverage, and coverage under the comprehensive health insurance plan is effective as of the date of receipt of the application. The six month durational residency requirement provided in section 62E.02, subdivision 13, does not apply with respect to eligibility for enrollment under this paragraph, but the applicant must be a Minnesota resident as of the date of application. A person's eligibility to enroll under this paragraph does not affect the person's eligibility to enroll under any other provision.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective January 1, 1998.

## ARTICLE 2

### SMALL EMPLOYER MARKET CHANGES

Section 1. Minnesota Statutes 1996, section 62L.02, subdivision 9, is amended to read:

Subd. 9. [CONTINUOUS COVERAGE.] "Continuous coverage" means the maintenance of continuous and uninterrupted qualifying coverage. An individual is considered to have maintained continuous coverage if the individual requests enrollment in qualifying coverage within ~~30~~ 63 days of termination of qualifying coverage or of termination of the employer contribution toward qualifying coverage.

Sec. 2. Minnesota Statutes 1996, section 62L.02, subdivision 11, is amended to read:

Subd. 11. [DEPENDENT.] "Dependent" means an eligible employee's spouse, unmarried child who is under the age of 19 years, unmarried child under the age of 25 years who is a full-time student as defined in section 62A.301, dependent child of any age who is handicapped and who meets the eligibility criteria in section 62A.14, subdivision 2, or any other person whom state or federal law requires to be treated as a dependent for purposes of health plans. For the purpose of this definition, a child includes a child for whom the employee or the employee's spouse has been appointed legal guardian and an adoptive child as provided in section 62A.27.

Sec. 3. Minnesota Statutes 1996, section 62L.02, is amended by adding a subdivision to read:

Subd. 13b. [ENROLLMENT DATE.] "Enrollment date" means, with respect to a covered individual, the date of enrollment of the individual in the health benefit plan or, if earlier, the first day of the waiting period for the individual's enrollment.

Sec. 4. Minnesota Statutes 1996, section 62L.02, subdivision 15, is amended to read:

Subd. 15. [HEALTH BENEFIT PLAN.] "Health benefit plan" means a policy, contract, or

certificate offered, sold, issued, or renewed by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan. Health benefit plan does not include coverage that is:

- (1) limited to disability or income protection coverage;
- (2) automobile medical payment coverage;
- (3) liability insurance or supplemental to liability insurance;
- (4) designed solely to provide coverage for a specified disease or illness or to provide payments on a per diem, fixed indemnity, or non-expense-incurred basis, if offered as independent, noncoordinated coverage;
- (5) credit accident and health insurance as defined in section 62B.02;
- (6) designed solely to provide dental or vision care;
- (7) blanket accident and sickness insurance as defined in section 62A.11;
- (8) accident-only coverage;
- (9) a long-term care policy as defined in section 62A.46;
- (10) ~~issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended~~ Medicare-related coverage as defined in section 62Q.01, subdivision 6;
- (11) workers' compensation insurance; or
- (12) ~~issued solely as a companion to a health maintenance contract as described in section 62D.12, subdivision 1a, so long as the health maintenance contract meets the definition of a health benefit plan limited to care provided at on-site medical clinics operated by an employer for the benefit of the employer's employees and their dependents, in connection with which the employer does not transfer risk.~~

For the purpose of this chapter, a health benefit plan issued to eligible employees of a small employer who meets the participation requirements of section 62L.03, subdivision 3, is considered to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier is considered to be issued by the health carrier.

Sec. 5. Minnesota Statutes 1996, section 62L.02, subdivision 19, is amended to read:

Subd. 19. [LATE ENTRANT.] "Late entrant" means an eligible employee or dependent who requests enrollment in a health benefit plan of a small employer following the initial enrollment period applicable to the employee or dependent under the terms of the health benefit plan, provided that the initial enrollment period must be a period of at least 30 days. However, an eligible employee or dependent must not be considered a late entrant if:

- (1) the individual was covered under qualifying coverage at the time the individual was eligible to enroll in the health benefit plan, declined enrollment on that basis, and presents to the health carrier a certificate of termination of the qualifying coverage, due to loss of eligibility for that coverage, or proof of the termination of employer contributions toward that coverage, provided that the individual maintains continuous coverage. For purposes of this clause, loss of eligibility includes loss of eligibility as a result of legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment. For purposes of this clause, an individual is not a late entrant if the individual elects coverage under the health benefit plan rather than accepting continuation coverage for which the individual is eligible under state or federal law with respect to the individual's previous qualifying coverage;



(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law Number 99-272, as amended, and any state continuation laws applicable to the employer or health carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of becoming legally married;

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of becoming a dependent;

(5) the individual is employed by an employer that offers multiple health benefit plans and the individual elects a different plan during an open enrollment period; or

(6) a court has ordered that coverage be provided for a former spouse or dependent child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order.

Sec. 6. Minnesota Statutes 1996, section 62L.02, subdivision 23, is amended to read:

Subd. 23. [PREEXISTING CONDITION.] "Preexisting condition" means, with respect to coverage, a condition manifesting in a manner that causes an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment or present before the individual's enrollment date for the coverage, for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the effective date of coverage, or a pregnancy existing as of the effective date of coverage of a health benefit plan enrollment date.

Sec. 7. Minnesota Statutes 1996, section 62L.02, subdivision 24, is amended to read:

Subd. 24. [QUALIFYING COVERAGE.] "Qualifying coverage" means health benefits or health coverage provided under:

(1) a health plan, as defined in this section, but including blanket accident and sickness insurance, other than accident-only coverage, as defined in section 62A.11;

(2) part A or part B of Medicare;

(3) medical assistance under chapter 256B;

(4) general assistance medical care under chapter 256D;

(5) MCHA;

(6) a self-insured health plan;

(7) the MinnesotaCare program established under section 256.9352, when the plan includes inpatient hospital services as provided in section 256.9353;

(8) a plan provided under section 43A.316, 43A.317, or 471.617;

(9) the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) or other coverage provided under United States Code, title 10, chapter 55;

(10) coverage provided by a health care network cooperative under chapter 62R or by a health provider cooperative under section 62R.17; or

(11) a medical care program of the Indian Health Service or of a tribal organization;

(12) the federal Employees Health Benefits Plan, or other coverage provided under United States Code, title 5, chapter 89;

(13) a health benefit plan under section 5(e) of the Peace Corps Act, codified as United States Code, title 32, section 2504(e); or

(14) a plan similar to any of the above plans provided in this state or in another state as determined by the commissioner.

Sec. 8. Minnesota Statutes 1996, section 62L.02, subdivision 26, is amended to read:

Subd. 26. [SMALL EMPLOYER.] (a) "Small employer" means, with respect to a calendar year and a plan year, a person, firm, corporation, partnership, association, or other entity actively engaged in business, including a political subdivision of the state, ~~that, on at least 50 percent of its working days during the preceding 12 months, employed an average of no fewer than two nor more than 29, or after June 30, 1995, more than 49, 50 current employees, the majority of whom were employed in this state. If an employer has only two eligible employees and one is the spouse, child, sibling, parent, or grandparent of the other, the employer must be a Minnesota domiciled employer and have paid social security or self-employment tax on behalf of both eligible employees on business days during the preceding calendar year and that employs at least two current employees on the first day of the plan year. If an employer has only one eligible employee who has not waived coverage, the sale of a health plan to or for that eligible employee is not a sale to a small employer and is not subject to this chapter and may be treated as the sale of an individual health plan. A small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two current employees. Entities that are eligible to file a combined tax return for purposes of state tax laws treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the federal Internal Revenue Code are considered a single employer for purposes of determining the number of current employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan. If an employer was not in existence throughout the preceding calendar year, the determination of whether the employer is a small employer is based upon the average number of current employees that it is reasonably expected that the employer will employ on business days in the current calendar year. For purposes of this definition, the term employer includes any predecessor of the employer. An employer that has more than 50 current employees but has 50 or fewer employees, as "employee" is defined under section 3(6) of the federal Employee Retirement Income Security Act of 1974, is a small employer under this subdivision.~~

(b) Where an association, as defined in section 62L.045, comprised of employers contracts with a health carrier to provide coverage to its members who are small employers, the association and health benefit plans it provides to small employers, are subject to section 62L.045, with respect to small employers in the association, even though the association also provides coverage to its members that do not qualify as small employers.

(c) If an employer has employees covered under a trust specified in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, title 29, section 141, et seq., as amended, or employees whose health coverage is determined by a collective bargaining agreement and, as a result of the collective bargaining agreement, is purchased separately from the health plan provided to other employees, those employees are excluded in determining whether the employer qualifies as a small employer. Those employees are considered to be a separate small employer if they constitute a group that would qualify as a small employer in the absence of the employees who are not subject to the collective bargaining agreement.

Sec. 9. Minnesota Statutes 1996, section 62L.02, is amended by adding a subdivision to read:

Subd. 29. [WAITING PERIOD.] "Waiting period" means, with respect to an individual who is a potential enrollee under a health benefit plan, the period that must pass with respect to the individual before the individual is eligible, under the employer's eligibility requirements, for coverage under the health benefit plan.

Sec. 10. Minnesota Statutes 1996, section 62L.03, subdivision 1, is amended to read:

Subdivision 1. [GUARANTEED ISSUE AND REISSUE.] (a) Every health carrier shall, as a

condition of authority to transact business in this state in the small employer market, affirmatively market, offer, sell, issue, and renew any of its health benefit plans, on a guaranteed issue basis, to any small employer that meets the participation and contribution requirements of subdivision 3, as provided in this chapter.

(b) Notwithstanding paragraph (a), a health carrier may, at the time of coverage renewal, modify the health coverage for a product offered in the small employer market if the modification is consistent with state law and effective on a uniform basis for all small employers purchasing that product other than through a qualified association in compliance with section 62L.045, subdivision 2.

This requirement Paragraph (a) does not apply to a health benefit plan designed for a small employer to comply with a collective bargaining agreement, provided that the health benefit plan otherwise complies with this chapter and is not offered to other small employers, except for other small employers that need it for the same reason. This paragraph applies only with respect to collective bargaining agreements entered into prior to August 21, 1996, and only with respect to plan years beginning before the later of July 1, 1997, or the date upon which the last of the collective bargaining agreements relating to the plan terminates determined without regard to any extension agreed to after August 21, 1996.

(c) Every health carrier participating in the small employer market shall make available both of the plans described in section 62L.05 to small employers and shall fully comply with the underwriting and the rate restrictions specified in this chapter for all health benefit plans issued to small employers.

(d) A health carrier may cease to transact business in the small employer market as provided under section 62L.09.

Sec. 11. Minnesota Statutes 1996, section 62L.03, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] (a) No health maintenance organization is required to offer coverage or accept applications under subdivision 1 in the case of the following:

(1) with respect to a small employer, where the ~~worksite of the employees of the small employer is not physically located~~ does not have eligible employees who work or reside in the health maintenance organization's approved service areas; or

(2) with respect to an employee, when the employee does not work or reside within the health maintenance organization's approved service areas.

(b) A health carrier participating in the small employer market shall not be required to offer coverage or accept applications pursuant to subdivision 1 where the commissioner finds that the acceptance of an application or applications would place the health carrier participating in the small employer market in a financially impaired condition, provided, however, that a health carrier participating in the small employer market that has not offered coverage or accepted applications pursuant to this paragraph shall not offer coverage or accept applications for any health benefit plan until 180 days following a determination by the commissioner that the health carrier is not financially impaired and that offering coverage or accepting applications under subdivision 1 would not cause the health carrier to become financially impaired.

Sec. 12. Minnesota Statutes 1996, section 62L.03, subdivision 3, is amended to read:

Subd. 3. [MINIMUM PARTICIPATION AND CONTRIBUTION.] (a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan and that contributes at least 50 percent toward the cost of coverage of each eligible employee must be guaranteed coverage on a guaranteed issue basis from any health carrier participating in the small employer market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier must not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to: (1) coverage under another group health plan; (2) coverage

under Medicare Parts A and B; (3) coverage under MCHA permitted under section 62E.141; or (4) coverage under medical assistance under chapter 256B or general assistance medical care under chapter 256D.

(b) If a small employer does not satisfy the contribution or participation requirements under this subdivision, a health carrier may voluntarily issue or renew individual health plans, or a health benefit plan which must fully comply with this chapter. A health carrier that provides a health benefit plan to a small employer that does not meet the contribution or participation requirements of this subdivision must maintain this information in its files for audit by the commissioner. A health carrier may not offer an individual health plan, purchased through an arrangement between the employer and the health carrier, to any employee unless the health carrier also offers the individual health plan, on a guaranteed issue basis, to all other employees of the same employer.

(c) Nothing in this section obligates a health carrier to issue coverage to a small employer that currently offers coverage through a health benefit plan from another health carrier, unless the new coverage will replace the existing coverage and not serve as one of two or more health benefit plans offered by the employer. This paragraph does not apply if the small employer will meet the required participation level with respect to the new coverage.

Sec. 13. Minnesota Statutes 1996, section 62L.03, subdivision 4, is amended to read:

Subd. 4. [UNDERWRITING RESTRICTIONS.] (a) Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted under this chapter. For purposes of this section, "underwriting restrictions" means any refusal of the health carrier to issue or renew coverage, any premium rate higher than the lowest rate charged by the health carrier for the same coverage, any preexisting condition limitation, preexisting condition exclusion, or any exclusionary rider.

(b) Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees, and dependents of employees, of small employers.

(c) Except as otherwise authorized for late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective enrollment date of coverage of an eligible employee or dependent, but exclusionary riders must not be used. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by qualifying coverage, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the effective enrollment date of coverage of the late entrant, but must not be subject to any exclusionary rider or preexisting condition exclusion. When calculating any length of preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by qualifying coverage, provided that the individual maintains continuous coverage. The credit must be given for all qualifying coverage with respect to all preexisting conditions, regardless of whether the conditions were preexisting with respect to any previous qualifying coverage. Section 60A.082, relating to replacement of group coverage, and the rules adopted under that section apply to this chapter, and this chapter's requirements are in addition to the requirements of that section and the rules adopted under it. A health carrier shall, at the time of first issuance or renewal of a health benefit plan on or after July 1, 1993, credit against any preexisting condition limitation or exclusion permitted under this section, the time period prior to July 1, 1993, during which an eligible employee or dependent was covered by qualifying coverage, if the person has maintained continuous coverage.

(d) Health carriers shall not use pregnancy as a preexisting condition under this chapter.

Sec. 14. Minnesota Statutes 1996, section 62L.03, subdivision 5, is amended to read:

Subd. 5. [CANCELLATIONS AND FAILURES TO RENEW.] (a) No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the persons covered or to be covered by the health benefit plan. For purposes of this subdivision, a failure to renew does not include a uniform modification of coverage at time of renewal, as described in subdivision 1.

(b) A health carrier may cancel or fail to renew a health benefit plan:

(1) for nonpayment of the required premium;

(2) for fraud or misrepresentation by the small employer, ~~or, with respect to coverage of an individual eligible employee or dependent, fraud or misrepresentation by the eligible employee or dependent,~~ with respect to eligibility for coverage or any other material fact;

(3) if the employer fails to comply with the minimum contribution percentage required under subdivision 3; or

(4) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including, but not limited to, service area restrictions imposed on health maintenance organizations under section 62D.03, subdivision 4, paragraph (m), to the extent that these grounds are not expressly inconsistent with this chapter.

(c) A health carrier may fail to renew a health benefit plan:

(1) if eligible employee participation during the preceding calendar year declines to less than 75 percent, subject to the waiver of coverage provision in subdivision 3;

(2) if the health carrier ceases to do business in the small employer market under section 62L.09; or

(3) if a failure to renew is based upon the health carrier's decision to discontinue the health benefit plan form previously issued to the small employer, but only if the health carrier permits each small employer covered under the prior form to switch to its choice of any other health benefit plan offered by the health carrier, without any underwriting restrictions that would not have been permitted for renewal purposes.

(d) A health carrier need not renew a health benefit plan, and shall not renew a small employer plan, if an employer ceases to qualify as a small employer as defined in section 62L.02. If a health benefit plan, other than a small employer plan, provides terms of renewal that do not exclude an employer that is no longer a small employer, the health benefit plan may be renewed according to its own terms. If a health carrier issues or renews a health plan to an employer that is no longer a small employer, without interruption of coverage, the health plan is subject to section 60A.082. ~~Between July 1, 1994, and June 30, 1995, a health benefit plan in force during this time may be renewed, if the number of employees exceeds two, but does not exceed 49 employees.~~

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective July 1, 1997.

### ARTICLE 3

#### LARGE EMPLOYER MARKET CHANGES

Section 1. Minnesota Statutes 1996, section 62Q.18, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section,

(1) "continuous coverage" has the meaning given in section 62L.02, subdivision 9;

(2) "guaranteed issue" means:

(i) for individual health plans, that a health plan company shall not decline an application by an individual for any individual health plan offered by that health plan company, including coverage for a dependent of the individual to whom the health plan has been or would be issued; and

(ii) for group health plans, that a health plan company shall not decline an application by a group for any group health plan offered by that health plan company and shall not decline to cover under the group health plan any person eligible for coverage under the group's eligibility requirements, including persons who become eligible after initial issuance of the group health plan; ~~and~~

(3) "large employer" means an entity that would be a small employer, as defined in section 62L.02, subdivision 26, except that the entity has more than 50 current employees, based upon the method provided in that subdivision for determining the number of current employees;

(4) "preexisting condition" has the meaning given in section 62L.02, subdivision 23; and

(3) (5) "qualifying coverage" has the meaning given in section 62L.02, subdivision 24.

Sec. 2. Minnesota Statutes 1996, section 62Q.18, subdivision 7, is amended to read:

Subd. 7. [PORTABILITY OF COVERAGE.] Effective July 1, 1994, no health plan company shall offer, sell, issue, or renew any group health plan that does not, with respect to individuals who maintain continuous coverage and who qualify under the group's eligibility requirements:

(1) make coverage available on a guaranteed issue basis; and

(2) give full credit for previous continuous coverage against any applicable preexisting condition limitation or preexisting condition exclusion; and

(3) with respect to a group health plan offered, sold, issued, or renewed to a large employer, impose preexisting condition limitations or preexisting condition exclusions except to the extent that would be permitted under chapter 62L if the group sponsor were a small employer as defined in section 62L.02, subdivision 26.

To the extent that this subdivision conflicts with chapter 62L, chapter 62L governs, regardless of whether the group sponsor is a small employer as defined in section 62L.02, except that for group health plans issued to groups that are not small employers, this subdivision's requirement that the individual have maintained continuous coverage applies. An individual who has maintained continuous coverage, but would be considered a late entrant under chapter 62L, may be treated as a late entrant in the same manner under this subdivision as permitted under chapter 62L.

Sec. 3. [62Q.185] [GUARANTEED RENEWABILITY; LARGE EMPLOYER GROUP HEALTH COVERAGE.]

(a) No health plan company, as defined in section 62Q.01, subdivision 4, shall refuse to renew a health plan, as defined in section 62Q.01, subdivision 3, issued to a large employer, as defined in section 62Q.18, subdivision 1.

(b) This section does not require renewal if:

(1) the large employer has failed to pay premiums or contributions as required under the terms of the health plan, or the health plan company has not received timely premium payments unless the late payments were received within a grace period provided under state law;

(2) the large employer has performed an act or practice that constitutes fraud or misrepresentation of material fact under the terms of the health plan;

(3) the large employer has failed to comply with a material plan provision relating to employer contribution or group participation rules not prohibited by state law;

(4) the health plan company is ceasing to offer coverage in the large employer market in this state in compliance with United States Code, chapter 42, section 2712(c), and applicable state law;

(5) in the case of a health maintenance organization, there is no longer any enrollee in the large employer's health plan who lives, resides, or works in the approved service area; or

(6) in the case of a health plan made available to large employers only through one or more bona fide associations, the membership of the large employer in the association ceases, but only if such coverage is terminated uniformly without regard to any health-related factor relating to any covered individual.

(c) This section does not prohibit a health plan company from modifying the premium rate or from modifying the coverage for purposes of renewal.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1997, and apply to health plans offered, sold, issued, or renewed on or after that date.

#### ARTICLE 4 GENERAL PROVISIONS

Section 1. Minnesota Statutes 1996, section 62H.01, is amended to read:

62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any two or more employers, excluding the state and its political subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, short-term disability benefits, or other benefits permitted under the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq. Joint plans must have a minimum of 100 covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.

A multiple employer welfare arrangement as defined in United States Code, title 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq. The commissioner of commerce may, on behalf of the state, enter into an agreement with the United States Secretary of Labor for delegation to the state of some or all of the secretary's enforcement authority with respect to multiple employer welfare arrangements, as described in United States Code, chapter 29, section 1136, subsection (c).

Sec. 2. [62Q.021] [FEDERAL ACT; COMPLIANCE REQUIRED.]

Each health plan company shall comply with the federal Health Insurance Portability and Accountability Act of 1996, to the extent that it imposes a requirement that applies in this state and that is not also required by the laws of this state. This section does not require compliance with any provision of the federal act prior to the effective date provided for that provision in the federal act. The commissioner shall enforce this section.

Sec. 3. [62Q.181] [WRITTEN CERTIFICATION OF COVERAGE.]

A health plan company shall provide the written certifications of coverage required under United States Code, title 42, sections 300gg and 300gg-43, as amended through November 1996. This section applies only to coverage that is subject to regulation under state law and only to the extent that the certification of coverage is required under federal law. The commissioner shall enforce this section.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Section 3 is effective July 1, 1997."

Delete the title and insert:

"A bill for an act relating to insurance; making changes in response to the federal Health Insurance Portability and Accountability Act; amending Minnesota Statutes 1996, sections 62E.02, subdivision 13; 62E.14, subdivisions 3 and 4c; 62H.01; 62L.02, subdivisions 9, 11, 15, 19, 23, 24, 26, and by adding subdivisions; 62L.03, subdivisions 1, 2, 3, 4, and 5; and 62Q.18, subdivisions 1 and 7; proposing coding for new law in Minnesota Statutes, chapter 62Q."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Solon from the Committee on Commerce, to which was referred**

**S.F. No. 1424:** A bill for an act relating to insurance; adopting insurance-related recommendations of the arson task force; amending Minnesota Statutes 1996, sections 65A.296, subdivision 1; 65A.50, subdivision 13; 72A.20, subdivision 12; 72A.201, subdivision 8; 299F.053, subdivision 2; and 299F.054, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 30, delete "7" and insert "4" and after the period, insert "Sections 5, 6, and 7 are effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 1574:** A bill for an act relating to energy; establishing a pilot program allowing increased state participation in loans for farm wind energy conversion facilities; providing an incentive for certain wind energy facilities; regulating contracts used to satisfy a wind power mandate; amending Minnesota Statutes 1996, sections 216B.2423, by adding a subdivision; and 216C.41, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 18 and 19, delete "one megawatt" and insert "two megawatts"

Page 2, line 14, delete the new language

Page 2, line 17, delete "that" and after "1997" insert ", and before July 1, 1999"

Page 2, line 18, delete "and" and insert "or"

Page 2, line 19, delete "for the period" and insert "begins generating electricity"

Page 2, line 20, after "rating" insert a comma

Page 2, line 33, delete "may" and insert "shall"

And when so amended the bill do pass and be re-referred to the Committee on Agriculture and Rural Development. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 385:** A bill for an act relating to natural resources; restricting authority to issue public waters work permits for floating structures; amending Minnesota Statutes 1996, section 103G.245, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 103G.245, subdivision 4, is amended to read:

Subd. 4. [~~STRUCTURES IN OR ADJACENT TO PUBLIC WATERS OUTSIDE CITIES.~~] (a) The following definitions apply to this subdivision:

(1) "boathouse" means a floating structure that is moored by spuds, cables, ropes, anchors, or



chains that may be intended for habitation and has walls, a roof, and either an open well for boats or a floor from wall to wall and does not include houseboats; and

(2) "houseboat" means a motorboat that has either a pontoon or a flat-bottomed hull configuration, and a permanent enclosed superstructure housing, at a minimum, built-in sleeping, cooking, and toilet facilities.

(b) The commissioner, subject to the approval of the county board, may grant and prescribe terms and conditions for granting public waters work permits to establish, construct, maintain, and control wharves, docks, piers, levees, breakwaters, basins, canals, and hangars in or adjacent to public waters of the state, except within the corporate limits of a municipality.

(c) Boathouses are prohibited on public waters of Minnesota, except as allowed by paragraph (d).

(d) The commissioner may issue a public waters work permit for boathouses only:

(1) in areas of historic use for such structures, as determined by the commissioner;

(2) when approved by the local government unit; and

(3) where the boathouse is in existence on public waters prior to January 1, 1997.

(e) A boathouse in existence on public waters prior to January 1, 1997, may be repaired or replaced, provided that the repairs or replacement are consistent with the permit issued by the commissioner under paragraph (d).

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1997."

Delete the title and insert:

"A bill for an act relating to natural resources; requiring public waters work permits for boathouses; providing authority to issue public waters work permits for boathouses to the commissioner of natural resources; amending Minnesota Statutes 1996, section 103G.245, subdivision 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Hottinger from the Committee on Health and Family Security, to which was referred**

**S.F. No. 1350:** A bill for an act relating to health; modifying the requirements for dispensing controlled substances; amending Minnesota Statutes 1996, section 152.11.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1599:** A bill for an act relating to state lands; authorizing the private sale of certain surplus state land in Houston county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete "or any other law to the contrary,"

Page 1, line 12, delete "to Pat White of Houston county, Minnesota"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 1402:** A bill for an act relating to crime; providing additional penalty enhancements for certain crimes motivated by bias; amending Minnesota Statutes 1996, sections 609.595, subdivisions 2 and 3; and 609.749, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1996, sections 609.224, subdivision 4; and 609.595, subdivision 1a.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, after "609.563" insert " subdivision 2"

Page 2, line 20, delete "and"

Page 2, line 24, before the period, insert "; and

(4) if the underlying offense is a violation of section 609.224, the person may be sentenced to imprisonment for not more than one year and one day or to payment of a fine of not more than \$5,000, or both, if the violation occurs within five years of a previous conviction for violating subdivision 1, clause (1), or section 609.2231, subdivision 4"

Page 2, after line 29, insert:

"Subd. 4. [COLLECTION OF INFORMATION.] The sentencing guidelines commission shall collect information on the number of convictions under this section and the sentences imposed for those convictions. By January 15, 1998, and each January 15 thereafter, the commission shall report this information to the chairs of the senate and house committees having jurisdiction over criminal justice policy."

Page 4, after line 14, insert:

"Sec. 5. Minnesota Statutes 1996, section 624.712, subdivision 5, is amended to read:

Subd. 5. [CRIME OF VIOLENCE.] "Crime of violence" includes murder in the first, second, and third degrees, manslaughter in the first and second degrees, aiding suicide, aiding attempted suicide, felony violations of assault in the first, second, third, and fourth degrees, assaults motivated by bias under section 609.2231, subdivision 4, or 609.155, drive-by shootings, terroristic threats, use of drugs to injure or to facilitate crime, crimes committed for the benefit of a gang, commission of a crime while wearing or possessing a bullet-resistant vest, simple robbery, aggravated robbery, kidnapping, false imprisonment, criminal sexual conduct in the first, second, third, and fourth degrees, theft of a firearm, felony theft involving the intentional taking or driving of a motor vehicle without the consent of the owner or the authorized agent of the owner, felony theft involving the taking of property from a burning, abandoned, or vacant building, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle, felony theft involving the theft of a controlled substance, an explosive, or an incendiary device, arson in the first and second degrees, riot, burglary in the first, second, third, and fourth degrees, harassment and stalking, shooting at a public transit vehicle or facility, reckless use of a gun or dangerous weapon, intentionally pointing a gun at or towards a human being, setting a spring gun, and unlawfully owning, possessing, operating a machine gun or short-barreled shotgun, and an attempt to commit any of these offenses, as each of those offenses is defined in chapter 609. "Crime of violence" also includes felony violations of the following: malicious punishment of a child; neglect or endangerment of a child; and chapter 152."

Page 4, line 16, delete "609.224" and insert "609.2231"

Page 4, line 19, delete "5" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete the second "and" and after the second semicolon, insert "and 624.712, subdivision 5;"

Page 1, line 8, delete "609.224" and insert "609.2231"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Hottinger from the Committee on Health and Family Security, to which was re-referred**

**S.F. No. 203:** A bill for an act relating to adoption; creating a fathers' adoption registry; amending adoption notice and consent provisions relating to fathers; amending Minnesota Statutes 1996, sections 13.99, by adding a subdivision; 257.352, subdivision 3, and by adding subdivisions; 259.49, subdivision 1; and 260.221, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 259; repealing Minnesota Statutes 1996, section 259.51.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 10, delete everything after the period

Page 5, delete line 11

Page 5, line 12, delete "registering."

Page 6, after line 9, insert:

"(c) The commissioner shall set reasonable fees for the use of the registry; however, a prospective father shall not be charged a fee for registering. Revenues generated by the fee must be deposited in the state government special revenue fund and appropriated to the commissioner of health to administer the fathers' adoption registry."

Page 14, line 13, delete "259.21" and insert "257.35"

Page 14, line 14, delete "259.22" and insert "257.3579"

Page 14, after line 21, insert:

"Subd. 14. [FEES FOR FATHERS' ADOPTION REGISTRY.] The district court administrator in every judicial district shall, in addition to any other filing fees, assess a \$75 adoption filing fee surcharge on each adoption petition filed in the district court for the purpose of implementing and maintaining the fathers' adoption registry. The court administrator shall forward fees collected under this subdivision to the commissioner of finance for deposit into the state government special revenue fund to be appropriated to the commissioner of health to administer the fathers' adoption registry established under this section."

Page 18, after line 33, insert:

"Sec. 10. Minnesota Statutes 1996, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the tax court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$122.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$122.

The party requesting a trial by jury shall pay \$75.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether

trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$10, and \$5 for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) For recording notary commission, \$25, of which, notwithstanding subdivision 1a, paragraph (b), \$20 must be forwarded to the state treasurer to be deposited in the state treasury and credited to the general fund.

(12) When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of \$11.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of \$75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (4) need not be paid by a public authority or the party the public authority represents."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "and"

Page 1, line 8, after the semicolon, insert "and 357.021, subdivision 2;"

And when so amended the bill do pass and be re-referred to the Committee on Human Resources Finance. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1250:** A bill for an act relating to human services; ensuring that exclusive bargaining representatives are informed about and allowed to participate in development of mental health pilot projects; amending Laws 1995, chapter 207, article 8, section 41, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 31, delete "obtain the" and insert "give" and delete "concurrence of" and insert "assurance to"

Page 3, line 1, delete everything after "(2)"

Page 3, line 2, delete "will" and delete "use" and insert "uses"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 444:** A bill for an act relating to corrections; removing the limit of two security officers that may be employed by the commissioner; providing authority to detain certain juveniles committed to the commissioner who are on release status; authorizing use of funds received from other jurisdictions for housing offenders to help maintain correctional facilities; authorizing continued detention in eight-day temporary holdover facilities for juveniles under certain circumstances; extending the sexual assault and crime victims advisory councils; repealing the religious instruction law and the extraordinary discharge statute; amending Minnesota Statutes 1996, sections 241.01, subdivision 3a; 242.19, subdivision 3; 243.51, subdivisions 1 and 3; 260.1735; 611A.25, subdivision 3; and 611A.361, subdivision 3; repealing Minnesota Statutes 1996, section 244.06.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 20, delete the new language and insert "The council expires June 30, 2001."

Page 5, lines 30 and 31, delete the new language and insert "The council expires June 30, 2001."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 961:** A bill for an act relating to state government; providing for periodic repeal of administrative rules; proposing coding for new law in Minnesota Statutes, chapter 14.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete "1998" and insert "2000" and delete "8" and insert "0"

Page 1, line 24, delete "2000" and insert "2002" and delete "0" and insert "2"

Page 2, line 9, delete "2002" and insert "2004"

Page 2, line 10, delete "2" and insert "4"

Page 2, line 19, delete "2004" and insert "2006"

Page 2, line 20, delete "4" and insert "6"

Page 2, line 26, delete "2006" and insert "2008"

Page 2, line 27, delete "6" and insert "8"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 418:** A bill for an act relating to state agencies; providing that for certain contracts the design-build method of construction may be used; amending Minnesota Statutes 1996, sections 16B.31, subdivision 1; and 16B.33, subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 26, delete everything after "renovations"

Page 2, line 1, delete "\$5,000,000"

Page 2, line 2, delete "and" and insert "or"

Pages 2 to 4, delete section 3

Amend the title as follows:

Page 1, lines 5 and 6, delete "subdivisions 1 and 2" and insert "subdivision 1"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1705:** A bill for an act relating to state lands; providing for the sale or exchange of certain lands belonging to the board of trustees of the Minnesota state colleges and universities to or with the city of Inver Grove Heights, Dakota county, Minnesota, for public library site.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1504:** A bill for an act relating to natural resources; extending permits for timber sales that expire in 1997.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1066:** A bill for an act relating to state lands; authorizing the sale of certain parcels of tax-forfeited land that border public waters in Cook county.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was re-referred**

**S.F. No. 1136:** A bill for an act relating to capital improvements; transferring responsibility for a family practice residency program from the city of Duluth to the Duluth economic development authority; amending Laws 1996, chapter 463, section 24, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 1675:** A resolution memorializing the strawberry industry to recognize and respect the rights of strawberry workers.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1583:** A bill for an act relating to state government; setting state policy for regulatory rules and programs of agencies; regulating obsolete, unnecessary, or duplicative rules; amending Minnesota Statutes 1996, sections 14.05, subdivision 5; and 14.131; proposing coding for new law in Minnesota Statutes, chapter 14.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete from "The" through page 1, line 17, to "Therefore,"

Page 4, line 3, delete "November" and insert "December"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1247:** A bill for an act relating to ombudsman services; creating uniform laws governing the operation, scope, organization, power, investigative, and other duties of ombudsman services; setting forth duties on agencies to cooperate with ombudsman service; setting new appointment authority and terms for selection of crime victim ombudsman; designating crime victim ombudsman's authority and duties; designating office space for crime victim ombudsman; requiring report by crime victim ombudsman; amending Minnesota Statutes 1996, sections 611A.74, subdivisions 1 and 3, and by adding a subdivision; and 611A.75; proposing coding for new law as Minnesota Statutes, chapter 10B.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Judiciary without recommendation. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 1519:** A bill for an act relating to reemployment compensation; providing less frequent payment schedules for certain employers; providing for noncharging of benefits in certain situations; proposing coding for new law in Minnesota Statutes, chapter 268.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "Subdivision 1. [EMPLOYERS NOT CHARGED.]"

Page 2, delete lines 4 to 7

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 880:** A bill for an act relating to state government; permitting use of state time, property, or equipment for certain electronic communication; amending Minnesota Statutes 1996, section 43A.38, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete "time," and delete the second comma

Page 1, line 17, after "provided" insert "that the communication does not take place on state time and that"

Amend the title as follows:

Page 1, line 3, delete "time," and delete the second comma

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 354:** A bill for an act relating to state agencies; changing the membership of the environmental quality board; amending Minnesota Statutes 1996, section 116C.03, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 741:** A bill for an act relating to health; regulating the practice of respiratory care; establishing the requirements for registration and regulation of respiratory care practitioners; providing for continuing education, fees, reporting obligations, disciplinary actions, and for an advisory council; providing criminal penalties; proposing coding for new law as Minnesota Statutes, chapter 147C; repealing Minnesota Rules, parts 4762.0010; 4762.0020; 4762.0030; 4762.0040; 4762.0050; 4762.0060; 4762.0065; 4762.0070; 4762.0080; 4762.0090; 4762.0100; 4762.0200; and 4762.0300.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1637:** A bill for an act relating to taxation; changing the taxation of solid waste management services; repealing the SCORE tax and the solid waste generator assessment fee; replacing those taxes and fees with a single tax; amending Minnesota Statutes 1996, sections 270B.01, subdivision 8; 297A.01, subdivision 3; 297A.25, subdivisions 11 and 16; and 297A.44, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 297F; repealing Minnesota Statutes 1996, sections 116.07, subdivision 10; 297A.01, subdivision 21; and 297A.45.

Reports the same back with the recommendation that the bill be amended as follows:

Page 12, line 20, after "waste" insert "collection,"

Page 18, line 30, delete "USE OF PROCEEDS" and insert "FUNDING SHORTFALLS"

Page 18, line 34, delete everything after "remainder"

Page 18, line 35, delete everything before "must"

Page 18, line 36, delete everything after the period

Page 19, delete lines 1 to 36

Page 20, line 1, delete "(g)" and insert "(c)"

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.



**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1377:** A bill for an act relating to administrative procedures; extending the legal status of existing exempt rules; amending Minnesota Statutes 1996, section 14.387.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was re-referred**

**S.F. No. 1178:** A bill for an act relating to traffic regulations; authorizing arrest of vehicle operator within four hours of failing to observe school patrol or adult crossing guard signals; prohibiting passing a school bus on the right-hand side while the bus is displaying flashing amber prewarning signals; providing a criminal penalty; amending Minnesota Statutes 1996, sections 169.21, subdivision 2; and 169.444, subdivisions 2, 5, 6, 7, and by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 1149:** A bill for an act relating to crimes; eliminating misdemeanor offense of selling toxic substances to minors; amending Minnesota Statutes 1996, section 609.684, subdivision 4; repealing Minnesota Statutes 1996, sections 145.406; and 609.684, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 967:** A bill for an act relating to traffic regulations; requiring drivers to reduce speed when approaching authorized emergency vehicles stopped on the roadway or shoulder; amending Minnesota Statutes 1996, section 169.14, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 1072:** A bill for an act relating to public safety; modifying certain requirement for operating emergency vehicle; amending Minnesota Statutes 1996, section 169.17.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 1217:** A bill for an act relating to highways; authorizing counties to sell county state-aid highway bonds for construction of buildings and other facilities for the maintenance of county state-aid highways; amending Minnesota Statutes 1996, section 162.181, subdivisions 1 and 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 193:** A bill for an act relating to traffic regulations; making technical correction to ensure vehicle driver is held liable for knowingly driving vehicle without insurance; amending Minnesota Statutes 1996, section 169.797, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 236:** A bill for an act relating to traffic regulations; allowing evidentiary use of accident reports by peace officers; amending Minnesota Statutes 1996, section 169.09, subdivision 13.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was re-referred**

**S.F. No. 285:** A bill for an act relating to crimes; broadening the criteria for license plate impoundment to include persons with fewer violations for driving while impaired; referencing broader definitions of prior impaired driving convictions and prior license revocations for purposes of license plate impoundment; requiring that the alcohol concentration of a person who is driving while impaired be placed on the person's driving record; requiring a public awareness campaign regarding the plate impoundment and vehicle forfeiture laws; appropriating money; amending Minnesota Statutes 1996, sections 168.042, subdivisions 1, 2, 4, 9, 11, and by adding a subdivision; and 171.12, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, delete section 7

Page 6, delete section 9

Page 6, line 21, delete "8" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete from "requiring" through page 1, line 10, to "record;"

Page 1, line 12, delete "appropriating money;"

Page 1, lines 13, delete "sections" and insert "section"

Page 1, lines 14 and 15, delete "; and 171.12, by adding a subdivision"

And when so amended the bill do pass and be re-referred to the Committee on State Government Finance. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 849:** A bill for an act relating to transportation; creating a major transportation projects fund; prescribing eligibility of projects for the fund; proposing coding for new law in Minnesota Statutes, chapter 161.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 6, delete "two" and insert "five"

Page 2, lines 12 and 14, after "each" insert "stage of each"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 1404:** A bill for an act relating to motor vehicles; requiring vehicle buyer to notify registrar of motor vehicles of vehicle transfer within ten days; imposing fees and penalties; amending Minnesota Statutes 1996, sections 168.101, subdivision 2; and 168.15, subdivision 1;

proposing coding for new law in Minnesota Statutes, chapter 168; repealing Minnesota Statutes 1996, section 168A.10, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 6, after "unless" insert ": (1)"

Page 3, line 7, before the period, insert "; or (2) the transferee is a dealer licensed under section 168.27, and is complying with section 168A.11"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 1179:** A bill for an act relating to traffic regulations; authorizing local road authorities to issue annual overwidth permits for certain snow plowing vehicles; amending Minnesota Statutes 1996, section 169.86, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 169.86, is amended by adding a subdivision to read:

Subd. 1b. [PERMIT FOR SNOWPLOWING VEHICLE.] The commissioner or a local authority may issue an annual permit to a person that authorizes the person to operate on any highway under the jurisdiction of the grantor of the permit, a motor vehicle bearing a snowplow blade that when deployed does not exceed ten feet in width. The permit authorizes operation of the vehicle between October 1 and April 1.

Sec. 2. Minnesota Statutes 1996, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEES.] The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(2) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(3) motor vehicles operating with gross weights authorized under section 169.825, subdivision 11, paragraph (a), clause (3); and

(4) special pulpwood vehicles described in section 169.863; and

(5) motor vehicles bearing snowplow blades not exceeding ten feet in width.

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

- (1) mobile cranes;
- (2) construction equipment, machinery, and supplies;
- (3) manufactured homes;
- (4) implements of husbandry when the movement is not made according to the provisions of paragraph (i);
- (5) double-deck buses;
- (6) commercial boat hauling.

(e) For vehicles which have axle weights exceeding the weight limitations of section 169.825, an additional cost added to the fees listed above. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Weight (pounds) exceeding weight limitations on axles	Overweight Axle Group Cost Factors		
	Cost Per Mile For Each Group Of:		
	Two consec- utive axles spaced within 8 feet or less	Three consec- utive axles spaced within 9 feet or less	Four consec- utive axles spaced within 14 feet or less
0-2,000	.12	.05	.04
2,001-4,000	.14	.06	.05
4,001-6,000	.18	.07	.06
6,001-8,000	.21	.09	.07
8,001-10,000	.26	.10	.08
10,001-12,000	.30	.12	.09
12,001-14,000	Not permitted	.14	.11
14,001-16,000	Not permitted	.17	.12
16,001-18,000	Not permitted	.19	.15
18,001-20,000	Not permitted	Not permitted	.16
20,001-22,000	Not permitted	Not permitted	.20

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, construction equipment, machinery, and supplies. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800

If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.825, subdivision 14, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) For vehicles exclusively transporting implements of husbandry, an annual permit fee of \$24. A vehicle operated under a permit authorized by this paragraph may be moved at the discretion of the permit holder without prior route approval by the commissioner if:

- (1) the total width of the transporting vehicle, including load, does not exceed 14 feet;
- (2) the vehicle is operated only between sunrise and 30 minutes after sunset, and is not operated at any time after 12:00 noon on Sundays or holidays;
- (3) the vehicle is not operated when visibility is impaired by weather, fog, or other conditions that render persons and other vehicles not clearly visible at 500 feet;
- (4) the vehicle displays at the front and rear of the load or vehicle a pair of flashing amber lights, as provided in section 169.59, subdivision 4, whenever the overall width of the vehicle exceeds 126 inches; and
- (5) the vehicle is not operated on a trunk highway with a surfaced roadway width of less than 24 feet unless such operation is authorized by the permit.

A permit under this paragraph authorizes movements of the permitted vehicle on an interstate highway, and movements of 75 miles or more on other highways.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to traffic regulations; authorizing state and local authorities to issue annual overwidth permits for certain snowplowing vehicles; amending Minnesota Statutes 1996, section 169.86, subdivision 5, and by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 1025:** A bill for an act relating to motor vehicles; changing notice period relating to impounded vehicles in custody; amending Minnesota Statutes 1996, section 168B.06, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "THREE" and insert "FIVE"

Page 1, line 12, delete "three" and insert "five"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Sams from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1663:** A bill for an act relating to agriculture; limiting entry into facilities in which confined farm animals are kept; proposing coding for new law in Minnesota Statutes, chapter 17.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete "conservation" and insert "law enforcement, peace, or animal control"

Page 1, line 9, delete "conservation"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Sams from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1591:** A bill for an act relating to agriculture; expanding the duties of the board of directors of the agricultural utilization research institute; allowing the board of directors the discretion to establish an advisory board; amending Minnesota Statutes 1996, section 116O.09, subdivisions 2 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 9, insert:

"Sec. 3. Minnesota Statutes 1996, section 116O.09, subdivision 9, is amended to read:

Subd. 9. [MEETINGS.] The board of directors shall meet at least twice each year and may hold additional meetings upon giving notice in accordance with the bylaws of the institute. Board meetings are subject to section 471.705, except subdivision 1b as it pertains to proprietary information. The board may close any portion of a meeting during which proprietary information is to be discussed."

Amend the title as follows:

Page 1, line 7, delete "and" and insert a comma and before the period, insert ", and 9"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Sams from the Committee on Agriculture and Rural Development, to which was re-referred**

**S.F. No. 1102:** A bill for an act relating to bakeries; limiting application of certain food rules to bakeries in retail food stores; proposing coding for new law in Minnesota Statutes, chapter 31.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Sams from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1475:** A bill for an act relating to agriculture; appropriating money for spring wheat research.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Children, Families and Learning. Report adopted.

**Mr. Sams from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1636:** A bill for an act relating to agriculture; providing a grant for a feasibility study on the use of agricultural straw and native prairie grasses in the production of wood pulp; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, delete "and" and insert a comma and after "grasses" insert ", industrial hemp, or other crop residues"

And when so amended the bill do pass and be re-referred to the Committee on Children, Families and Learning. Amendments adopted. Report adopted.

**Mr. Sams from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1134:** A bill for an act relating to agriculture; legislative review of feedlot permit rules; amending Minnesota Statutes 1996, section 116.07, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 14, delete "that are adopted" and insert "proposed"

Page 3, line 17, after "environment" insert "prior to final adoption"

Page 3, line 19, delete "March" and insert "February"

Page 3, line 22, delete "March" and insert "February"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Sams from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1292:** A bill for an act relating to agriculture; creating a rural dispute resolution procedure; amending Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law as Minnesota Statutes, chapter 40B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 583.22, subdivision 5, is amended to read:

Subd. 5. [DIRECTOR.] "Director" means the director of the ~~agricultural extension service~~ University of Minnesota's Center for Conflict and Change or the director's designee.

Sec. 2. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; Laws 1991, chapter 208, section 2; Laws 1993, First Special Session chapter 2, article 6, section 2; and Laws 1995, chapter 212, article 2, section 11, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, 1997 1998."

Delete the title and insert:

"A bill for an act relating to agriculture; changing the director of farmer-lender mediation; amending Minnesota Statutes 1996, section 583.22, subdivision 5; and Laws 1986, chapter 398, article 1, section 18, as amended."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1139:** A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Carlton county.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [PRIVATE SALE OF TAX-FORFEITED LAND; CARLTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Carlton county may sell by private sale the tax-forfeited land described in paragraph (d) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The land described in paragraph (d) may be sold by private sale. The consideration for the conveyance must include the taxes due on the property and any penalties, interest, and costs. If the lands are sold, the conveyance must reserve to the state a conservation easement, in a form prescribed by the commissioner of natural resources, for the land within 100 feet of the ordinary high water level of Slaughterhouse creek for angler access and stream habitat protection and enhancement.

(c) The conveyance must be in a form approved by the attorney general.

(d) The land to be conveyed is located in Carlton county and is described as:

North 6.66 acres of the West Half of the Northeast Quarter of the Southwest Quarter, subject to pipeline easement, Section 6, Township 48 North, Range 16 West, City of Carlton.

(e) Carlton county has determined that this sale best serves the land management interests of Carlton county.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 523:** A bill for an act relating to health; providing for licensing for naturopathic doctors; providing criminal penalties; requiring a study on complementary medicine; amending Minnesota Statutes 1996, sections 62J.54, subdivision 2; 116J.70, subdivision 2a; 144.335, subdivision 1; 145.61, subdivision 2; 146.23, subdivision 7; 147B.02, subdivision 5; 148B.60, subdivision 3; 214.23, subdivision 1; 604A.01, subdivision 2; and 604A.015; proposing coding for new law as Minnesota Statutes, chapter 147C.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 26, delete articles 1 and 2

Page 26, delete lines 5 and 6

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "; amending"

Page 1, delete lines 5 to 10



Page 1, line 11, delete everything before the period

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 599:** A bill for an act relating to drivers' licenses; establishing youth-oriented driver improvement clinics; requiring motorcycle drivers under 18 to hold instruction permit for 12 violation-free months before receiving two-wheeled vehicle endorsement; establishing a graduated licensing system with provisional license phase; requiring two-phase driver education program; restricting driving privileges for holders of instruction permits and provisional licenses and requiring violation-free period before advancement to next license stage; making technical changes; amending Minnesota Statutes 1996, sections 169.89, subdivision 5; 169.971, subdivision 1, and by adding a subdivision; 169.972; 169.973, subdivision 1; 169.974, subdivision 2; 171.01, subdivision 14; 171.04, subdivision 1; 171.041; 171.043; 171.05, subdivisions 2 and 2a; 171.06, subdivisions 1, 2, and 4; 171.07, subdivision 1; 171.10, subdivision 1; 171.12, subdivision 3; 171.16, subdivision 5; 171.17, subdivisions 2 and 3; 171.171; 171.172; 171.173; 171.174; 171.20, subdivision 3; 171.27; and 171.39; proposing coding for new law in Minnesota Statutes, chapter 171.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 91:** A bill for an act relating to retirement; amending police state aid allocation method; appropriating money as 1996 police state aid; ratifying the calculation of certain 1996 police state aid amounts; amending Minnesota Statutes 1996, section 69.021, subdivision 10.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 2, lines 16, 27, and 31, delete "3" and insert "2"

Page 3, line 28, delete "Sections" and insert "Section" and delete "and 2 are" and insert "is"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 2 and 3, delete "amending police state aid allocation method;"

Page 1, line 5, delete everything after "amounts"

Page 1, line 6, delete everything before the period

And when so amended the bill do pass and be re-referred to the Committee on State Government Finance. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1363:** A bill for an act relating to economic development; creating a commission to examine and make recommendations on state subsidy programs and tax laws related to economic development.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 16, delete "the" and insert "a"

Page 2, line 21, after the period, insert "No public member may be a registered lobbyist."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was re-referred**

**S.F. No. 92:** A bill for an act relating to taxation; providing for disclosure or inspection of certain data or return information; limiting disclosure of certain data under subpoena; providing criminal penalties; amending Minnesota Statutes 1996, sections 270.66, subdivision 3; 270B.01, subdivision 8; 270B.03, subdivisions 1, 3, and 4; 270B.08, subdivision 1; 270B.085, subdivision 1; 270B.09; 270B.12, subdivision 7; 270B.14, subdivision 1, and by adding subdivisions; 270B.16; and 287.34; proposing coding for new law in Minnesota Statutes, chapter 270B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 8, lines 28 and 30, strike "knowingly" and delete "and willfully" and insert "intentionally"

Page 8, line 33, delete "felony" and insert "gross misdemeanor"

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 1614:** A bill for an act relating to corrections; providing that private facilities licensed to provide long-term residential secure programming are not subject to the 100-bed statewide maximum; amending Minnesota Statutes 1996, section 242.32, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 242.32, is amended by adding a subdivision to read:

Subd. 4. [EXCEPTION.] This section does not apply to a privately operated facility licensed by the commissioner in Rock county, Minnesota. The number of beds constructed and operated by this facility for long-term residential secure programming does not count towards the 100-bed limitation in subdivision 3."

Amend the title as follows:

Page 1, line 6, delete "subdivision 3" and insert "by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 1431:** A bill for an act relating to crime; adding an exception to the crime of female genital mutilation for certified nurse midwives acting within the legal scope of their practice; amending Minnesota Statutes 1996, section 609.2245, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 16 and 23, delete "practicing within the nurse midwife's legal scope of"

Page 1, lines 17 and 24, delete "practice"

Page 1, line 26, delete everything after "effective" and insert "on the day following final enactment."

Page 2, delete line 1

Amend the title as follows:

Page 1, line 4, delete everything before the semicolon

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1097:** A bill for an act relating to transportation; creating revolving loan accounts for trunk highways, county state-aid highways, and municipal state-aid streets; creating transportation revolving loan fund for federally eligible transportation projects, managed by public facilities authority; adding commissioner of transportation as member of the authority; creating transportation committee; providing for rulemaking; appropriating money; amending Minnesota Statutes 1996, sections 161.04, by adding a subdivision; 162.06, by adding a subdivision; 162.07, subdivision 1; 162.12, by adding a subdivision; 162.13, subdivision 1; 446A.03, subdivision 1; and 446A.04, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 162; and 446A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 10, line 31, delete everything after "14"

Page 10, line 32, delete everything before the period

Page 11, line 7, delete everything before the period

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 705:** A bill for an act relating to highways; allowing substitution in metropolitan area of another project in state transportation improvement program for designated toll facility project; providing for municipal review and dispute resolution process for state highway project in municipality; requiring revisions to state transportation plan every four years; allowing nonmetropolitan district offices of department of transportation to receive grants for transportation studies; making technical changes; amending Minnesota Statutes 1996, sections 160.92; 161.17; 161.172; 161.173; 161.174; 161.176; 161.177; and 174.03, subdivisions 1a and 2; and Laws 1995, chapter 265, article 2, section 2, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1996, sections 161.171; and 161.175.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 27, strike "in" and insert "which has been designated in the metropolitan council transportation policy plan for"

Page 3, line 15, after "NONPRINCIPAL" insert "ARTERIAL"

Page 3, line 16, after "nonprincipal" insert "arterial"

Page 6, line 28, delete "and after the"

Page 6, line 29, delete "public hearing, if a hearing was required"

Page 6, line 36, delete "significant" insert "changes in access, traffic capacity, or acquisition of permanent right-of-way"

Page 7, line 1, delete "changes"

Page 8, line 10, delete "significant changes" and insert "changes in access, traffic capacity, or acquisition of permanent right-of-way"

Page 9, line 33, strike "sections 161.172 to 161.177" and before "have" insert "section 161.176"

Page 11, line 14, delete "161.168" and insert "161.169"

Page 15, line 25, delete "differing"

Page 15, line 26, delete "substantially" and insert "with changes in access, traffic capacity, or acquisition of permanent right-of-way" and delete "appeal"

Page 15, line 27, delete "board" and insert "municipality"

Page 18, line 17, before "plan" insert "preliminary"

Page 18, line 19, delete "construction" and insert "preliminary"

Page 18, strike lines 33 to 36

Page 19, strike lines 1 and 2 and insert "Members of the advisory body or appeal board shall submit to the commissioner an itemization of expenses incurred in disposing of matters presented to them. The advisory body and appeal board members shall be reimbursed for reasonable expenses they incur in the performance of their duties, including costs incurred in connection with hearings. The commissioner shall reimburse these costs out of the trunk highway fund."

Page 19, line 29, delete "substantial" and after "changes" insert "in access, traffic capacity, or acquisition of permanent right-of-way"

And when so amended the bill do pass. Ms. Ranum questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

### **Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 812:** A bill for an act relating to public safety; clarifying certain provisions in the law governing community notification of the release of sex offenders; amending Minnesota Statutes 1996, section 244.052, subdivisions 4, 5, and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1996, section 244.052, subdivision 3, is amended to read:

Subd. 3. [END-OF-CONFINEMENT REVIEW COMMITTEE.] (a) The commissioner of corrections shall establish and administer end-of-confinement review committees at each state correctional facility and at each state treatment facility where sex offenders are confined. The committees shall assess on a case-by-case basis:

(1) the public risk posed by sex offenders who are about to be released from confinement; and

(2) the public risk posed by sex offenders who are accepted from another state under a reciprocal agreement under the interstate compact authorized by section 243.16.

(b) Each committee shall be a standing committee and shall consist of the following members appointed by the commissioner:

(1) the chief executive officer or head of the correctional or treatment facility where the offender is currently confined, or that person's designee;

(2) a law enforcement officer;

(3) a treatment professional who is trained in the assessment of sex offenders;

- (4) a caseworker experienced in supervising sex offenders; and
- (5) an employee of the department of corrections from the victim's services unit.

Members of the committee, other than the facility's chief executive officer or head, shall be appointed by the commissioner to two-year terms. The chief executive officer or head of the facility or designee shall act as chair of the committee and shall use the facility's staff, as needed, to administer the committee, obtain necessary information from outside sources, and prepare risk assessment reports on offenders.

(c) The committee shall have access to the following data on a sex offender only for the purposes of its assessment and to defend the committee's risk assessment determination upon administrative review under this section:

- (1) private medical data under section 13.42 or 144.335, or welfare data under section 13.46 that relate to medical treatment of the offender;
- (2) private and confidential court services data under section 13.84;
- (3) private and confidential corrections data under section 13.85; and
- (4) private criminal history data under section 13.87.

Data collected and maintained by the committee under this paragraph may not be disclosed outside the committee, except as provided under section 13.05, subdivision 3 or 4. The sex offender has access to data on the offender collected and maintained by the committee, unless the data are confidential data received under this paragraph.

(d) At least 90 days before a sex offender is to be released from confinement or accepted for supervision, the commissioner of corrections shall convene the appropriate end-of-confinement review committee for the purpose of assessing the risk presented by the offender and determining the risk level to which the offender shall be assigned under paragraph (e). The offender shall be notified of the time and place of the committee's meeting and has a right to be present and be heard at the meeting. The committee shall use the risk factors described in paragraph (g) and the risk assessment scale developed under subdivision 2 to determine the offender's risk assessment score and risk level. Offenders scheduled for release from confinement shall be assessed by the committee established at the facility from which the offender is to be released. Offenders accepted for supervision shall be assessed by whichever committee the commissioner directs.

(e) The committee shall assign to risk level I a sex offender whose risk assessment score indicates a low risk of reoffense. The committee shall assign to risk level II an offender whose risk assessment score indicates a moderate risk of reoffense. The committee shall assign to risk level III an offender whose risk assessment score indicates a high risk of reoffense.

(f) Before the sex offender is released from confinement or accepted for supervision, the committee shall prepare a risk assessment report which specifies the risk level to which the offender has been assigned and the reasons underlying the committee's risk assessment decision. The committee shall give the report to the offender and to the law enforcement agency at least 60 days before an offender is released from confinement or accepted for supervision. The committee also shall inform the offender of the availability of review under subdivision 6.

(g) As used in this subdivision, "risk factors" includes, but is not limited to, the following factors:

- (1) the seriousness of the offense should the offender reoffend. This factor includes consideration of the following:
  - (i) the degree of likely force or harm;
  - (ii) the degree of likely physical contact; and
  - (iii) the age of the likely victim;

- (2) the offender's prior offense history. This factor includes consideration of the following:
- (i) the relationship of prior victims to the offender;
  - (ii) the number of prior offenses or victims;
  - (iii) the duration of the offender's prior offense history;
  - (iv) the length of time since the offender's last prior offense while the offender was at risk to commit offenses; and
  - (v) the offender's prior history of other antisocial acts;
- (3) the offender's characteristics. This factor includes consideration of the following:
- (i) the offender's response to prior treatment efforts; and
  - (ii) the offender's history of substance abuse;
- (4) the availability of community supports to the offender. This factor includes consideration of the following:
- (i) the availability and likelihood that the offender will be involved in therapeutic treatment;
  - (ii) the availability of residential supports to the offender, such as a stable and supervised living arrangement in an appropriate location;
  - (iii) the offender's familial and social relationships, including the nature and length of these relationships and the level of support that the offender may receive from these persons; and
  - (iv) the offender's lack of education or employment stability;
- (5) whether the offender has indicated or credible evidence in the record indicates that the offender will reoffend if released into the community; and
- (6) whether the offender demonstrates a physical condition that minimizes the risk of reoffense, including but not limited to, advanced age or a debilitating illness or physical condition.
- (h) Upon the request of the law enforcement agency or the offender's corrections agent, the commissioner may reconvene the end-of-confinement review committee for the purpose of reassessing the risk level to which an offender has been assigned under paragraph (e). In a request for a reassessment, the law enforcement agency or agent shall list the facts and circumstances arising after the initial assignment under paragraph (e) which support the request for a reassessment. Upon review of the request, the end-of-confinement review committee may reassign an offender to a different risk level. If the offender is reassigned to a higher risk level, the offender has the right to seek review of the committee's determination under subdivision 6.
- (i) An offender may request the end-of-confinement review committee to reassess the offender's assigned risk level after two years have elapsed since the committee's initial risk assessment and may renew the request once every two years following subsequent denials. In a request for reassessment, the offender shall list the facts and circumstances which demonstrate that the offender no longer poses the same degree of risk to the community. The committee shall follow the process outlined in paragraphs (a) to (e), and (g) in the reassessment."

Page 1, line 13, strike "is authorized to" and insert "shall"

Page 2, line 7, after "to" insert "the staff members of"

Page 2, line 8, after "encounter" insert "for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution"

Page 3, line 21, strike "make a good"

Page 3, line 22, strike "faith effort to conceal" and insert "not disclose" and strike "victim or" and after the second "of" insert "or witnesses to"

Page 3, line 23, strike "offense" and insert "offenses"

Page 4, line 30 after "otherwise" insert "for good cause shown"

Page 4, line 34, after the period, insert "The review hearing shall be conducted at the correctional facility in which the offender is currently incarcerated. If the offender is no longer incarcerated, the location of the review hearing shall be determined by the administrative law judge."

Page 5, line 22, delete "3" and insert "4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "subdivisions" insert "3,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 1302:** A bill for an act relating to crime prevention; directing the board of peace officer standards and training to amend its rules and to establish an award for excellence in peace officer training.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 1996, section 626.843, subdivision 1, is amended to read:

Subdivision 1. [RULES REQUIRED.] The board shall adopt rules with respect to:

(a) The certification of peace officer training schools, programs, or courses including training schools for the Minnesota state patrol. Such schools, programs and courses shall include those administered by the state, county, school district, municipality, or joint or contractual combinations thereof, and shall include preparatory instruction in law enforcement and minimum basic training courses;

(b) Minimum courses of study, attendance requirements, and equipment and facilities to be required at each certified peace officers training school located within the state;

(c) Minimum qualifications for instructors at certified peace officer training schools located within this state;

(d) Minimum standards of physical, mental, and educational fitness which shall govern the recruitment and licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota state patrol;

(e) Minimum standards of conduct which would affect the individual's performance of duties as a peace officer;

These standards shall be established and published. The board shall review the minimum standards of conduct described in this paragraph for possible modification in 1998 and every three years after that time.

(f) Minimum basic training which peace officers appointed to temporary or probationary terms shall complete before being eligible for permanent appointment, and the time within which such basic training must be completed following any such appointment to a temporary or probationary term;

(g) Minimum specialized training which part-time peace officers shall complete in order to be eligible for continued employment as a part-time peace officer or permanent employment as a peace officer, and the time within which the specialized training must be completed;

(h) Content of minimum basic training courses required of graduates of certified law enforcement training schools or programs. Such courses shall not duplicate the content of certified academic or general background courses completed by a student but shall concentrate on practical skills deemed essential for a peace officer. Successful completion of such a course shall be deemed satisfaction of the minimum basic training requirement;

(i) Grading, reporting, attendance and other records, and certificates of attendance or accomplishment;

(j) The procedures to be followed by a part-time peace officer for notifying the board of intent to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to clause (g), and section 626.845, subdivision 1, clause (g);

(k) The establishment and use by any political subdivision or state law enforcement agency which employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984;

(l) The issues that must be considered by each political subdivision and state law enforcement agency that employs persons licensed by the board in establishing procedures under section 626.5532 to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency;

(m) Supervision of part-time peace officers and requirements for documentation of hours worked by a part-time peace officer who is on active duty. These rules shall be adopted by December 31, 1993; and

(n) Citizenship requirements for full-time and part-time peace officers;

(o) Driver's license requirements for full-time and part-time peace officers; and

(p) Such other matters as may be necessary consistent with sections 626.84 to 626.855. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.855."

Amend the title as follows:

Page 1, line 5, before the period, insert "; amending Minnesota Statutes 1996, section 626.843, subdivision 1"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 651:** A bill for an act relating to jails; establishing booking fees for local jails and procedures for collection; amending Minnesota Statutes 1996, section 641.12.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, before "Each" insert "A county board may require that" and after "booked" insert "for confinement"

Page 1, line 10, delete "whether or" and insert "and"



Page 1, line 11, delete "shall" and delete "of \$10"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was re-referred**

**S.F. No. 575:** A bill for an act relating to employment; modifying requirements for drug and alcohol testing; clarifying provisions on review of personnel records by employees; setting a limit for penalties on unpaid OSHA fines; creating a private right of action for violations of certain provisions regarding entertainment agencies; providing the criminal penalty of gross misdemeanor for an assault on an occupational safety and health investigator; amending Minnesota Statutes 1996, sections 181.953, subdivision 6; 181.961, subdivision 2; 182.666, subdivision 7; 184A.20; and 609.2231, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 3 and 4, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete from "creating" through page 1, line 7, to "agencies;"

Page 1, line 12, delete "184A.20;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1165:** A bill for an act relating to natural resources; restricting the production of planting stock by the commissioner of natural resources; requiring public disclosure of information relating to the commissioner's production of planting stock; amending Minnesota Statutes 1996, sections 89.35, subdivision 1; 89.36, subdivision 1, and by adding a subdivision; and 89.37, subdivisions 3, 3a, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 31, after "seedlings" insert ", woody cuttings,"

Page 3, delete section 5

Page 3, line 32, delete everything after the headnote and insert "All promotional materials for public cost-share programs for tree planting shall address the eligibility of private nursery planting stock."

Page 3, delete lines 33 to 36

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "subdivisions" and insert "subdivision"

Page 1, line 9, delete "3a,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 63:** A bill for an act relating to natural resources; creating a beaver damage control board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 103E.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [17.110] [BEAVER DAMAGE CONTROL GRANTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of agriculture shall establish a beaver damage control grant program to provide grants for the control of beaver activities causing damage to public waters, roads, and ditches and adjacent private property. The grants may only be made to a joint powers board established under section 471.59 by two or more governmental units and may include Indian tribal governments.

Subd. 2. [GRANT AMOUNT.] The commissioner may provide up to 50 percent of the costs of implementing a beaver damage control program by a joint powers board.

Subd. 3. [AWARDING OF GRANTS.] Applications for grants must be made to the commissioner on forms prescribed by the commissioner. The commissioner shall consult with town supervisors and county commissioners representing different areas of the state in developing the application form. A joint powers board seeking a grant may be required to supply information on the beaver control program it has adopted, the extent of the problem in the geographic area covered by the joint powers agreement, and the ability of the joint powers board to match the state grant. The commissioner may prioritize the grant applications based upon the information requested as part of the grant application.

Subd. 4. [REPORT.] (a) Within one year after receiving a grant under this section, a joint powers board must report to the commissioner on the board's efforts to control beaver in the area.

(b) The commissioner shall report to the senate and house environment and natural resources committees on the efforts under this section to control beaver by December 15 of each even-numbered year.

Sec. 2. Minnesota Statutes 1996, section 97B.667, is amended to read:

97B.667 [REMOVAL OF BEAVER DAMS AND LODGES BY ROAD AUTHORITIES.]

When a drainage watercourse is impaired by a beaver dam and the water damages or threatens to damage a public road, the road authority, as defined in section 160.02, subdivision 9, may remove the impairment and any associated beaver lodge within 300 feet of the road, ~~if the commissioner approves.~~"

Amend the title as follows:

Page 1, line 3, delete "board; appropriating money" and insert "program; eliminating required approval by the commissioner of natural resources for removal of a beaver dam by a road authority; amending Minnesota Statutes 1996, section 97B.667"

Page 1, line 4, delete "103E" and insert "17"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 448:** A bill for an act relating to mines and minerals; expanding membership on the mineral coordinating committee; establishing the aggregate resources task force; amending Minnesota Statutes 1996, section 93.002, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 8, delete "is created with" and insert "consists of"

Page 2, line 10, delete "chair" and insert "subcommittee on committees" and delete "environment and natural"

Page 2, line 11, delete "resources committee" and insert "committee on rules and administration"

Page 2, line 15, delete "chair" and insert "speaker" and delete everything after "house"

Page 2, line 16, delete "resources committee"

Page 2, line 21, delete "chairs" and insert "appointing authorities"

Page 2, line 24, delete "environment and"

Page 2, line 25, delete everything before the period and insert "committee on rules and administration" and delete "must" and insert "shall"

Page 2, line 27, delete "must" and insert "shall"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 948:** A bill for an act relating to human services; authorizing a jobs-plus welfare reform pilot project in Ramsey county; proposing coding for new law as Minnesota Statutes, chapter 256J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 19, after the semicolon, insert "and"

Page 2, delete lines 20 and 21

Page 2, line 22, delete "(4)" and insert "(3)"

Page 2, line 30, delete "the pilot project" and insert "specific work incentives pursuant to subdivision 2, paragraph (d),"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1207:** A bill for an act relating to corrections; creating the site selection committee to recommend sites for future correctional facilities; proposing coding for new law in Minnesota Statutes, chapter 243.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete everything after "of"

Page 1, delete line 15

Page 1, line 16, delete everything before "the"

Page 2, delete lines 7 to 14

Page 2, line 15, delete "(d)" and insert "(b)"

Page 3, after line 5, insert:

"Subd. 6. [SUNSET.] This section expires June 30, 2001."

Page 3, line 10, delete everything after "support"

Page 3, line 11, delete everything before the period

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 779:** A bill for an act relating to crime; including government entities as victims for the purpose of restitution orders; providing criminal penalties; amending Minnesota Statutes 1996, sections 609.10; 609.125; and 611A.01.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 12, delete "Restitution" and insert "Restitution"

Page 2, line 13, after "of" insert "a"

Page 3, line 5, delete "Restitution" and insert "Restitution"

Page 3, line 6, after "of" insert "a"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 512:** A bill for an act relating to employment; making technical and administrative changes in the department of employee relations; modifying provisions governing state employment; amending Minnesota Statutes 1996, sections 13.67; 15.059, subdivision 5; 15.53, subdivision 2; 43A.04, subdivision 1; 43A.07, subdivision 5; 43A.08, subdivision 1; 43A.15, subdivision 3; 43A.27, subdivision 3; 43A.30, subdivisions 4 and 5; and 43A.38, subdivision 6; Laws 1995, chapter 248, article 13, sections 2, subdivisions 2, 5, and 6; and 3, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 15; and 43A; repealing Minnesota Statutes 1996, section 43A.182; Laws 1995, chapter 248, article 10, section 12.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 13.67, is amended to read:

13.67 [EMPLOYEE RELATIONS DATA.]

The following data collected, created, or maintained by the department of employee relations are classified as nonpublic data pursuant to section 13.02, subdivision 9:

(a) The commissioner's plan prepared by the department, pursuant to section 3.855, which governs the compensation and terms and conditions of employment for employees not covered by collective bargaining agreements until the plan is submitted to the legislative commission on employee relations;

(b) Data pertaining to grievance or interest arbitration that has not been presented to the arbitrator or other party during the arbitration process;

(c) Notes and preliminary drafts of reports prepared during personnel investigations and personnel management reviews of state departments and agencies;

(d) The managerial plan prepared by the department pursuant to section 43A.18 that governs the compensation and terms and conditions of employment for employees in managerial positions, as specified in section 43A.18, subdivision 3, until the plan is submitted to the legislative commission on employee relations; and

(e) Claims experience and all related information received from carriers and claims administrators participating in either the state group insurance plan, the Minnesota employee insurance program, the state workers' compensation program, or the public employees insurance program as defined in chapter 43A, and survey information collected from employees and employers participating in these plans and programs, except when the department determines that release of the data will not be detrimental to the plan or program.

Sec. 2. Minnesota Statutes 1996, section 15.53, subdivision 2, is amended to read:

Subd. 2. [PERIOD OF ASSIGNMENT.] The period of individual assignment or detail under an interchange program shall not exceed 24 months, nor shall any person be assigned or detailed for more than 24 months during any 36-month period, except when the assignment or detail is made to coincide with an unclassified appointment under section 15.06. However, the head of an agency may extend the period of assignment for not more than two additional years. Details relating to any matter covered in sections 15.51 to 15.57 may be the subject of an agreement between the sending and receiving agencies. Elected officials shall not be assigned from a sending agency nor detailed to a receiving agency.

Sec. 3. [15.094] [COMMISSIONER'S APPROVAL REQUIRED.]

No person may be employed or consultant retained by an entity created under section 15.0575, 15.059, or 15.0593 without written approval of the commissioner of the department of employee relations.

Sec. 4. Minnesota Statutes 1996, section 43A.04, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE LEADERSHIP.] (a) The commissioner is the chief personnel and labor relations manager of the civil service in the executive branch.

Whenever any power or responsibility is given to the commissioner by any provision of Laws 1981, chapter 210, unless otherwise expressly provided, the power or authority applies to all employees of agencies in the executive branch and to employees in classified positions in the office of the legislative auditor, the Minnesota state retirement system, the public employees retirement association, and the teacher's retirement association. Unless otherwise provided by law, the power or authority does not apply to unclassified employees in the legislative and judicial branches.

(b) The commissioner shall operate an information system from which personnel data, as defined in section 13.43, concerning employees and applicants for positions in the classified service can be retrieved.

The commissioner has access to all public and private personnel data kept by appointing authorities that will aid in the discharge of the commissioner's duties.

(c) The commissioner may consider and investigate any matters concerned with the administration of provisions of Laws 1981, chapter 210, and may order any remedial actions consistent with law. The commissioner, at the request of an agency, shall provide assistance in employee misconduct investigations. The commissioner shall have the right to assess from the requesting agency, any costs incurred while assisting the agency in the employee misconduct investigation. Money received by the commissioner under this paragraph is appropriated to the commissioner for purposes of this paragraph.

(d) The commissioner has sole authority to settle state employee workers' compensation claims.

(e) The commissioner may assess or establish and collect premiums from all state entities to cover the costs of programs under sections 15.46 and 176.603.

Sec. 5. [43A.044] [HAZARD IDENTIFICATION AND ACCIDENT PREVENTION.]

(a) The commissioner of the department of employee relations must operate a program of occupational hazard identification and accident prevention for state agencies and state employees, and shall provide the staff, equipment, and facilities needed for the program. The program must be offered to all state agencies through the agency safety contact or other designee; is consultative in nature; and must assist state agencies with the goal of providing a safe work environment, safe work methods, and hazard identification.

(b) The commissioner must cooperate with the department of labor and industry, department of health, and department of administration as well as other private and public community agencies to assist in the objective of hazard identification and accident prevention.

Sec. 6. Minnesota Statutes 1996, section 43A.07, subdivision 5, is amended to read:

Subd. 5. [LEAVES TO ACCEPT UNCLASSIFIED APPOINTMENTS.] An employee who is may be granted a leave of absence from a position in the classified service to accept a position in the unclassified service ~~shall retain an inactive classified service status.~~ Upon request, during the unclassified appointment or within 60 days of the end of the unclassified appointment, the employee shall be reappointed in the agency from which the employee was granted the leave, to a classified position comparable to that held immediately prior to being appointed to the unclassified position.

Sec. 7. Minnesota Statutes 1996, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

- (1) chosen by election or appointed to fill an elective office;
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the office of strategic and long-range planning;
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;
- (7) employees of the Washington, D.C., office of the state of Minnesota;
- (8) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, and the board of trustees of the Minnesota state colleges and universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;
- (10) officers and enlisted persons in the national guard;

(11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(13) members of the state patrol; provided that selection and appointment of state patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) chaplains employed by the state;

(15) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(16) student workers;

(17) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(18) employees unclassified pursuant to other statutory authority;

(19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation; and

(20) the administrators and the deputy administrators at the state academies for the deaf and the blind; and

(21) medical specialists and other physicians employed in the department of human services.

Sec. 8. Minnesota Statutes 1996, section 43A.17, subdivision 4, is amended to read:

Subd. 4. [MEDICAL SPECIALISTS.] The commissioner may without regard to subdivision 1 establish special salary rates and plans of compensation designed to attract and retain exceptionally qualified doctors of medicine. These rates and plans shall be included in the commissioner's plan developed by the commissioner pursuant to section 43A.18, subdivision 2a. In establishing salary rates and eligibility for nomination for payment at special rates, the commissioner shall consider the standards of eligibility established by national medical specialty boards where appropriate. The incumbents assigned to these special ranges shall be excluded from the collective bargaining process.

Sec. 9. Minnesota Statutes 1996, section 43A.18, is amended by adding a subdivision to read:

Subd. 2a. [MEDICAL SPECIALIST PLAN.] Except as provided in section 43A.01, the compensation, terms, and conditions of employment for all classified and unclassified medical specialists, who are not covered by a collective bargaining agreement and not otherwise provided for in chapter 43A or other law, are governed solely by a plan developed by the commissioner. The legislative coordinating commission shall review and approve or reject the plan under section 3.855, subdivision 2. The plan need not be adopted in accordance with the rulemaking provisions of chapter 14.

Sec. 10. Minnesota Statutes 1996, section 43A.27, subdivision 3, is amended to read:

Subd. 3. [RETIRED EMPLOYEES.] A person may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages if the person is:

(1) a retired employee of the state or an organization listed in subdivision 2 or section 43A.24, subdivision 2, who receives, at separation of service:

(i) is immediately eligible to receive an annuity under a state retirement program sponsored by the state or such organization of the state and immediately meets the age and service requirements in section 352.115, subdivision 1; and

(ii) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater; or

(2) a retired employee of the state who is at least 50 years of age and has at least 15 years of state service may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages that are.

The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established pursuant to section 43A.18 to employees in positions equivalent to that from which retired. A spouse of a deceased retired employee who received an annuity under a state retirement program may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the employee's death. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 11. Minnesota Statutes 1996, section 43A.30, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEE INSURANCE TRUST FUND.] The commissioner of employee relations may direct that all or a part of the amounts paid for life insurance, hospital, medical, and dental benefits, and optional coverages authorized for eligible employees and other eligible persons be deposited by the state in an employee insurance trust fund in the state treasury, from which the approved claims of eligibles are to be paid. Investment income and investment losses attributable to the investment of the fund shall be credited to the fund. There is appropriated from the fund to the commissioner amounts needed to pay the approved claims of eligibles, related service charges, insurance premiums, and refunds. The commissioner shall not market or self-insure life insurance ~~or optional coverages.~~ The commissioner may market and self-insure dental and optional coverages. Nothing in this subdivision precludes the commissioner from determining plan design, providing informational materials, or communicating with employees about coverages.

Sec. 12. Minnesota Statutes 1996, section 43A.30, subdivision 5, is amended to read:

Subd. 5. [ADMINISTRATION.] The commissioner of employee relations may administer the employee insurance program. The commissioner may assess agencies, and employers of persons eligible for state-paid insurance and benefits under section 43A.24, the cost of these administrative services and include it in the amounts billed for life insurance, hospital, medical, and dental benefits, and optional coverages authorized. Receipts from the assessments must be deposited in the state treasury and credited to a special account in the employee insurance trust fund and are appropriated to the commissioner to pay these administrative costs.

Sec. 13. [43A.375] [DEDUCTION FOR EXPENSES; FRAUD OR MISTAKE.]

If expenses are reimbursed to an employee by the employer under circumstances of fraud or mistake, the expenses may be deducted from wages earned by or due the employee.

Sec. 14. Minnesota Statutes 1996, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. [COVERAGE.] (a) Employees enumerated in paragraph (b), if they are in the unclassified service of the state or metropolitan council and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified program under this chapter unless the employee gives notice to the executive director of the



Minnesota state retirement system within one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Enumerated employees are:

(1) an employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general, or an employee of the state board of investment;

(2) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.081, subdivision 1 or 15A.083, subdivision 4;

(3) a permanent, full-time unclassified employee of the legislature or a commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system;

(4) a person who is employed in a position established under section 43A.08, subdivision 1, clause (3), or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(5) the regional administrator, or executive director of the metropolitan council, general counsel, division directors, operations managers, and other positions as designated by the council, all of which may not exceed 27 positions at the council and the chair, provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations may be made without approval of the board of directors of the Minnesota state retirement system;

(6) the executive director, associate executive director, and not to exceed nine positions of the higher education services office in the unclassified service, as designated by the higher education services office before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota state retirement system, unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(7) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota;

(8) the chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of human services;

(9) an employee whose principal employment is at the state ceremonial house;

(10) an employee of the Minnesota educational computing corporation;

(11) an employee of the world trade center board; ~~and~~

(12) an employee of the state lottery board who is covered by the managerial plan established under section 43A.18, subdivision 3; and

(13) a physician employed by the department of human services.

Sec. 15. Laws 1993, chapter 301, section 1, subdivision 4, is amended to read:

Subd. 4. [WAIVER.] (a) Upon receipt of the committee report required by subdivision 3, each entity head shall submit the list of recommended waivers to the commissioner of employee relations. The commissioner shall then grant the waivers requested by each entity, ~~effective for the requesting entity, for a period ending June 30, 1997,~~ subject to the restrictions in paragraph (b) and to revision in accordance with subdivision 5. These waivers are effective for the requesting entity, for a period ending June 30, 1997, except the waivers granted for the Minnesota housing finance agency shall extend to June 30, 1999. The commissioner shall waive a rule by granting a variance under Minnesota Statutes, section 14.05, subdivision 4.

(b) The commissioner may not grant a waiver if it would result in the layoff of classified employees or unclassified employees covered by a collective bargaining agreement except as provided in a plan negotiated under Minnesota Statutes, chapter 179A, that provides options to layoff for employees who would be affected. If a proposed waiver would violate the terms of a collective bargaining agreement reached under Minnesota Statutes, chapter 179A, the waiver may not be granted without the consent of the exclusive representative that is a party to the agreement.

Sec. 16. Laws 1995, chapter 248, article 12, section 2, is amended to read:

Sec. 2. [TERMINATION.]

Section 1 and the civil service pilot project in the housing finance agency as authorized by Laws 1993, chapter 301, terminate June 30, 1997 ~~1999~~, or at any earlier time by a method agreed upon by the commissioners of employee relations and housing finance and the affected exclusive bargaining representative of state employees.

Sec. 17. Laws 1995, chapter 248, article 13, section 2, subdivision 2, is amended to read:

Subd. 2. [PILOT PROJECT.] During the biennium ending June 30, ~~1997~~ 2001, the governor shall designate an executive agency that will conduct a pilot civil service project. The pilot program must adhere to the policies expressed in subdivision 1 and in Minnesota Statutes, section 43A.01. For the purposes of conducting the pilot project, the commissioner of the designated agency is exempt from the provisions that relate to employment in Minnesota Statutes, chapter 43A, Minnesota Rules, chapter 3900, and administrative procedures and policies of the department of employee relations. If a proposed exemption from the provisions that relate to employment in Minnesota Statutes, chapter 43A, Minnesota Rules, chapter 3900, and administrative procedures and policies of the department of employee relations would violate the terms of a collective bargaining agreement effective under Minnesota Statutes, chapter 179A, the exemption is not effective without the consent of the exclusive representative that is a party to the agreement. Upon request of the commissioner carrying out the pilot project, the commissioner of employee relations shall provide technical assistance in support of the pilot project. This section does not exempt an agency from compliance with Minnesota Statutes, sections 43A.19 and 43A.191, or from rules adopted to implement those sections.

Sec. 18. Laws 1995, chapter 248, article 13, section 2, subdivision 5, is amended to read:

Subd. 5. [PILOT PROJECT.] During the biennium ending June 30, ~~1997~~, ~~the human resources innovation committee established under Laws 1993, chapter 301, section 1, subdivision 6, 1999, the department of employee relations in conjunction with union representatives shall designate state job classifications to be included in a one or more pilot project projects.~~ Under this pilot project: (1) resumes of applicants for positions to be filled through a ~~competitive open~~ this process will be evaluated through an objective computerized system that will identify which applicants have the required skills; and (2) information on applicants determined to have required skills will be forwarded to the agency seeking to fill a vacancy, without ranking these applicants, and without a limit on the number of applicants that may be forwarded to the hiring agency. ~~Laws or rules that govern examination, ranking of eligibles, and certification of eligibles for competitive open positions do not apply to those job classifications included in the pilot project.~~ This process is in lieu of the procedures provided in Minnesota Statutes, sections 43A.10 to 43A.13, and related rules and procedures adopted under Minnesota Statutes, section 43A.04, subdivision 4, except that applicants who are being referred and who qualify for veterans preference under Minnesota Statutes, section 43A.11, will be placed ahead of referrals who meet the required skills of the vacant position and who do not qualify for veterans preference. Before designating a job classification under this subdivision, the ~~committee~~ department must assure that the hiring process for those job classifications complies with the policies in subdivision 1.

Sec. 19. Laws 1995, chapter 248, article 13, section 2, subdivision 6, is amended to read:

Subd. 6. [EVALUATION.] The commissioner of employee relations, in consultation with ~~the human resources innovation committee~~ union representatives, shall design and implement a system for evaluating the success of the pilot project in subdivision 5. By October 1, ~~1996~~ 1997,

and October 1, ~~1997~~ 1998, the commissioner must report to the legislature on the pilot project. The report must:

(1) list job classifications subject to ~~the~~ each pilot project, and the number of positions filled ~~under in~~ in these job classes under the pilot;

(2) evaluate the extent to which the project has been successful in maintaining a merit-based system in the absence of traditional civil service laws and rules;

(3) quantify time and money saved in the hiring process under ~~the~~ these pilot ~~project~~ projects, as compared to hiring under the traditional laws and rules;

(4) document the extent of complaints or problems arising under the new system; and

(5) recommend any changes in laws or rules needed to make permanent the successes of the pilot ~~project~~ projects.

Sec. 20. Laws 1995, chapter 248, article 13, section 3, subdivision 2, is amended to read:

Subd. 2. [PILOT PROJECT.] During the biennium ending June 30, 1997, the department of employee relations must implement a system of incentives including economic incentives for unrepresented employees ~~for~~ or groups of unrepresented employees in the department. The system must be approved by the commissioner of finance before being implemented. The system must have the following characteristics:

(1) it must provide nonmanagerial unrepresented employees or groups of employees within the agency the possibility of earning economic rewards by suggesting changes in operation of the department's programs;

(2) it must provide nonmanagerial represented employees within the agency the possibility of receiving individual or group economic rewards, if provided in a collective bargaining agreement, for suggesting changes in the operation of the department's programs;

(3) it must provide groups of nonmanagerial represented employees within the agency the possibility of receiving group rewards in the form of training opportunities, ~~filling of unfilled employee complement~~, or other resources that benefit overall group performance;

(4) any economic awards must be based on changes in operations suggested by nonmanagerial employees or groups of employees that result in objectively measurable cost savings of at least \$25,000 or significant and objectively measurable efficiencies in services that the agency provides to its customers or clients, without decreasing the quality of these services;

(5) awards must be a minimum of \$500 up to a maximum of \$2,500 per year to unrepresented nonmanagerial employees or groups of employees who were instrumental in identifying and or implementing the efficiency and cost-saving measures;

(6) an "efficiency savings account" must be created ~~within each fund~~ that is used to provide money for department services. ~~Each account consists of money saved directly as a result of initiatives under this section. Any awards under this article must be paid from money in an efficiency savings account. One-half of the money in the account may be used for awards under this section, and the remainder must be returned to the fund from which the money was appropriated;~~

(7) no award shall be given except upon approval of a team comprised of equal numbers of management and nonmanagement employees selected by the commissioner of employee relations from state employees outside of the department; and

(8) the economic awards granted to unrepresented employees must be ~~one-time awards~~ in the form of a lump sum award, and must not add to the base salary of employees.

Sec. 21. [AMERICANS WITH DISABILITIES ACT COORDINATOR.]

The commissioner shall designate a state ADA coordinator who will have primary responsibility for providing training and technical assistance to agencies on the provisions of titles I and II of the Americans with Disability Act, Public Law Number 101-336, and Minnesota Statutes, chapter 363. The ADA coordinator will establish monitoring procedures and reports of progress to the governor's office on no less than a biennial basis.

The ADA coordinator will work with the state director of diversity and equal opportunity on the establishment of affirmative action goals for persons with disabilities in accordance with Minnesota Statutes, section 43A.19, subdivision 1, paragraph (b), and the review and approval of agency affirmative action plans consistent with Minnesota Statutes, sections 43A.04, subdivision 3, and 43A.191, subdivision 1.

Sec. 22. [ELECTION FOR CURRENT EMPLOYEES; HUMAN SERVICES PHYSICIANS.]

A physician employed by the department of human services employed on the effective date of this section who was covered by the general state employees retirement plan under Minnesota Statutes may elect to switch coverage to the unclassified plan and may transfer assets as provided in Minnesota Statutes, section 352D.03.

Sec. 23. [HUMAN RESOURCES SYSTEM.]

Subdivision 1. [PILOT PROJECT.] The pilot program established in the department of human services by Laws 1994, chapter 453, section 1, is continued and amended as described in this section. The pilot program must adhere to the policies expressed in subdivision 1 and in Minnesota Statutes, section 43A.01. For the purposes of conducting the expanded pilot project, the commissioner of human services is exempt from the provisions that relate to employment in Minnesota Statutes, chapter 43A, Minnesota Rules, chapter 3900, and administrative procedures and policies of the department of employee relations. If a proposed exemption from the provisions that relate to employment in Minnesota Statutes, chapter 43A, Minnesota Rules, chapter 3900, and administrative procedures and policies of the department of employee relations would violate the terms of a collective bargaining agreement effective under Minnesota Statutes, chapter 179A, the exemption is not effective without the consent of the exclusive representative that is a party to the agreement. The labor-management committee established by Laws 1994, chapter 453, section 1, shall continue. The committee membership may be expanded as long as an equal number of labor and management representatives is maintained. A proposed exemption may not be implemented without the approval of the labor-management committee unless it affects only managerial or other unrepresented positions. Upon request of the commissioner of human services, and subject to the availability of resources, the commissioner of employee relations may provide technical assistance in support of the pilot project and may request reimbursement for the reasonable cost of any services provided. This section does not exempt the department of human services from compliance with Minnesota Statutes, sections 43A.19 and 43A.191, or from rules adopted to implement those sections.

Subd. 2. [EVALUATION.] The department of human services shall evaluate the pilot program. The evaluation shall include at least the following factors:

(1) the extent to which the department of human services has been successful in maintaining a merit-based human resources system in the absence of the traditional civil service rules and procedures;

(2) the extent to which the project's projected outcomes were achieved;

(3) the satisfaction of managers, supervisors, and exclusive representatives of employees with the changes; and

(4) the extent of complaints or problems arising under the new system.

The department of human services must report to the legislature by January 15, 1999, January 15, 2000, and January 15, 2001, on the progress and results of the project.

Sec. 24. [STUDY OF STATE HIRING OPTIONS.]

The commissioner of human services shall study and report to the legislature by January 15, 1998, with recommendations to expand employment opportunities for public assistance recipients in state agencies and institutions of higher education. The report may include recommendations on:

- (1) giving qualified applicants who are recipients of public assistance preference in hiring; and
- (2) other recommendations developed by the commissioner in consultation with other state agencies and institutions of higher education.

Sec. 25. [REPEALER.]

Minnesota Statutes 1996, section 43A.182, and Laws 1995, chapter 248, article 10, section 12, are repealed.

Sec. 26. [EFFECTIVE DATE.]

Sections 14 and 22 are effective July 1, 1997."

Delete the title and insert:

"A bill for an act relating to employment; making technical and administrative changes in the department of employee relations; modifying provisions governing state employment; modifying terms of certain pilot projects; requiring a study and report; amending Minnesota Statutes 1996, sections 13.67; 15.53, subdivision 2; 43A.04, subdivision 1; 43A.07, subdivision 5; 43A.08, subdivision 1; 43A.17, subdivision 4; 43A.18, by adding a subdivision; 43A.27, subdivision 3; 43A.30, subdivisions 4 and 5; and 352D.02, subdivision 1; Laws 1993, chapter 301, section 1, subdivision 4; and Laws 1995, chapter 248, articles 12, section 2; and 13, sections 2, subdivisions 2, 5, and 6; and 3, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 15; and 43A; repealing Minnesota Statutes 1996, section 43A.182; and Laws 1995, chapter 248, article 10, section 12."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1316:** A bill for an act relating to state agencies; multimember agencies; changing certain publication dates and requirements; modifying registration requirements; changing the expiration date for certain multimember agencies; amending Minnesota Statutes 1996, sections 15.059, subdivision 5; 15.0597, subdivisions 2 and 3; and 15.0599, subdivisions 1, 4, and 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 15.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### MULTIMEMBER AGENCIES

Section 1. Minnesota Statutes 1996, section 15.059, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION DATE.] (a) ~~Unless a different date is specified by law, the existence of each advisory council and committee created established before January 1, 1993 1997, and governed by this section shall terminate on terminates June 30, 1993 1997. An advisory council or committee whose expiration is not governed by this section does not terminate June 30, 1993, unless specified by other law. An advisory council or committee created established by law and in existence after June 30, 1993 1997, expires on the date specified in the law creating establishing the group or on June 30, 1997 2001, whichever is sooner. This expiration provision subdivision applies whether or not the law creating establishing the group provides that the group is governed by this section.~~

(b) A multimember agency does not expire in accordance with paragraph (a) if the agency:

(1) has rulemaking authority;

(2) is a licensing board;

(3) is an occupational licensure advisory group to a licensing board or agency;

(4) administers and awards grants; or

(5) is required by federal law or regulation.

An agency covered by this paragraph expires June 30, 2001.

Sec. 2. Minnesota Statutes 1996, section 15.0597, subdivision 2, is amended to read:

Subd. 2. [COLLECTION OF DATA.] The chair of an existing agency or the chair's designee, or the appointing authority for the members of a newly created agency, shall provide the secretary, on forms prepared and distributed by the secretary, with the following data pertaining to that agency:

(1) the name of the agency, its mailing address, and telephone number;

(2) the legal authority for the creation of the agency and the name of the person appointing agency members;

(3) the powers and duties of the agency;

(4) the number of authorized members, together with any prescribed restrictions on eligibility such as employment experience or geographical representation;

(5) the dates of commencement and expiration of the membership terms and the expiration date of the agency, if any;

(6) the compensation of members, and appropriations or other funds available to the agency;

(7) the regular meeting schedule, if any, and approximate number of hours per month of meetings or other activities required of members;

(8) the roster of current members, including mailing addresses and telephone numbers; and

(9) a breakdown of the membership showing distribution by county, legislative district, and congressional district, and, only if the member has voluntarily supplied the information, the sex, political party preference or lack thereof of party preference, race, and national origin of the members.

The secretary may provide for the submission of data in accordance with this subdivision by electronic means. The publication requirement under clause (8) may be met by publishing a member's home or business address and telephone number, the address and telephone number of the agency to which the member is appointed, the member's electronic mail address, if provided, or any other information that would enable the public to communicate with the member.

Sec. 3. Minnesota Statutes 1996, section 15.0597, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION OF AGENCY DATA.] The secretary of state shall provide for annual updating of the required data and shall annually arrange for the publication in the state register of the compiled data from all agencies on or about ~~November~~ October 15 of each year. Copies of the compilation shall must be delivered to the governor and the legislature. Copies of the compilation shall must be made available by the secretary to any interested person at cost, and copies shall must be available for viewing by interested persons. The chair of an agency who does not submit data required by this section or who does not notify the secretary of a vacancy in the agency, shall is not be eligible for a per diem or expenses in connection with agency service until December 1 of the following year.

Sec. 4. Minnesota Statutes 1996, section 15.0599, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For purposes of this section, "agency" means:

(1) a state board, commission, council, committee, authority, task force, including an advisory task force established under section 15.014 or 15.0593, other multimember agency, however designated, established by statute or order and having statewide jurisdiction;

(2) the metropolitan council established by section 473.123, a metropolitan agency as defined in section 473.121, subdivision 5a, or a multimember body, however designated, appointed by the metropolitan council established by section 473.123 or a metropolitan agency as defined in section 473.121, subdivision 5a, if the membership includes at least one person who is not a member of the council or the agency; and

(3) a multimember body whose members are appointed by the legislature if the body has at least one nonlegislative member; and

(4) any other multimember body established by law with at least one appointed member, without regard to the appointing authority.

"Secretary" means the secretary of state.

Sec. 5. Minnesota Statutes 1996, section 15.0599, subdivision 4, is amended to read:

Subd. 4. [REGISTRATION; INFORMATION REQUIRED.] (a) The appointing authority of a newly established agency or the authority's designee shall provide the secretary with the following information:

(1) the name, mailing address, and telephone number of the agency;

(2) the legal authority for the establishment of the agency and the name and the title of the person or persons appointing agency members;

(3) the powers and duties of the agency and whether the agency, however designated, is best described by section 15.012, paragraph (a), (b), (c), (e), or (f);

(4) the number of authorized members, together with any prescribed restrictions on eligibility;

(5) the roster of current members, including mailing addresses and telephone numbers;

(6) a breakdown of the membership showing distribution by county, legislative district, and congressional district and compliance with any restrictions listed in accordance with clause (4);

(7) if any members have voluntarily provided the information, the sex, age, political preference or lack of preference, race, and national origin of those members;

(8) the dates of commencement and expiration of membership terms and the expiration date of the agency, if any;

(9) the compensation of members and appropriations or other money available to the agency;

(10) the name of the state agency or other entity, if any, required to provide staff or administrative support to the agency;

(11) the regular meeting schedule, if any, and the approximate number of hours a month of meetings or other activities required of members; and

(12) a brief statement of the goal or purpose of the agency, along with a summary of what an existing agency has done, or what a newly established agency plans to do to achieve its goal or purpose.

The publication requirement under clause (5) may be met by publishing a member's home or business address and telephone number, the address and telephone number of the agency to which

the member is appointed, the member's electronic mail address, or any other information that would enable the public to communicate with the member.

(b) The chair of an existing agency or the chair's designee shall provide information, covering the fiscal year in which it is registering, on the number of meetings it has held, its expenses, and the number of staff hours, if any, devoted to its support. The chair or designee shall also, if necessary, update any of the information previously provided in accordance with paragraph (a).

(c) The secretary shall provide forms for the reporting of information required by this subdivision and may provide for reporting by electronic means.

Sec. 6. Minnesota Statutes 1996, section 15.0599, is amended by adding a subdivision to read:

Subd. 4a. [ELIGIBILITY FOR COMPENSATION.] The members of an agency that submits all the information required by this section by the prescribed deadlines are eligible to receive compensation, but no compensation, including reimbursement for expenses, may be paid to members of an agency not in compliance with this section. If an agency has not submitted all required information by its applicable deadline, the secretary shall notify the agency that it is not in compliance and that it has 30 days from the date of the notice to achieve compliance. If the agency is out of compliance at the end of the 30-day period, the secretary shall notify the commissioner of finance that members of the agency are not entitled to compensation. If the agency subsequently complies with this section, the secretary shall notify the commissioner that the agency's members are eligible for compensation from the date of compliance. No retroactive compensation may be paid, however, for any period during which the agency was out of compliance.

Sec. 7. Minnesota Statutes 1996, section 15.0599, subdivision 5, is amended to read:

Subd. 5. [REPORTING BY SECRETARY.] By August October 15 of each year, the secretary shall furnish copies and a summary of the information collected under subdivision 4 to the legislative reference library.

Sec. 8. [15.064] [PUBLICATION ON THE WORLD WIDE WEB.]

Except as provided in this section, an agency or constitutional officer required by law to publish any material in the State Register may, at the option of the agency or officer, meet the requirement by making the material available on the world wide web. An agency or officer choosing that option shall publish notice of that fact in the State Register at least once a year and shall send the same notice by United States mail to all persons who have registered with the agency or officer for the purpose of receiving notice of the agency's or officer's proceedings or publications.

## ARTICLE 2

### HEALTH-RELATED ADVISORY COUNCILS

Section 1. [147A.27] [PHYSICIAN ASSISTANT ADVISORY COUNCIL.]

Subdivision 1. [MEMBERSHIP.] The physician assistant advisory council is composed of seven persons appointed by the board. The seven persons must include:

- (1) two public members, as defined in section 214.02;
- (2) three physician assistants registered under this chapter; and
- (3) two licensed physicians with experience supervising physician assistants.

Subd. 2. [ORGANIZATION.] The council shall be organized and administered under section 15.059, except that the advisory council shall expire on June 30, 2001.

Subd. 3. [DUTIES.] The council shall advise the board regarding:

- (1) physician assistant registration standards;



- (2) enforcement of grounds for discipline;
- (3) distribution of information regarding physician assistant registration standards;
- (4) applications and recommendations of applicants for registration or registration renewal; and
- (5) complaints and recommendations to the board regarding disciplinary matters and proceedings concerning applicants and registrants according to sections 214.10; 214.103; and 214.13, subdivisions 6 and 7. The council shall also perform other duties authorized for the council by chapter 214 as directed by the board.

Sec. 2. Minnesota Statutes 1996, section 148.622, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP TERMS; OFFICERS; QUORUM; EXPENSES.] (a) Members must be appointed for staggered terms of four years, with terms beginning August 1 of each even-numbered year. The terms of the initial board members shall must be determined by lot as follows: ~~three~~ one member must be appointed for a term that expires August 1, 2000; two members shall must be appointed for terms that expire August 1, 1999 1998; two members must be appointed for terms that expire August 1, 1997; and two members must be appointed for terms that expire August 1, 1995. Members of the board serve until the expiration of the term to which they have been appointed or until their successors have qualified. A person may not be appointed to serve more than two consecutive terms.

(b) The board shall organize annually and select a chair and vice-chair.

(c) Four members of the board, including two professional members and two public members, constitute a quorum to do business.

(d) The board shall hold at least two regular meetings each year. Additional meetings may be held at the call of the chair or at the written request of any three members of the board. At least 14 days' written advance notice of the board meeting is required.

(e) Board members receive compensation for their services in accordance with section 15.0575.

Sec. 3. Minnesota Statutes 1996, section 214.32, subdivision 1, is amended to read:

Subdivision 1. [MANAGEMENT.] (a) A health professionals services program committee is established, consisting of one person appointed by each participating board, with each participating board having one vote. The committee shall designate one board to provide administrative management of the program, set the program budget and the pro rata share of program expenses to be borne by each participating board, provide guidance on the general operation of the program, including hiring of program personnel, and ensure that the program's direction is in accord with its authority. No more than half plus one of the members of the committee may be of one gender.

(b) The designated board, upon recommendation of the health professional services program committee, shall hire the program manager and employees and pay expenses of the program from funds appropriated for that purpose. The designated board may apply for grants to pay program expenses and may enter into contracts on behalf of the program to carry out the purposes of the program. The participating boards shall enter into written agreements with the designated board.

(c) An advisory committee is established to advise the program committee consisting of:

(1) one member appointed by each of the following: the Minnesota Academy of Physician Assistants, the Minnesota Dental Association, the Minnesota Chiropractic Association, the Minnesota Licensed Practical Nurse Association, the Minnesota Medical Association, the Minnesota Nurses Association, and the Minnesota Podiatric Medicine Association;

(2) one member appointed by each of the professional associations of the other professions regulated by a participating board not specified in clause (1); and

(3) two public members, as defined by section 214.02.

Members of the advisory committee shall be appointed for two years and members may be reappointed.

No more than half plus one of the members of the committee may be of one gender.

The advisory committee expires June 30, 1997 2001.

### ARTICLE 3

#### HUMAN SERVICES ADVISORY COMMITTEES

Section 1. Minnesota Statutes 1996, section 15.059, is amended by adding a subdivision to read:

Subd. 7. [EXCEPTIONS TO EXPIRATION DATE.] Notwithstanding subdivision 5, the following committees expire June 30, 2001:

(1) the medical assistance drug formulary committee established under section 256B.0625, subdivision 13, paragraph (a);

(2) the home care advisory committee established under section 256B.071, subdivision 5;

(3) the traumatic brain injury advisory committee established under section 256B.093, subdivision 1, clause (4);

(4) the preadmission screening, alternative care, and home and community-based services advisory committee established under section 256B.0911, subdivision 8;

(5) the American Indian child welfare advisory council established under section 257.3579;

(6) the maternal and child health advisory task force established under section 145.881;

(7) the state community health advisory committee established under section 145A.10, subdivision 10; and

(8) the Minnesota commission serving deaf and hard-of-hearing people established under section 256C.28, subdivisions 1 to 6.

Sec. 2. Minnesota Statutes 1996, section 145.881, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION OF TASK FORCE.] The commissioner shall establish and appoint a maternal and child health advisory task force consisting of 15 members who will provide equal representation from:

(1) professionals with expertise in maternal and child health services;

(2) representatives of community health boards as defined in section 145A.02, subdivision 5; and

(3) consumer representatives interested in the health of mothers and children.

~~No members shall be employees of the state department of health. Task force members shall be appointed and removed as provided in section 15.059, subdivisions 2 and 4. The maternal and child health advisory task force shall terminate on the date provided by section 15.059, subdivision 5, and members shall receive compensation as provided in Section 15.059, subdivision 6 governs the maternal and child health advisory task force.~~

Sec. 3. Minnesota Statutes 1996, section 245.697, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] A state advisory council on mental health is created. The council must have 30 members appointed by the governor in accordance with federal requirements. The council must be composed of:

(1) the assistant commissioner of mental health for the department of human services;

(2) a representative of the department of human services responsible for the medical assistance program;

(3) one member of each of the four core mental health professional disciplines (psychiatry, psychology, social work, nursing);

(4) one representative from each of the following advocacy groups: mental health association of Minnesota, Minnesota alliance for the mentally ill, and Minnesota mental health law project;

(5) providers of mental health services;

(6) consumers of mental health services;

(7) family members of persons with mental illnesses;

(8) legislators;

(9) social service agency directors;

(10) county commissioners; and

(11) other members reflecting a broad range of community interests, as the United States Secretary of Health and Human Services may prescribe by regulation or as may be selected by the governor.

The council shall select a chair. Terms, compensation, and removal of members and filling of vacancies are governed by section 15.059. ~~The council does not expire as provided in section 15.059.~~ Notwithstanding provisions of section 15.059, the council and its subcommittee on children's mental health do not expire. The commissioner of human services shall provide staff support and supplies to the council.

Sec. 4. Minnesota Statutes 1996, section 254A.035, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP TERMS, COMPENSATION, REMOVAL AND EXPIRATION.] The membership of this council shall be composed of 17 persons who are American Indians and who are appointed by the commissioner. The commissioner shall appoint one representative from each of the following groups: Red Lake Band of Chippewa Indians; Fond du Lac Band, Minnesota Chippewa Tribe; Grand Portage Band, Minnesota Chippewa Tribe; Leech Lake Band, Minnesota Chippewa Tribe; Mille Lacs Band, Minnesota Chippewa Tribe; Bois Forte Band, Minnesota Chippewa Tribe; White Earth Band, Minnesota Chippewa Tribe; Lower Sioux Indian Reservation; Prairie Island Sioux Indian Reservation; Shakopee Mdewakanton Sioux Indian Reservation; Upper Sioux Indian Reservation; International Falls Northern Range; Duluth Urban Indian Community; and two representatives from the Minneapolis Urban Indian Community and two from the St. Paul Urban Indian Community. The terms, compensation, and removal of American Indian advisory council members shall be as provided in section 15.059. The council expires June 30, ~~1997~~ 2001.

Sec. 5. Minnesota Statutes 1996, section 254A.04, is amended to read:

254A.04 [CITIZENS ADVISORY COUNCIL.]

There is hereby created an alcohol and other drug abuse advisory council to advise the department of human services concerning the problems of alcohol and other drug dependency and abuse, composed of ten members. Five members shall be individuals whose interests or training are in the field of alcohol dependency and abuse; and five members whose interests or training are in the field of dependency and abuse of drugs other than alcohol. The terms, compensation and removal of members shall be as provided in section 15.059. The council expires June 30, ~~1997~~ 2001. The commissioner of human services shall appoint members whose terms end in even-numbered years. The commissioner of health shall appoint members whose terms end in odd-numbered years.

Sec. 6. [ADMINISTRATIVE RULES.]

The commissioner may adopt rules to implement Minnesota Statutes, sections 256J.01 to 256J.09. Because of the need for flexible and swift means of implementing this program statewide, the rules adopted by the commissioner to implement this program are exempted from Minnesota Statutes, chapter 14, until February 28, 1999. The commissioner shall prepare legislation for submission to the legislature in 1998 incorporating the substance of any rules adopted under this section and repealing those rules.

#### ARTICLE 4

#### AGRICULTURAL ADVISORY BODIES

Section 1. Minnesota Statutes 1996, section 17.136, is amended to read:

17.136 [ANIMAL FEEDLOTS; POLLUTION CONTROL; FEEDLOT AND MANURE MANAGEMENT ADVISORY COMMITTEE.]

(a) The commissioner of agriculture and the commissioner of the pollution control agency shall establish a feedlot and manure management advisory committee to identify needs, goals, and suggest policies for research, monitoring, and regulatory activities regarding feedlot and manure management. In establishing the committee, the commissioner shall give first consideration to members of the existing feedlot advisory group.

(b) The committee must include representation from beef, dairy, pork, chicken, and turkey producer organizations. The committee shall not exceed 18 members, but must include representatives from at least three environmental organizations, eight livestock producers, and four experts in soil and water science, nutrient management, and animal husbandry, one member from an organization representing local units of government, one member from the senate, and one member from the house of representatives. In addition, the ~~department~~ departments of agriculture, health, and natural resources, the pollution control agency, board of water and soil resources, soil and water conservation districts, the federal ~~Soil~~ Natural Resource Conservation Service, the association of Minnesota counties, and the ~~Agricultural Stabilization and Conservation Farm Service Agency~~ shall serve on the committee as ex officio nonvoting members.

(c) ~~Persons who participated in activities of the feedlot advisory group existing on and before August 1, 1994, must be allowed to speak at proceedings of the advisory committee. These persons hold nonvoting status and are not eligible for reimbursement of expenses under paragraph (h).~~

(d) The advisory committee shall elect a chair and a vice-chair from its members. The ~~department~~ and the agency shall provide staff support to the committee.

(e) ~~(d)~~ The commissioner of agriculture and the commissioner of the pollution control agency shall consult with the advisory committee during the development of any policies, rules, or funding proposals or recommendations relating to feedlots or feedlot-related manure management.

(f) ~~(e)~~ The commissioner of agriculture shall consult with the advisory committee on establishing a list of manure management research needs and priorities.

(g) ~~(f)~~ The advisory committee shall advise the commissioners on other appropriate matters.

(h) ~~(g)~~ Nongovernment members of the advisory committee shall receive expenses, in accordance with section 15.059, subdivision 6. The advisory committee expires on June 30, ~~1997~~ 2001.

Sec. 2. Minnesota Statutes 1996, section 17.49, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish and promote a program of aquaculture in consultation with an advisory committee consisting of the University of Minnesota, the commissioner of natural resources, the commissioner of agriculture, representatives of the private aquaculture industry, and the chairs of the environment and natural resources committees of the house of representatives and senate. The advisory committee expires on June 30, 2001.

Sec. 3. Minnesota Statutes 1996, section 18B.305, subdivision 3, is amended to read:

Subd. 3. [PESTICIDE APPLICATOR EDUCATION AND EXAMINATION REVIEW BOARD.] (a) The commissioner shall establish and chair a pesticide applicator education and examination review board. This board, consisting of 15 members, must meet at least once a year before the initiation of pesticide educational planning programs. The purpose of the board is to discuss topics of current concern that can be incorporated into pesticide applicator training sessions and appropriate examinations. This board shall review and evaluate the various educational programs recently conducted and recommend options to increase overall effectiveness.

(b) Membership on this board must ~~represent industry, private, nonprofit organizations, include applicators representing various licensing categories, such as agriculture, turf and ornamental, aerial, aquatic, and structural pest control and private pesticide applicators,~~ and other governmental agencies, including the University of Minnesota, the pollution control agency, department of health, department of natural resources, and department of transportation.

(c) Membership on the board must include representatives from environmental protection organizations.

(d) This board shall review licensing and certification requirements for private, commercial, and noncommercial applicators and provide a report to the commissioner with recommendations by January 15, 1998. This board shall review category requirements and provide recommendations to the commissioner. This board expires on June 30, 2001.

Sec. 4. Minnesota Statutes 1996, section 21.112, subdivision 2, is amended to read:

Subd. 2. [ADVISORY SEED POTATO CERTIFICATION TASK FORCE.] The commissioner may appoint an advisory seed potato certification task force. If the task force is appointed each member shall be a grower in Minnesota of certified seed potatoes. ~~The task force shall expire, and the terms, compensation and removal of members shall be as provided in section 15.059. The task force shall expire June 30, 2001.~~

Sec. 5. Minnesota Statutes 1996, section 28A.20, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) The food safety advisory committee consists of:

- (1) the commissioner of agriculture;
- (2) the commissioner of health;
- (3) a representative of the United States Food and Drug Administration;
- (4) a representative of the United States Department of Agriculture;
- (5) a representative of the agricultural utilization research institute;

~~(5)~~ (6) one person from the University of Minnesota knowledgeable in food and food safety issues; and

~~(6)~~ eight (7) nine members appointed by the governor who are interested in food and food safety, of whom:

- (i) two persons are health or food professionals;
- (ii) one person represents a statewide general farm organization;
- (iii) one person represents a local food inspection agency; and
- (iv) one person represents a food-oriented consumer group.

(b) Members shall serve without compensation. Members appointed by the governor shall serve four-year terms.

Sec. 6. Minnesota Statutes 1996, section 28A.20, is amended by adding a subdivision to read:

Subd. 6. [EXPIRATION.] This section expires on June 30, 2001.

Sec. 7. Minnesota Statutes 1996, section 31.95, subdivision 3a, is amended to read:

Subd. 3a. [CERTIFICATION ORGANIZATIONS.] (a) A Minnesota grown organic product that is labeled "certified" must be certified by a designated certification organization.

(b) A certified organic product sold in this state must be certified by a designated certification organization or by a certification organization approved by the commissioner. Before approving a certification organization, the commissioner must seek the evaluation and recommendation of the Minnesota organic advisory task force.

(c) The commissioner shall appoint a Minnesota organic advisory task force composed of members of the organic industry to advise the commissioner on organic issues. Members of the task force may not be paid compensation or costs for expenses. The task force expires on June 30, 2001.

Sec. 8. [EFFECTIVE DATE.]

This act is effective June 30, 1997.

#### ARTICLE 5

#### MISSISSIPPI RIVER PARKWAY COMMISSION

Section 1. Minnesota Statutes 1996, section 161.1419, subdivision 8, is amended to read:

Subd. 8. [EXPIRATION.] The commission shall expire on June 30, ~~1997~~ 2001.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state agencies; multimember agencies; changing certain publication dates and requirements; modifying registration requirements; changing the expiration date for certain multimember agencies; extending expiration dates for certain health-related advisory councils; extending certain advisory committees; exempting certain advisory councils and committees from expiration; setting expiration dates for certain advisory committees and commissions; adding a member to the food safety advisory committee; making technical changes; extending life of Mississippi river parkway commission to June 30, 2001; amending Minnesota Statutes 1996, sections 15.059, subdivision 5, and by adding a subdivision; 15.0597, subdivisions 2 and 3; 15.0599, subdivisions 1, 4, 5, and by adding a subdivision; 17.136; 17.49, subdivision 1; 18B.305, subdivision 3; 21.112, subdivision 2; 28A.20, subdivision 2, and by adding a subdivision; 31.95, subdivision 3a; 145.881, subdivision 1; 148.622, subdivision 3; 161.1419, subdivision 8; 214.32, subdivision 1; 245.697, subdivision 1; 254A.035, subdivision 2; and 254A.04; proposing coding for new law in Minnesota Statutes, chapters 15; and 147A."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 445:** A bill for an act relating to veterans; establishing a program to pay a monetary bonus to veterans of the Persian Gulf War; imposing a criminal penalty for false application; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 8, after the period, insert "Veteran" includes any member of a reserve component of the armed forces of the United States, including the national guard, who was ordered to active duty under United States Code, title 10, section 673b, during the eligibility period for the bonus and who was deployed to a duty station outside the state of Minnesota, as verified by the appropriate service authority. An applicant's DD-214 form showing award of the Southwest Asia service medal during the eligibility period for the bonus will suffice as verification."

Page 6, line 15, delete "gross"

Page 6, line 22, delete "\$....." and insert "\$17,090,000"

Page 6, line 29, delete "\$....." and insert "\$500,000"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Hottinger from the Committee on Health and Family Security, to which was referred**

**S.F. No. 1621:** A bill for an act relating to health; establishing a registry of fathers of children born to unmarried minor mothers; establishing an adolescent pregnancy prevention plan; modifying provisions for family planning special project grants; repealing ENABL program; appropriating money; amending Minnesota Statutes 1996, section 145.925, subdivision 9; proposing coding for new law in Minnesota Statutes, chapters 144; and 145; repealing Minnesota Statutes 1996, section 145.9256.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete sections 1 and 2

Page 2, strike line 34

Page 3, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 and 4

Page 1, line 6, delete "appropriating"

Page 1, line 7, delete "money;"

Page 1, line 8, delete everything after the semicolon

Page 1, delete line 9

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Hottinger from the Committee on Health and Family Security, to which was referred**

**S.F. No. 1722:** A bill for an act relating to professions and occupations; defining pharmacy technician; amending Minnesota Statutes 1996, section 151.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 151.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, delete "associated with" and insert "". A pharmacy technician shall not perform tasks specifically reserved to a licensed pharmacist."

Page 1, delete lines 14 and 15 and insert:

"Sec. 2. Minnesota Statutes 1996, section 151.06, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY; RULES.] (a) [POWERS AND DUTIES.] The board of pharmacy shall have the power and it shall be its duty:

- (1) to regulate the practice of pharmacy;
- (2) to regulate the manufacture, wholesale, and retail sale of drugs within this state;
- (3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States Pharmacopeia and the National Formulary, or any revisions thereof, or standards adopted under the federal act as the standard;
- (4) to enter and inspect by its authorized representative any and all places where drugs, medicines, medical gases, or veterinary drugs or devices are sold, vended, given away, compounded, dispensed, manufactured, wholesaled, or held; it may secure samples or specimens of any drugs, medicines, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;
- (5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;
- (6) to license wholesale drug distributors;
- (7) to deny, suspend, revoke, or refuse to renew any registration or license required under this chapter, to any applicant or registrant or licensee upon any of the following grounds:
  - (i) fraud or deception in connection with the securing of such license or registration;
  - (ii) in the case of a pharmacist, conviction in any court of a felony;
  - (iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;
  - (iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;
  - (v) unprofessional conduct or conduct endangering public health;
  - (vi) gross immorality;
  - (vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;
  - (viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;
  - (ix) violation of any of the provisions of this chapter or any of the rules of the state board of pharmacy;
  - (x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;
  - (xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy;
  - (xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state; or
  - (xiii) in the case of a pharmacist, aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:



(A) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(B) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(C) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(D) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(8) to employ necessary assistants and make rules for the conduct of its business; and

(9) to register pharmacy technicians; and

(10) to perform such other duties and exercise such other powers as the provisions of the act may require.

(b) [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the administrative procedure act. The pharmacist shall be provided with at least 20 days notice of any hearing held under this subdivision.

(c) [RULES.] For the purposes aforesaid, it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter. The board shall adopt rules regarding prospective drug utilization review and patient counseling by pharmacists. A pharmacist in the exercise of the pharmacist's professional judgment, upon the presentation of a new prescription by a patient or the patient's caregiver or agent, shall perform the prospective drug utilization review required by rules issued under this subdivision."

Page 1, line 18, delete "nonjudgmental"

Page 1, line 20, delete "more than one technician" and insert "two technicians"

Page 1, delete line 24 and insert "is subject to continuing review and becomes the"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections" and after the semicolon, insert "and 151.06, subdivision 1;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Hottinger from the Committee on Health and Family Security, to which was re-referred**

**S.F. No. 960:** A bill for an act relating to health care; prohibiting contracts that restrict communication between providers and their patients; requiring disclosure of health care provider financial incentives; requiring health plan companies to provide continuity of care and access to specialty care for certain enrollees; prohibiting certain exclusive arrangements; amending Minnesota Statutes 1996, sections 181.932, subdivision 1; and 214.16, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; and 144.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [62J.695] [CITATION.]

Sections 62J.70 to 62J.75 may be cited as the "Patient Protection Act."

Sec. 2. [62J.70] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 62J.70 to 62J.72, the terms defined in this section have the meanings given them.

Subd. 2. [HEALTH CARE PROVIDER OR PROVIDER.] "Health care provider" or "provider" means:

(1) a physician, nurse, or other provider as defined under section 62J.03;

(2) a hospital as defined under section 144.696, subdivision 3;

(3) an individual or entity that provides health care services under the medical assistance, general assistance medical care, MinnesotaCare, or state employee group insurance program; and

(4) an association, partnership, corporation, limited liability corporation, or other organization of persons or entities described in clause (1) or (2) organized for the purposes of providing, arranging, or administering health care services or treatment.

This section does not apply to trade associations, membership associations of health care professionals, or other organizations that do not directly provide, arrange, or administer health care services or treatment.

Subd. 3. [HEALTH PLAN COMPANY.] "Health plan company" means health plan company as defined in section 62Q.01, subdivision 4.

Subd. 4. [ENROLLEE.] "Enrollee" means an individual covered by a health plan company or health insurance or health coverage plan and includes an insured policyholder, subscriber, contract holder, member, covered person, or certificate holder.

Sec. 3. [62J.71] [PROHIBITED PROVIDER CONTRACTS.]

Subdivision 1. [AGREEMENTS PROHIBITED.] The following types of agreements are contrary to state public policy, are prohibited under this section, and are null and void:

(1) any agreement that prohibits a health care provider from communicating with a patient with respect to the patient's health status, health care, or treatment options, if the health care provider is acting in good faith and within the provider's scope of practice as defined by law;

(2) any agreement that prohibits a health care provider from disclosing accurate information about whether services or treatment will be paid for by a patient's health plan company or health insurance or health coverage plan; and

(3) any agreement that prohibits a health care provider from informing a patient about the nature of the reimbursement methodology used by a patient's health plan company, health insurance, or health coverage plan to pay the provider.

Subd. 2. [PERSONS AND ENTITIES AFFECTED.] The following persons and entities shall not enter into any agreement that is prohibited under this section:

(1) a health plan company;

(2) a health care network cooperative as defined under section 62R.04, subdivision 3; or

(3) a health care provider as defined in section 62J.70, subdivision 2.

Subd. 3. [RETALIATION PROHIBITED.] No person, health plan company, or other organization may take retaliatory action against a health care provider solely on the grounds that the provider:

(1) refused to enter into an agreement or provide services or information in a manner that is prohibited under this section;

(2) disclosed accurate information about whether a health care service or treatment is covered by a patient's health plan company, health insurance, or health coverage plan; or

(3) expressed personal disagreement with a decision made by a person, organization, or health care provider regarding treatment or coverage provided to a patient of the provider, or assisted the patient in seeking reconsideration of such a decision, provided the health care provider makes it clear that the provider is acting in a personal capacity and not as a representative of or on behalf of the entity that made the decision.

Subd. 4. [EXCLUSION.] (a) Nothing in this section prevents any person or organization from taking actions, which may adversely affect a provider whose actions the person or organization reasonably believes to be illegal, to constitute medical malpractice, or to be contrary to accepted medical practices.

(b) Nothing in this section prohibits a contract provision that requires any contracting party to keep confidential or to not use or disclose the specific amounts paid to a provider, provider fee schedules, provider salaries, and other proprietary information of a specific health plan or health plan company.

Sec. 4. [62J.72] [DISCLOSURE OF HEALTH CARE PROVIDER INFORMATION.]

Subdivision 1. [WRITTEN DISCLOSURE.] A health plan company, as defined under section 62J.70, subdivision 3, a health care network cooperative as defined under section 62R.04, subdivision 3, and a health care provider as defined under section 62J.70, subdivision 2, shall, upon enrollment and annually thereafter, provide enrollees with a description of the general nature of the reimbursement methodologies used by the health plan company, health insurer, or health coverage plan to pay providers. This description may be incorporated into the member handbook, subscriber contract, or certificate. Upon request, a health plan company or provider must provide an enrollee or patient with specific information regarding the reimbursement methodology, including, but not limited to, the following information:

(1) a concise written description of the provider payment plan, including any incentive plan applicable to the enrollee;

(2) a written description of any incentive to the provider relating to the provision of health care services to patients, including any compensation arrangement that is dependent on the amount of health coverage or health care services provided to the patient, or the number of referrals to or utilization of specialists; and

(3) a written description of any incentive plan that involves the transfer of financial risk to the health care provider.

This subdivision does not require disclosure of specific amounts paid to a provider, provider fee schedules, provider salaries, or other proprietary information of a specific health plan company or health insurer or health coverage plan or provider.

Subd. 2. [ADDITIONAL WRITTEN DISCLOSURE OF PROVIDER INFORMATION.] In the event a health plan company prepares a written disclosure as specified in subdivision 1, in a manner that compares the financial incentives between the providers with whom it contracts, it must describe the incentives that occur at the provider level.

Subd. 3. [INFORMATION ON PATIENTS' MEDICAL BILLS.] A health plan company and health care provider shall provide patients and enrollees with a copy of an explicit and intelligible bill whenever the patient or enrollee is sent a bill and is responsible for paying any portion of that

bill. The bills must contain descriptive language sufficient to be understood by the average patient or enrollee. This subdivision does not apply to a flat co-pay paid by the patient at the time the service is required.

Subd. 4. [NONAPPLICABILITY.] Health care providers as defined in section 62J.70, subdivision 2, clause (1), and health plan companies, as defined in section 62J.70, subdivision 3, need not individually provide information required under this section if it has been provided by another individual or entity that is subject to this section.

Sec. 5. [62J.73] [PROHIBITION ON EXCLUSIVE ARRANGEMENTS.]

Subdivision 1. [PROHIBITION ON EXCLUSIVE RELATIONSHIPS.] No provider, group of providers, or health plan company shall restrict a person's right to provide health services or procedures to another provider, group of providers, or health plan company, unless the person is an employee.

Subd. 2. [PROHIBITION ON RESTRICTIVE CONTRACT TERMS.] No provider, group of providers, or person providing goods or health services to a provider shall enter into a contract or subcontract with a health plan company or group of providers on terms that require the provider, group of providers, or person not to contract with another health plan company, unless the provider or person is an employee.

Subd. 3. [PROHIBITION REGARDING ESSENTIAL FACILITIES AND SERVICES.] (a) No health plan company, provider, or group of providers may withhold from its competitors health care services, which are essential for competition between health care providers within the meaning of the essential facilities doctrine as interpreted by the federal courts.

(b) This subdivision should be construed as an instruction to state court in interpreting federal law.

Subd. 4. [VIOLATIONS.] Any provider or other individual who believes provisions of this section may have been violated may file a complaint with the attorney general's office regarding a possible violation of this section.

Sec. 6. [62J.74] [ENFORCEMENT.]

Subdivision 1. [AUTHORITY.] The commissioners of health and commerce shall each periodically review contracts and arrangements among health care providing entities and health plan companies they regulate to determine compliance with sections 62J.70 to 62J.73. Any person may submit a contract or arrangement to the relevant commissioner for review if the person believes sections 62J.70 to 62J.73 have been violated. Any provision of a contract or arrangement found by the relevant commissioner to violate this section is null and void, and the relevant commissioner may assess civil penalties against the health plan company in an amount not to exceed \$2,500 for each day the contract or arrangement is in effect, and may use the enforcement procedures otherwise available to the commissioner.

Subd. 2. [ASSISTANCE TO LICENSING BOARDS.] A health-related licensing board as defined under section 214.01, subdivision 2, shall submit a contract or arrangement to the relevant commissioner for review if the board believes sections 62J.70 to 62J.73 have been violated. If the commissioner determines that any provision of a contract or arrangement violates those sections, the board shall take disciplinary action against any person who is licensed or regulated by the board who entered into the contract arrangement.

Sec. 7. [62J.75] [CONSUMER ADVISORY BOARD.]

(a) The consumer advisory board consists of 18 members appointed in accordance with paragraph (b). All members must be public, consumer members who:

(1) do not have and never had a material interest in either health care services, such as health insurance sales or health plan administration; and

(2) are not registered lobbyists.

(b) The governor, the speaker of the house of representatives, and the subcommittee on committees of the committee on rules and administration of the senate shall each appoint two members. The Indian affairs council, the council on affairs of Chicano/Latino people, the council on Black Minnesotans, the council on Asian-Pacific Minnesotans, mid-Minnesota legal assistance, and the Minnesota chamber of commerce shall each appoint one member. The member appointed by the Minnesota chamber of commerce must represent small business interests. The health care campaign of Minnesota, Minnesotans for affordable health care, and consortium for citizens with disabilities shall each appoint two members. Members serve without compensation or reimbursement for expenses.

(c) The board shall advise the commissioners of health and commerce on the following: (1) the needs of health care consumers and how to better serve and educate the consumers on health care concerns and recommend solutions to identified problems; and (2) consumer protection issues in the self-insured market, including, but not limited to, public education needs.

The board also may make recommendations to the legislature on these issues.

(d) The board and this section expire June 30, 2001.

Sec. 8. [62J.76] [NONPREEMPTION.]

Nothing in the Patient Protection Act preempts or replaces requirements related to patient protections that are more protective of patient rights than the requirements established by the Patient Protection Act.

Sec. 9. Minnesota Statutes 1996, section 62Q.105, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] Each health plan company shall establish and make available to enrollees, by July 1, 1997 1998, an informal complaint resolution process that meets the requirements of this section. A health plan company must make reasonable efforts to resolve enrollee complaints, and must inform complainants in writing of the company's decision within 30 days of receiving the complaint. The complaint resolution process must treat the complaint and information related to it as required under sections 72A.49 to 72A.505.

Sec. 10. Minnesota Statutes 1996, section 62Q.30, is amended to read:

62Q.30 [EXPEDITED FACT FINDING AND DISPUTE RESOLUTION PROCESS.]

The commissioner shall establish an expedited fact finding and dispute resolution process to assist enrollees of health plan companies with contested treatment, coverage, and service issues to be in effect July 1, 1997 1998. The commissioner may order an integrated service network or an all-payer insurer to provide or pay for a service that is within the standard health coverage. If the disputed issue relates to whether a service is appropriate and necessary, the commissioner shall issue an order only after consulting with appropriate experts knowledgeable, trained, and practicing in the area in dispute, reviewing pertinent literature, and considering the availability of satisfactory alternatives. The commissioner shall take steps including but not limited to fining, suspending, or revoking the license of a health plan company that is the subject of repeated orders by the commissioner that suggests a pattern of inappropriate underutilization.

Sec. 11. [62Q.53] [EMERGENCY SERVICES.]

(a) Enrollees have the right to available and accessible emergency services, 24 hours a day and seven days a week. The health plan company shall inform its enrollees how to obtain emergency care and, if prior authorization for emergency services is required, shall make available a toll-free number, which is answered 24 hours a day, to answer questions about emergency services and to receive reports and provide authorizations, where appropriate, for treatment of emergency medical conditions. Emergency services shall be covered whether provided by participating or nonparticipating providers and whether provided within or outside the health plan company's service area. In reviewing a denial for coverage of emergency services, the health plan company shall take the following factors into consideration:

(1) a reasonable layperson's belief that the circumstances required immediate medical care that could not wait until the next working day or next available clinic appointment;

(2) the time of day and day of the week the care was provided;

(3) the presenting symptoms, including, but not limited to, severe pain, to ensure that the decision to reimburse the emergency care is not made solely on the basis of the actual diagnosis;

(4) the enrollee's efforts to follow the health plan company's established procedures for obtaining emergency care; and

(5) any circumstances that precluded use of the health plan company's established procedures for obtaining emergency care.

(b) The health plan company may require enrollees to notify the health plan company of nonreferred emergency care as soon as possible, but not later than 48 hours, after the emergency care is initially provided. However, emergency care which would have been covered under the contract had notice been provided within the set time frame must be covered.

(c) Notwithstanding paragraphs (a) and (b), a health plan company, health insurance, or health coverage plan that is in compliance with the rules regarding accessibility of services adopted under section 62D.20 is in compliance with this section.

Sec. 12. [62Q.56] [CONTINUITY OF CARE.]

Subdivision 1. [CHANGE IN HEALTH CARE PROVIDER.] (a) If a managed care product requires an enrollee to access services through selected primary care providers for coverage, a health plan company and a health care network cooperative, as defined under section 62R.04, subdivision 3, shall prepare a written plan that provides for continuity of care in the event of contract termination between the health plan company or health care network cooperative and any of the contracted primary care providers or general hospital providers. The written plan must explain:

(1) how the health plan company or health care network cooperative will inform affected enrollees, insureds, or beneficiaries about termination at least 30 days before the termination is effective, if the health plan company or health care network cooperative has received at least 120 days' prior notice;

(2) how the health plan company or health care network cooperative will inform the affected enrollees about what other participating providers are available to assume care and how it will facilitate an orderly transfer of its enrollees, insureds, or beneficiaries from the terminating provider to the new provider to maintain continuity of care;

(3) the procedures by which enrollees, insureds, or beneficiaries will be transferred to other participating providers, when special medical needs, special risks, or other special circumstances, such as cultural or language barriers, require them to have a longer transition period or be transferred to nonparticipating providers;

(4) who will identify enrollees, insureds, or beneficiaries with special medical needs or at special risk and what criteria will be used for this determination; and

(5) how continuity of care will be provided for enrollees, insureds, or beneficiaries identified as having special needs or at special risk, and whether the health plan company or health care network cooperative has assigned this responsibility to its contracted primary care providers.

(b) If the contract termination was not for cause, enrollees can request a referral to the terminating provider for up to 120 days if they have special medical needs or have other special circumstances, such as cultural or language barriers. The health plan company or health care network cooperative can require medical records and other supporting documentation in support of the requested referral. Each request for referral to a terminating provider shall be considered by the health plan company or health care network cooperative on a case-by-case basis.

(c) If the contract termination was for cause, enrollees must be notified of the change and transferred to participating providers in a timely manner so that health care services remain available and accessible to the affected enrollees. The health plan company or health care network cooperative is not required to refer an enrollee, insured, or beneficiary back to the terminating provider if the termination was for cause.

Subd. 2. [CHANGE IN HEALTH PLANS.] (a) The health plan company or health care network cooperative shall prepare a written plan that provides a process for coverage determinations for continuity of care for new enrollees with special needs, special risks, or other special circumstances, such as cultural or language barriers, who request continuity of care with their former provider for up to 120 days. The written plan must explain the criteria that will be used for determining special needs cases, and how continuity of care will be provided.

(b) This subdivision applies only to group coverage and continuation and conversion coverage, and applies only to changes in health plans made by the employer.

Subd. 3. [DISCLOSURES.] The written plans required under this section must be made available upon request to enrollees or prospective enrollees.

Sec. 13. [62Q.58] [ACCESS TO SPECIALTY CARE.]

Subdivision 1. [STANDING REFERRAL.] A health plan company shall establish a procedure by which an enrollee may apply for a standing referral to a health care provider who is a specialist if a referral to a specialist is required for coverage. This procedure for a standing referral must specify the necessary criteria and conditions, which must be met in order for an enrollee to obtain a standing referral.

Subd. 2. [COORDINATION OF SERVICES.] A primary care provider or primary care group shall remain responsible for coordinating the care of an enrollee who has received a standing referral to a specialist. The specialist shall not make any secondary referrals related to primary care services without prior approval by the primary care provider or primary care group. However, an enrollee with a standing referral to a specialist may request primary care services from that specialist. The specialist, in agreement with the enrollee and primary care provider or primary care group, may elect to provide primary care services to that enrollee according to procedures established by the health plan company.

Subd. 3. [DISCLOSURE.] Information regarding standing referral procedures for requesting primary care services from a specialist must be included in member contracts or certificates of coverage and must be provided to an enrollee or prospective enrollee by a health plan company upon request.

Sec. 14. [144.6585] [IDENTIFICATION OF HEALTH CARE PROVIDERS.]

Any health care provider who is licensed, credentialed, or registered by a health-related licensing board as defined under section 214.01, subdivision 2, must wear a name tag that indicates by words, letters, abbreviations, or insignia the profession or occupation of the individual. The name tag must be worn whenever the health care provider is rendering health services to a patient, unless wearing the name tag would create a safety or health risk to the patient.

Sec. 15. Minnesota Statutes 1996, section 181.932, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTION.] An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(a) the employee, or a person acting on behalf of an employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(b) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry; or

(c) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason; or

(d) the employee, in good faith, reports to an employer or to any governmental body or law enforcement official a situation in which the quality of the health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or rule or nationally recognized clinical standards and places the public at risk of harm.

Sec. 16. Minnesota Statutes 1996, section 214.16, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them.

(a) "Board" means the boards of medical practice, chiropractic examiners, nursing, optometry, dentistry, pharmacy, psychology, social work, marriage and family therapy, and podiatry.

(b) "Regulated person" means a licensed physician, chiropractor, nurse, optometrist, dentist, pharmacist, or podiatrist.

Sec. 17. Minnesota Statutes 1996, section 214.16, subdivision 3, is amended to read:

Subd. 3. [GROUNDS FOR DISCIPLINARY ACTION.] The board shall take disciplinary action, which may include license revocation, against a regulated person for:

(1) intentional failure to provide the commissioner of health with the data required under chapter 62J;

(2) intentional failure to provide the commissioner of revenue with data on gross revenue and other information required for the commissioner to implement sections 295.50 to 295.58; and

(3) intentional failure to pay the health care provider tax required under section 295.52; and

(4) entering into a contract or arrangement that is prohibited under sections 62J.70 to 62J.73.

Sec. 18. [CONSOLIDATION AND COORDINATION OF CONSUMER ASSISTANCE AND ADVOCACY OFFICES.]

The commissioners of health and commerce, in consultation with the commissioners of human services and employee relations, shall study the feasibility and desirability of consolidating and improving coordination of some or all existing state consumer assistance, ombudsperson, and advocacy activities. The commissioners shall submit a report with recommendations, and draft legislation to the legislature by January 15, 1998.

Sec. 19. [COMPLAINT PROCESS STUDY.]

The commissioners of health and commerce, in consultation with the consumer advisory board, shall make recommendations to the legislature by January 15, 1998, on developing a complaint resolution process for health plan companies to make available for enrollees.

Sec. 20. [EFFECTIVE DATE.]

Section 9 is effective the day following final enactment and applies to contracts and arrangements entered into on or after the effective date."

Delete the title and insert:

"A bill for an act relating to health care; prohibiting contracts that restrict communication between providers and their patients; requiring disclosure of health care provider financial incentives; requiring health plan companies to provide continuity of care and access to specialty



care for certain enrollees; prohibiting certain exclusive arrangements; establishing a consumer advisory board; amending Minnesota Statutes 1996, sections 62Q.105, subdivision 1; 62Q.30; 181.932, subdivision 1; and 214.16, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; and 144."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1312:** A bill for an act relating to public safety; directing commissioner of administration to temporarily transfer proceeds of enhanced 911 service fee to pay for enhanced 911 services for cellular and other wireless communications access costs accruing to state patrol; amending Minnesota Statutes 1996, sections 403.113, subdivision 1; and 403.13.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 403.08, is amended by adding a subdivision to read:

Subd. 7. [CELLULAR AND OTHER NONWIRE PROVIDERS.] (a) Each cellular and other wireless access service provider shall cooperate in planning and implementing integration with enhanced 911 systems operating in their service territories to meet federal communications commission enhanced 911 standards. By August 1, 1997, each 911 emergency telephone service provider operating enhanced 911 systems, in cooperation with each involved cellular or other wireless access service provider, shall develop and provide to the department of administration good faith estimates of installation and recurring expenses to integrate cellular 911 service into the enhanced 911 networks to meet federal communications commission phase one wireless enhanced 911 standards. The department of administration shall coordinate with counties and affected public safety agency representatives in developing a statewide design and plan for implementation.

(b) Planning must be completed by October 1, 1997, for the metropolitan area as defined in section 473.121, subdivision 2, and must be completed by December 1, 1997, for the areas outside the metropolitan area.

(c) Planning considerations must include cost, degree of integration into existing 911 systems, the retention of existing 911 infrastructure, and the implementation of phase two of the federal communications commission wireless enhanced 911 standards.

(d) Counties shall incorporate the statewide design when modifying county 911 plans to provide for integrating wireless 911 service into existing county 911 systems. The department of administration shall contract with the involved wireless service providers and 911 service providers to integrate cellular and other wireless services into existing 911 systems where feasible.

Sec. 2. Minnesota Statutes 1996, section 403.11, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION COSTS.] (a) The costs of a public utility incurred in the modification of central office switching equipment for minimum 911 service shall must be paid from the general fund of the state treasury by appropriations for that purpose.

(b) The installation and recurring charges for integrating cellular and other wireless access services 911 calls into enhanced 911 systems must be paid by the commissioner of administration if the 911 service provider is included in the statewide design plan and the charges have been certified and approved under subdivision 3, or the wireless access service provider has completed a contract for service with the department of administration, and charges are considered reasonable and accurate by the department. Charges payable to wireless access service providers are not subject to subdivision 3.

Sec. 3. Minnesota Statutes 1996, section 403.113, subdivision 1, is amended to read:

Subdivision 1. [FEE.] (a) In addition to the actual fee assessed under section 403.11, each customer receiving local telephone service, ~~excluding~~ including cellular or other nonwire service, is assessed a fee to fund implementation and maintenance of enhanced 911 service, including acquisition of necessary equipment and the costs of the department of administration to administer the program. The enhanced fee collected from cellular or other nonwire service customers must be collected effective in July 1997 billings. The actual fee assessed under section 403.11 and the enhanced 911 service fee must be collected as one amount and may not exceed the amount specified in section 403.11, subdivision 1, paragraph (b).

(b) The enhanced 911 service fee must be collected and deposited in the same manner as the fee in section 403.11 and used solely for the purposes of paragraph (a) and subdivision 3.

(c) The commissioner of the department of administration, in consultation with counties and 911 system users, shall determine the amount of the enhanced 911 service fee and inform telephone companies or communications carriers that provide service capable of originating a 911 emergency telephone call of the total amount of the 911 service fees in the same manner as provided in section 403.11.

Sec. 4. Minnesota Statutes 1996, section 403.113, subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTION OF MONEY.] (a) After payment of the costs of the department of administration to administer the program, the commissioner shall distribute the money collected under this section as follows:

(1) one-half of the amount equally to all qualified counties, and after October 1, 1997, to all qualified counties, existing ten public safety answering points operated by the Minnesota state patrol, and each governmental entity operating the individual public safety answering points serving the metropolitan airports commission, Red Lake Indian Reservation, and the University of Minnesota police department; and

(2) the remaining one-half to qualified counties and cities with existing 911 systems based on each county's or city's percentage of the total population of qualified counties and cities. The population of a qualified city with an existing system must be deducted from its county's population when calculating the county's share under this clause if the city seeks direct distribution of its share.

(b) A county's share under subdivision 1 must be shared pro rata between the county and existing city systems in the county. A county or city or other governmental entity as described in paragraph (a), clause (1), shall deposit money received under this subdivision in an interest-bearing fund or account separate from the county's or city's governmental entity's general fund and may use money in the fund or account only for the purposes specified in subdivision 3.

(c) ~~For the purposes of this subdivision, a county or city is qualified to share in the distribution of money for enhanced 911 service if the county auditor certifies to the commissioner of administration the amount of the county's or city's levy for the cost of providing enhanced 911 service for taxes payable in the year in which money for enhanced 911 service will be distributed. The commissioner may not distribute money to a county or city in an amount greater than twice the amount of the county's or city's certified levy. A county or city or other governmental entity as described in paragraph (a), clause (1), is not qualified to share in the distribution of money for enhanced 911 service if, in addition to the levy required under this paragraph, it has not implemented enhanced 911 service before December 31, 1998.~~

(d) For the purposes of this subdivision, "existing city system" means a city 911 system that provides at least basic 911 service and that was implemented on or before April 1, 1993.

Sec. 5. Minnesota Statutes 1996, section 403.113, subdivision 3, is amended to read:

Subd. 3. [LOCAL EXPENDITURES.] (a) ~~Money distributed to counties or an existing city system~~ under subdivision 2 for enhanced 911 service may be spent on enhanced 911 system costs

for the purposes stated in subdivision 1, paragraph (a). In addition, money may be spent to lease, purchase, lease-purchase, or maintain enhanced 911 equipment, including telephone equipment; recording equipment; computer hardware; computer software for database provisioning, addressing, mapping, and any other software necessary for automatic location identification or local location identification; trunk lines; selective routing equipment; the master street address guide; dispatcher public safety answering point equipment proficiency and operational skills; pay for long distance charges incurred due to transferring 911 calls to other jurisdictions; and the equipment necessary within the public safety answering point for community alert systems and to notify and communicate with the emergency services requested by the 911 caller.

(b) Money distributed for enhanced 911 service may not be spent on:

(1) purchasing or leasing of real estate or cosmetic additions to or remodeling of communications centers;

(2) mobile communications vehicles, fire engines, ambulances, law enforcement vehicles, or other emergency vehicles;

(3) signs, posts, or other markers related to addressing or any costs associated with the installation or maintenance of signs, posts, or markers.

Sec. 6. Minnesota Statutes 1996, section 403.113, subdivision 4, is amended to read:

Subd. 4. [AUDITS.] Each county and city or other governmental entity as described in subdivision 2, paragraph (a), clause (1), shall conduct an annual audit on the use of funds distributed to it for enhanced 911 service. A copy of each audit report must be submitted to the commissioner of administration.

Sec. 7. Minnesota Statutes 1996, section 403.13, is amended to read:

403.13 [CELLULAR TELEPHONE USE.]

Subdivision 1. [CELLULAR 911 CALLS.] (a) Those governmental entities that are responsible for the design, planning, and coordination of the 911 emergency telephone system under the requirements of this chapter shall ensure that a 911 emergency call made with a cellular or other wireless access device is automatically connected to and answered by the appropriate public safety answering point.

(b) In order to comply with paragraph (a), representatives of each county's 911 planning committee shall consult with representatives of the relevant district office of the state patrol to allocate responsibility for answering emergency 911 calls in each county, and shall notify the department of administration of the agreed upon allocation. By April 1, 1998, for the metropolitan area as defined in section 473.121, subdivision 2, and June 1, 1998, for the area outside the metropolitan area, the county 911 planning committees and the district offices of the state patrol shall notify the department of administration of any unresolved issues regarding the allocation of responsibility for answering cellular 911 emergency calls.

Unresolved issues in the metropolitan area must be resolved by:

(1) the executive director of the metropolitan 911 board;

(2) the 911 product manager of the department of administration;

(3) a representative appointed by the Minnesota state sheriffs association from the metropolitan area;

(4) the commissioner of public safety or the commissioner's designee; and

(5) a representative appointed by the Minnesota chiefs of police association from the metropolitan area.

Unresolved issues in the area outside the metropolitan area must be resolved by:

(1) a representative appointed by the association of Minnesota counties from the area outside the metropolitan area;

(2) the 911 product manager of the department of administration;

(3) a representative appointed by the Minnesota state sheriffs association from the area outside the metropolitan area;

(4) the commissioner of public safety or the commissioner's designee; and

(5) a representative appointed by the Minnesota league of cities from the area outside the metropolitan area.

These committees shall resolve outstanding issues by December 31, 1998. The decision of the committee is final.

Subd. 2. [NOTIFICATION OF SUBSCRIBERS.] A provider of cellular or other wireless telephone services in Minnesota shall notify its subscribers at the time of initial subscription and four times per year thereafter that a 911 emergency call made with a cellular wireless telephone is not always answered by a local public safety answering point but rather is may be routed to a state patrol dispatcher and that, accordingly, the caller must provide specific information regarding the caller's location.

Sec. 8. Minnesota Statutes 1996, section 473.894, subdivision 3, is amended to read:

Subd. 3. [APPLICATION TO FCC.] Within 180 days from adoption of the regionwide public safety radio system communication plan the commissioner of transportation, on behalf of the state of Minnesota, shall use the plan adopted by the board under subdivision 2 to submit an extended implementation application to the Federal Communications Commission (FCC) for the NPSPAC channels and other public safety frequencies available for use in the metropolitan area and necessary to implement the plan. Local governments and all other public or private entities eligible under part 90 of the FCC rules shall not apply for public safety channels in the 821 to 824 and 866 to 869 megahertz bands for use within the metropolitan counties until the FCC takes final action on the regional application submitted under this section. Exceptions to the restrictions on the application for the NPSPAC channels may be granted by the radio board. The Minnesota department of transportation shall hold the master system licenses for all public safety frequencies assigned to the metropolitan area issued by the FCC first phase under the board's plan and these channels shall be used for the implementation of the plan. ~~Local governments and other public and private entities eligible under part 90 of the FCC rules may apply to the FCC as colicensees for subscriber equipment and those portions of the network infrastructure owned by them. Application for colicensing under this section shall require the concurrence of the radio board.~~ The radio board shall hold the master system licenses for the public safety frequencies assigned to local government subsystems under the board's plan, and these channels must be used for implementation of the plan. Upon approval by the board of a local government's subsystem plan and evidence of a signed contract with a vendor for construction of a subsystem consistent with the board's system plan, the board shall apply to the FCC to transfer to the local government the licenses for the public safety frequencies assigned by the plan for use in the network infrastructure owned by the local government. The radio board, the Minnesota department of transportation and local subsystem owners shall jointly colicense all subscriber equipment for the backbone system.

Sec. 9. [APPLICATION.]

Section 8 applies in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

Sec. 10. [INTERIM FEE; APPROPRIATION AND DISTRIBUTION.]

(a) Until June 30, 1998, the fee for enhanced wireless 911 service is ten cents per month in addition to the fee actually collected under Minnesota Statutes, section 403.11, subdivision 1. The additional fee is imposed effective July 1, 1997, and is appropriated to the commissioner of administration for distribution as established in section 3.

(b) Distribution of the revenue from the fee under section 3 for enhanced wireless 911 service must begin October 1, 1997. The commissioner of administration shall determine the amount of the additional enhanced wireless 911 service fee to be in effect beginning July 1, 1998, under Minnesota Statutes, section 403.113.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public safety; implementing the federal communications commission requirement for wireless enhanced 911 service; establishing a cost recovery mechanism; authorizing the payment of wireless enhanced 911 installation charges from the 911 fund; establishing a method of determining the primary answering point for wireless 911 calls; amending Minnesota Statutes 1996, sections 403.08, by adding a subdivision; 403.11, subdivision 2; 403.113, subdivisions 1, 2, 3, and 4; 403.13; and 473.894, subdivision 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 995:** A bill for an act relating to retirement; providing for full employer and employee contributions to the teachers retirement association for teachers on sabbatical leave; amending Minnesota Statutes 1996, section 354.092, subdivisions 1, 3, and 4; repealing Minnesota Statutes 1996, section 354.092, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

### POLICE STATE AID AND PAID FIREFIGHTER RETIREMENT COVERAGE COSTS

Section 1. Minnesota Statutes 1996, section 69.021, subdivision 4, is amended to read:

Subd. 4. [DETERMINATION OF QUALIFIED STATE AID RECIPIENTS; CERTIFICATION TO COMMISSIONER OF REVENUE FINANCE.] (a) The commissioner shall determine which municipalities and independent nonprofit firefighting corporations are qualified to receive fire state aid and which municipalities and counties are qualified to receive police state peace-officer aid.

(b) The commissioner shall determine qualification for state aid upon receipt of:

(1) the fire department personnel and equipment certification or the police department and qualified peace officers certificate, whichever is ~~applicable~~ applies, required under section 69.011;

(2) the financial compliance report required under section 6.495, subdivision 3, if applicable;  
and

(3) any other relevant information which comes to the attention of the commissioner.

(c) Upon completion of the determination, on or before October 1, the commissioner shall calculate under subdivision 6 the amount of (a) state peace-officer:

(1) the police state aid which each county or municipality is to receive under subdivisions 5, 6, 7a, and 10; and

~~(b) (2) the fire state aid which each municipality or nonprofit firefighting corporation is to receive under subdivisions 5 and 7.~~

~~(d) The commissioner shall certify to the commissioner of finance the name of each county or municipality, and the amount of state aid which each county or municipality is to receive, in the case of police state peace officer aid; and. The commissioner shall certify to the commissioner of finance the name of each municipality or independent nonprofit firefighting corporation and the amount of state aid which each municipality or independent nonprofit firefighting corporation is to receive, in the case of fire state aid.~~

Sec. 2. Minnesota Statutes 1996, section 69.021, subdivision 5, is amended to read:

Subd. 5. [CALCULATION OF STATE AID.] (a) ~~The amount of fire state aid available for apportionment shall be, before the addition of the minimum fire state aid allocation amount under subdivision 7, is equal to 107 percent of the amount of premium taxes paid to the state upon the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report. This amount shall be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations.~~

~~(b) The total amount for apportionment in respect to peace officer state aid is equal to 104 percent of the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report, plus the payment amounts received under section 60A.152 since the last aid apportionment, and reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the police relief associations. The total amount for apportionment in respect to firefighters fire state aid shall must not be less than two percent of the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report after subtracting the following amounts:~~

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

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

~~(b) The total amount for apportionment as police state aid is equal to 104 percent of the amount of premium taxes paid to the state on the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report, plus the payment amounts received under section 60A.152 since the last aid apportionment, and reduced by the amount required to pay the costs and expenses of the state auditor for audits or exams of police relief associations. The total amount for apportionment in respect to the police state aid program shall must not be less than two percent of the amount of premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report after subtracting the amount required to pay the state auditor's cost and expenses of the audits or exams of the police relief associations.~~

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

Sec. 3. Minnesota Statutes 1996, section 69.021, subdivision 6, is amended to read:

Subd. 6. [CALCULATION OF APPORTIONMENT OF POLICE STATE PEACE OFFICERS AID TO COUNTIES.] ~~The peace officers police state aid available shall must be distributed to the counties in proportion to the relationship that the total number of active peace officers, as defined in section 69.011, subdivision 1, clause (g), in each county who are employed either by municipalities maintaining police departments or by the county, bears to the total number of peace officers employed by all municipalities and counties, subject to any reduction under subdivision 10. Any necessary additional adjustments shall be made to subsequent apportionments.~~

Sec. 4. Minnesota Statutes 1996, section 69.021, subdivision 7a, is amended to read:

Subd. 7a. [APPORTIONMENT OF POLICE STATE AID.] ~~(a)~~ Subject to the reduction provided for under subdivision 10, the commissioner shall apportion the police state peace officer aid to each municipality and to the county in the following manner:

(1) for all municipalities maintaining police departments and the county, the state aid must be distributed in proportion to the relationship that the total number of peace officers, as determined under section 69.011, subdivision 1, clause (g), and subdivision 2, clause (b), employed by each that municipality and by the or county for 12 calendar months and the proportional or fractional number who were employed less than 12 months bears to the total number of peace officers employed by all municipalities and counties subject to any reduction under subdivision 10;

(2) for each municipality which contracts with the county for police service, a proportionate amount of the state aid distributed to the county based on the full-time equivalent number of peace officers providing contract service to that municipality must be credited against the municipality's contract obligation; and

(3) for each municipality which contracts with another municipality for police service, a proportionate amount of the state aid distributed to the municipality providing contract service based on the full-time equivalent number of peace officers providing contract service to that municipality on a full-time equivalent basis must be credited against the contract obligation of the municipality receiving contract service.

~~(b) No municipality entitled to receive state peace officer aid may be apportioned less state peace officer aid for any year under Laws 1976, chapter 315, than the amount which was apportioned to it for calendar year 1975 based on premiums reported to the commissioner for calendar year 1974; provided, the amount of state peace officer aid to other municipalities within the county and to the county must be adjusted in proportion to the total number of peace officers in the municipalities and the county, so that the amount of state peace officer aid apportioned does not exceed the amount of state peace officer aid available for apportionment.~~

Sec. 5. Minnesota Statutes 1996, section 69.021, subdivision 8, is amended to read:

Subd. 8. [POPULATION AND MARKET VALUE.] In computations relating to fire state aid requiring the use of population figures, only official statewide federal census figures are to be used. Increases or decreases in population disclosed by reason of any special census shall must not be taken into consideration.

In calculations relating to fire state aid requiring the use of market value property figures, only the latest available market value property figures are to may be used.

Sec. 6. Minnesota Statutes 1996, section 69.021, subdivision 9, is amended to read:

Subd. 9. [APPEAL.] In the event that any municipality, county, fire relief association or police department relief association feels itself to be aggrieved, it may request the commissioner to review and adjust the apportionment of funds within the county in the case of police state peace officer aid, and or within the state in the case of fire state aid, and. The decision of the commissioner shall ~~be~~ is subject to appeal, review, and adjustment by the district court in the county in which the applicable fire or police department is located.

Sec. 7. Minnesota Statutes 1996, section 69.021, subdivision 10, is amended to read:

Subd. 10. [REDUCTION IN POLICE STATE AID APPORTIONMENT.] (a) The commissioner of revenue shall reduce the apportionment of police state aid under subdivisions 5, paragraph (b), 6, and ~~7~~ 7a, for eligible employer units by any excess police state aid.

(b) "Excess police state aid" is:

(1) for counties and for municipalities in which police retirement coverage is provided wholly by the public employees police and fire fund and all police officers are members of the plan governed by sections 353.63 to 353.657, the amount in excess of the employer's total prior calendar year obligation under section 353.65, as defined in paragraph (c), as certified by the executive director of the public employees retirement association;

(2) for municipalities in which police retirement coverage is provided in part by the public employees police and fire fund governed by sections 353.63 to 353.657 and in part by a local police consolidation account governed by chapter 353A, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association;

(3) for municipalities in which police retirement coverage is provided in part by the public employees police and fire fund governed by sections 353.63 to 353.657 and in part by a local police relief association governed by sections 69.77 and 423A.01, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association, plus the amount of the financial requirements of the relief association certified to the applicable municipality during the prior calendar year under section 69.77, subdivisions 2b and 2c, reduced by the amount of member contributions deducted from the covered salary of the relief association during the prior calendar year under section 69.77, subdivision 2a, as certified by the chief administrative officer of the applicable municipality; and

(4) for the metropolitan airports commission, if there are police officers hired before July 1, 1978, with retirement coverage by the Minneapolis employees retirement fund remaining, the amount in excess of the commission's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association, plus the amount determined by expressing the commission's total prior calendar year contribution to the Minneapolis employees retirement fund under section 422A.101, subdivisions 2 and 2a, as a percentage of the commission's total prior calendar year covered payroll for commission employees covered by the Minneapolis employees retirement fund and applying that percentage to the commission's total prior calendar year covered payroll for commission police officers covered by the Minneapolis employees retirement fund, as certified by the chief administrative officer of the metropolitan airports commission.

(c) The employer's total prior calendar year obligation with respect to the public employees police and fire plan is the total prior calendar year obligation under section 353.65, subdivision 3, for police officers as defined in section 353.64, subdivision 2, and the actual total prior calendar year obligation under section 353.65, subdivision 3, for firefighters, as defined in section 353.64, subdivision 3, but not to exceed for those firefighters the applicable following amount:

<u>municipality</u>	<u>maximum amount</u>
<u>Albert Lea</u>	<u>\$54,157.01</u>
<u>Anoka</u>	<u>10,399.31</u>
<u>Apple Valley</u>	<u>5,442.44</u>
<u>Austin</u>	<u>49,864.73</u>
<u>Bemidji</u>	<u>27,671.38</u>
<u>Brooklyn Center</u>	<u>6,605.92</u>
<u>Brooklyn Park</u>	<u>24,002.26</u>
<u>Burnsville</u>	<u>15,956.00</u>
<u>Cloquet</u>	<u>4,260.49</u>
<u>Coon Rapids</u>	<u>39,920.00</u>
<u>Cottage Grove</u>	<u>8,588.48</u>
<u>Crystal</u>	<u>5,855.00</u>
<u>East Grand Forks</u>	<u>51,009.88</u>
<u>Edina</u>	<u>32,251.00</u>
<u>Elk River</u>	<u>5,216.55</u>



<u>Ely</u>	<u>13,584.16</u>
<u>Eveleth</u>	<u>16,288.27</u>
<u>Fergus Falls</u>	<u>6,742.00</u>
<u>Fridley</u>	<u>33,420.64</u>
<u>Golden Valley</u>	<u>11,744.61</u>
<u>Hastings</u>	<u>16,561.00</u>
<u>Hopkins</u>	<u>4,324.23</u>
<u>International Falls</u>	<u>14,400.69</u>
<u>Lakeville</u>	<u>782.35</u>
<u>Lino Lakes</u>	<u>5,324.00</u>
<u>Little Falls</u>	<u>7,889.41</u>
<u>Maple Grove</u>	<u>6,707.54</u>
<u>Maplewood</u>	<u>8,476.69</u>
<u>Minnetonka</u>	<u>10,403.00</u>
<u>Montevideo</u>	<u>1,307.66</u>
<u>Moorhead</u>	<u>68,069.26</u>
<u>New Hope</u>	<u>6,739.72</u>
<u>North St. Paul</u>	<u>4,241.14</u>
<u>Northfield</u>	<u>770.63</u>
<u>Owatonna</u>	<u>37,292.67</u>
<u>Plymouth</u>	<u>6,754.71</u>
<u>Red Wing</u>	<u>3,504.01</u>
<u>Richfield</u>	<u>53,757.96</u>
<u>Rosemount</u>	<u>1,712.55</u>
<u>Roseville</u>	<u>9,854.51</u>
<u>St. Anthony</u>	<u>33,055.00</u>
<u>St. Louis Park</u>	<u>53,643.11</u>
<u>Thief River Falls</u>	<u>28,365.04</u>
<u>Virginia</u>	<u>31,164.46</u>
<u>Waseca</u>	<u>11,135.17</u>
<u>West St. Paul</u>	<u>15,707.20</u>
<u>White Bear Lake</u>	<u>6,521.04</u>
<u>Woodbury</u>	<u>3,613.00</u>

(d) ~~The total shall amount of excess police state aid must be deposited in a separate the excess police state-aid account in the general fund, administered and distributed as provided in subdivision 11.~~

Sec. 8. Minnesota Statutes 1996, section 69.021, subdivision 11, is amended to read:

Subd. 11. [EXCESS POLICE STATE-AID HOLDING ACCOUNT.] (a) ~~An~~ The excess police state-aid holding account is established in the general fund. The excess police state-aid holding account must be administered by the commissioner.

(b) Excess police state aid determined according to ~~section 69.021~~, subdivision 10, must be deposited in the excess police state-aid holding account.

(c) From the balance in the excess police state-aid holding account, \$1,000,000 is appropriated to and must be transferred annually to the ambulance service personnel longevity award and incentive suspense account established by section 144C.03, subdivision 2.

(d) If a police officer stress reduction program is created by law and money is appropriated for that program, an amount equal to that appropriation must be transferred from the balance in the excess police state-aid holding account.

(e) On October 1, 1997, and annually on each subsequent October 1, one-half of the balance of the excess police state-aid holding account remaining after the deductions under paragraphs (c) and (d) is appropriated for additional amortization aid under section 423A.02, subdivision 1b.

(f) Annually, the remaining balance in the excess police state-aid holding account, after the deductions under paragraphs (c), (d), and (e), cancels to the general fund.

Sec. 9. Minnesota Statutes 1996, section 69.031, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF FINANCE'S WARRANT.] The commissioner of finance shall issue to the county, municipality, or independent nonprofit firefighting corporation certified to the commissioner of finance by the commissioner a warrant for an amount equal to the amount of fire state aid or police state aid, whichever applies, certified to for the applicable state aid recipient by the commissioner pursuant to under section 69.021. The amount of state aid due and not paid by October 1 accrues interest at the rate of one percent for each month or part of a month the amount remains unpaid, beginning the preceding July 1.

Sec. 10. Minnesota Statutes 1996, section 69.031, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATIONS.] There is hereby appropriated annually from the state general fund to the commissioner of revenue finance an amount sufficient to make the police and fire state aid payments specified in this section and section 69.021.

Sec. 11. Minnesota Statutes 1996, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] ~~(4)~~ (a) The municipal treasurer, ~~on receiving the fire state aid,~~ shall, within 30 days after receipt, transmit it the fire state aid to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; but. If the relief association has not filed a financial report with the municipality, the municipal treasurer shall delay transmission of the fire state aid to the relief association until the complete financial report is filed. If there is no relief association organized, or if any the association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep deposit the money in the municipal treasury as provided for in section 424A.08 and shall the money may be disbursed only for the purposes and in the manner set forth in that section.

~~(2)~~ (b) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

~~(a)~~ (1) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid ~~shall~~ must be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

~~(b)~~ (2) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid ~~shall~~ must be applied toward the municipality's employer contribution to the public employees police and fire fund ~~pursuant~~ under to section 353.65, subdivision 3; or

~~(e)~~ (3) For a municipality other than a city of the first class with a population of more than

300,000 in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (a) (1), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b) (2), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) (2) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association; or

(4) For a municipality in which police retirement coverage is provided in part by the public employees police and fire fund and in part by a local police consolidation account governed by chapter 353A, the total police state aid must be applied towards the municipality's total employer contribution to the public employees police and fire fund and to the local police consolidation account under sections 353.65, subdivision 3, and 353A.09, subdivision 5.

~~(3) (c) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to under section 353.65, subdivision 3.~~

(4) (d) The designated metropolitan airports commission official, upon receipt of the police state aid for the metropolitan airports commission, shall apply the total police state aid first toward the commission's employer contribution for police officers to the Minneapolis employees retirement fund under section 422A.101, subdivision 2a, and, if there is any amount of police state aid remaining, shall apply that remainder toward the commission's employer contribution for police officers to the public employees police and fire plan under section 353.65, subdivision 3.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective on the day following final enactment.

## ARTICLE 2

### VARIOUS LOCAL PENSION MODIFICATIONS

Section 1. Minnesota Statutes 1996, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following public employees shall not participate as members of the association with retirement coverage by the public employees retirement plan or the public employees police and fire retirement plan:

(1) elected public officers, or persons appointed to fill a vacancy in an elective office, who do not elect to participate in the association by filing an application for membership;

(2) election officers;

(3) patient and inmate personnel who perform services in charitable, penal, or correctional institutions of a governmental subdivision;

(4) employees who are hired for a temporary position under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days in the same governmental subdivision, but not those employees who are hired for an unlimited period but are serving a probationary period. If the period of employment extends beyond six consecutive months and the employee earns more than \$425 from one governmental subdivision in any one calendar month, the department head shall report the employee for membership and require employee deductions be made on behalf of the employee under section 353.27, subdivision 4.

Membership eligibility of an employee who resigns or is dismissed from a temporary position and within 30 days accepts another temporary position in the same governmental subdivision is determined on the total length of employment rather than on each separate position. Membership eligibility of an employee who holds concurrent temporary and nontemporary positions in one governmental subdivision is determined by the length of employment and salary of each separate position;

(5) employees whose actual salary from one governmental subdivision does not exceed \$425 per month, or whose annual salary from one governmental subdivision does not exceed a stipulation prepared in advance, in writing, that the salary must not exceed \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period for employment expected to be of less than a full year's duration;

(6) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster;

(7) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota state retirement system, the teachers retirement association, the Duluth teachers retirement fund association, the Minneapolis teachers retirement association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees retirement association, or any police or firefighters relief association that has consolidated with the public employees retirement association but whose members have not elected the type of benefit coverage provided by the public employees police and fire fund under sections 353A.01 to 353A.10. This clause must not be construed to prevent a person from being a member of and contributing to the public employees retirement association and also belonging to and contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the teachers retirement association by a teacher as defined in section 354.05, subdivision 2;

(8) persons who are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended through January 1, 1987, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(9) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are part-time employees as defined by a governmental subdivision;

(10) resident physicians, medical interns, and pharmacist residents and pharmacist interns who are serving in a degree or residency program in public hospitals;

(11) students who are serving in an internship or residency program sponsored by an accredited educational institution;

(12) persons who hold a part-time adult supplementary technical college license who render part-time teaching service in a technical college;

(13) foreign citizens working for a governmental subdivision with a work permit of less than three years, or an H-1b visa valid for less than three years of employment. Upon notice to the association that the work permit or visa extends beyond the three-year period, the foreign citizens are eligible for membership from the date of the extension;

(14) public hospital employees who elected not to participate as members of the association before 1972 and who did not elect to participate from July 1, 1988 to October 1, 1988;

(15) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the public employees retirement association and participants in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel; and

(16) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties; provided that a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the public employees retirement association and a participant in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment activities other than those as a volunteer firefighter; and

(17) pipefitters and associated trades personnel employed by independent school district No. 625 (St. Paul) with coverage by the pipefitters local 455 pension plan under a collective bargaining agreement who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under section 12.

Sec. 2. Minnesota Statutes 1996, section 353B.07, subdivision 3, is amended to read:

Subd. 3. [FORMULA PERCENTAGE RATE.] (a) The formula percentage rate shall be 2.333 percent per year of allowable service for each of the first 20 years of allowable service, 1.333 percent per year of allowable service for each year of allowable service in excess of 20 years but not in excess of 27 years, and .5 percent for each year of allowable service in excess of 25 years for the former members of the following consolidating relief associations:

- (1) Rochester fire department relief association;
- (2) Rochester police relief association;
- (3) St. Cloud fire department relief association;
- (4) St. Cloud police relief association;
- (5) St. Louis Park police relief association; and
- (6) Winona police relief association.

(b) The formula percentage rate shall be 2.5 percent per year of allowable service for each of the first 20 years of allowable service for the former members of the following consolidating relief associations:

- (1) Albert Lea police relief association;
- (2) Anoka police relief association;
- (3) Faribault fire department relief association;
- (4) Faribault police benefit association;
- (5) Mankato police benefit association;
- (6) Red Wing police relief association; and
- (7) West St. Paul police relief association.

(c) The formula percentage rate shall be 2.5 percent per year of allowable service for each of the first 20 years of allowable service and .5 percent per year of allowable service for each year of service in excess of 25 years of allowable service for the former members of the following consolidating relief associations:

- (1) Austin firefighters relief association;

- (2) Austin police relief association;
- (3) South St. Paul firefighters relief association;
- (4) South St. Paul police relief association; and
- (5) Virginia police relief association.

(d) The formula percentage rate shall be 2.1875 percent per year of allowable service for each of the first 20 years of allowable service and 1.25 percent per year of allowable service for each year of allowable service in excess of 20 years of allowable service but not in excess of 27 years of allowable service for the former members of the Columbia Heights police relief association.

(e) The formula percentage rate shall be 2.65 percent per year of allowable service for each of the first 20 years of allowable service and an additional annual benefit of \$120 per year of allowable service in excess of 20 years of allowable service but not in excess of 25 years of allowable service for the former members of the following consolidating relief associations:

- (1) Hibbing firefighters relief association; and
- (2) Hibbing police relief association.

(f) The formula percentage rate or rates shall be the following for the former members of the consolidating relief associations as indicated:

(1) 2.5 percent per year of allowable service for each of the first 20 years of allowable service, one percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, and 1.5 percent per year of allowable service in excess of 25 years of allowable service, Albert Lea firefighters relief association;

(2) 2.5333 percent per year of allowable service for each of the first 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of allowable service, but not in excess of 27 years of allowable service, if service as an active member terminated before January 31, 1994, and 2.3333 percent per year of allowable service for each of the first 20 years of allowable service and 1.3333 percent per year of allowable service for each year of allowable service in excess of 20 years of allowable service, but not in excess of 27 years of allowable service if service as an active member terminated on or after January 31, 1994, Bloomington police relief association;

(3) the greater of 2.5 percent per year of allowable service for each of the first 20 years of allowable service applied to the final salary base, or two percent per year of allowable service for each of the first 20 years of allowable service applied to top grade patrol officer's salary base, Brainerd police relief association;

(4) 4.25 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$10 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, Buhl police relief association;

(5) 2.5 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$5 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, Chisholm firefighters relief association;

(6) 2.5 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$5 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years of allowable service, Chisholm police relief association;

(7) 2.1875 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service and 1.75 percent per year of allowable service in

excess of 25 years of allowable service, Columbia Heights fire department relief association, paid division;

(8) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service and 1.5 percent per year of allowable service rendered after attaining the age of 60 years, Crookston fire department relief association;

(9) 2.5 percent per year of allowable service for each year of the first 30 years of allowable service, Crookston police relief association;

(10) 2.25 percent per year of allowable service for each year of the first 20 years of allowable service and 1.25 percent per year of allowable service in excess of 20 years of allowable service, but not more than 27 years of service, Crystal police relief association;

(11) 1.99063 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent for the 21st year of allowable service, and 2.5 percent per year of allowable service in excess of 21 years of allowable service but not more than 25 years of allowable service, Duluth firefighters relief association;

(12) 1.9875 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent for the 21st year of allowable service, and 2.5 percent per year of allowable service in excess of 21 years of allowable service but not more than 25 years of allowable service, Duluth police relief association;

(13) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service, and two percent per year of allowable service in excess of 20 years but not more than 25 years of allowable service and not to include any year of allowable service rendered after attaining the age of 55 years, Fairmont police benefit association;

(14) two percent per year of allowable service for each year of the first ten years of allowable service, 2.67 percent per year of allowable service in excess of ten years of allowable service but not more than 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of service but not more than 27 years of allowable service, Fridley police pension association;

(15) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service and an additional annual amount of \$30 per year of allowable service in excess of 20 years of allowable service but not more than 30 years of allowable service, Mankato fire department relief association;

(16) for members who terminated active service as a Minneapolis firefighter before June 1, 1993, 2.0625 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 24 years of allowable service and five percent for the 25th year of allowable service, and for members who terminated active service as a Minneapolis firefighter after May 31, 1993, two percent for each year of the first 19 years of allowable service, 3.25 percent for the 20th year of allowable service, and two percent per year of allowable service in excess of 20 years of service, but not more than 25 years of allowable service, Minneapolis fire department relief association;

(17) two percent per year of allowable service for each year of the first 25 years of allowable service, Minneapolis police relief association;

(18) the greater of 2.5 percent per year of allowable service for each of the first 20 years of allowable service applied to the final salary base, or two percent per year of allowable service for each of the first 20 years of allowable service applied to highest patrol officer's salary base plus .5 percent of the final salary base per year of allowable service for each of the first three years of allowable service in excess of 20 years of allowable service, New Ulm police relief association;

(19) two percent per year of allowable service for each of the first 25 years of allowable service and 1.5 percent per year of allowable service in excess of 25 years of allowable service, Red Wing fire department relief association;

(20) ~~2.55~~ 2.75 percent per year of allowable service for each of the first 20 years of allowable service, Richfield fire department relief association;

(21) 2.4 percent per year of allowable service for each of the first 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of allowable service but not more than 27 years of allowable service, Richfield police relief association;

(22) for a former member with less than 20 years of allowable service on June 16, 1985, 2.6 percent, and for a former member with 20 or more years of allowable service on June 16, 1985, 2.6175 percent for each of the first 20 years of allowable service and, for each former member, one percent for each year of allowable service in excess of 20 years, but no more than 30 years, St. Louis Park fire department relief association;

(23) 1.9375 percent per year of allowable service for each of the first 20 years of allowable service, 2.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, and .5 percent per year of allowable service in excess of 25 years of allowable service, St. Paul fire department relief association;

(24) two percent per year of allowable service for each of the first 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years of allowable service, St. Paul police relief association;

(25) 2.25 percent per year of allowable service for each of the first 20 years of allowable service and one percent per year of allowable service in excess of 20 years but not more than 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years, Virginia fire department relief association;

(26) two percent per year of allowable service for each of the first 20 years of allowable service, one percent per year of allowable service in excess of 20 years but not more than 24 years of allowable service, three percent for the 25th year of allowable service and one percent per year of allowable service in excess of 25 years of allowable service but not more than 30 years of allowable service, West St. Paul firefighters relief association; and

(27) 2.333 percent for each of the first 20 years of allowable service, 1.333 percent for each year of allowable service in excess of 20 years but no more than 28 years, and .5 percent for each year of allowable service in excess of 25 years, Winona fire department relief association.

Sec. 3. Minnesota Statutes 1996, section 353B.08, subdivision 6, is amended to read:

Subd. 6. [DUTY DISABILITY BENEFIT AMOUNT.] (a) The duty disability benefit shall be an amount equal to the service pension amount to which the person would have been entitled if the person had credit for the greater of actual years of allowable service or 20 years of allowable service, had attained the minimum age for the receipt of a service pension, and had applied for a service pension rather than a disability benefit for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association;
- (3) Anoka police relief association;
- (4) Austin police relief association;
- (5) Buhl police relief association;
- (6) Chisholm police relief association;
- (7) Duluth police relief association;
- (8) Faribault fire department relief association;



- (9) Mankato police benefit association;
- (10) Minneapolis police relief association;
- (11) New Ulm police relief association;
- (12) Red Wing police relief association;
- (13) St. Paul police relief association;
- (14) South St. Paul police relief association; and
- (15) Virginia police relief association.

(b) The duty disability benefit shall be an amount equal to 48 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;
- (2) Richfield police relief association;
- (3) Rochester fire department relief association;
- (4) Rochester police relief association;
- (5) St. Cloud fire department relief association;
- (6) St. Cloud police relief association;
- (7) St. Louis Park police relief association; and
- (8) Winona police relief association.

(c) The duty disability benefit shall be an amount equal to 50 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Austin firefighters relief association;
- (2) Crookston fire department relief association;
- (3) Fairmont police benefit association;
- (4) Mankato fire department relief association;
- (5) ~~Richfield fire department relief association;~~
- ~~(6)~~ South St. Paul firefighters relief association; and
- ~~(7)~~ (6) Virginia fire department relief association.

(d) The duty disability benefit shall be an amount equal to 45 percent of the salary base for the former members of the Crystal police relief association.

(e) The duty disability benefit shall be an amount equal to 40 percent of the salary base for the former members of the following consolidating relief associations:

- (1) West St. Paul firefighters relief association; and
- (2) West St. Paul police relief association.

(f) The duty disability benefit shall be the following for the former members of the consolidating relief associations as indicated:

- (1) 52 percent of the salary base for former members who were disabled before January 31, 1994, and 48 percent of the salary base for former members who become disabled after January 31, 1994, Bloomington police relief association;

- (2) 40 percent of the top salary for a patrol officer, Brainerd police relief association;
- (3) \$100 per month, Chisholm firefighters relief association;
- (4) 37.5 percent of the salary base if the person has credit for less than ten years of allowable service, 43.75 percent of the salary base if the person has credit for more than nine years but less than 15 years of allowable service and 50 percent of the salary base if the person has credit for more than 14 years of allowable service credit, Columbia Heights fire department relief association, paid division;
- (5) 43.75 percent of the salary base, Columbia Heights police relief association;
- (6) 25 percent of the salary base if the person has credit for less than 12 years of allowable service and an additional amount equal to 2.5 percent of the salary base per year if allowable service for each year of allowable service in excess of 11 years of allowable service, not more than 50 percent, Crookston police relief association;
- (7) 51.0625 percent of the salary base, Duluth firefighters relief association;
- (8) 12.5 percent of the salary base if the person has credit for less than six years of allowable service, 2.5 percent of the salary base per year of allowable service if the person has more than five years of allowable service, but not more than 50 percent of the salary base, Faribault police benefit association;
- (9) the dollar amount which equals the benefit which would be payable under chapter 176 for a comparable benefit which qualifies for a workers' compensation benefit for a first class disability, 75 percent of the amount payable in the event of a first class disability for a second class disability and 50 percent of the amount payable in the event of a first class disability for a third class disability, Hibbing firefighters relief association;
- (10) \$120 per month, Hibbing police relief association;
- (11) 51.25 percent of the salary base for a first class disability, 41.25 percent of the salary base for a second class disability, and 31.25 percent of the salary base for a third class disability, Minneapolis fire department relief association;
- (12) 40 percent of the salary base if the person has credit for less than 20 years of allowable service and two percent of the salary base per year of allowable service if the person has more than 19 years of allowable service, but not more than 50 percent, Red Wing fire department relief association;
- (13) 54 percent of the salary base, Richfield fire department relief association;
- (14) 50 percent of the salary base if the person has credit for less than 20 years of allowable service and an amount equal to the service pension amount to which the person would have been entitled based on the applicable amount of allowable service if the person had attained the minimum age for the receipt of a service pension and had applied for a service pension rather than a disability benefit and if the person has credit for at least 20 years of allowable service, St. Louis Park fire department relief association;
- (14) (15) 50 percent of the salary base if the person is not able to perform the duties of any other gainful employment, 39.375 percent of the salary base if the person is only able to perform the duties of light manual labor or office employment and 33.75 percent of the salary base if the person is able to perform the duties of other manual labor, St. Paul fire department relief association; and
- (15) (16) 42.667 percent of the salary base, Winona fire department relief association.

Sec. 4. Minnesota Statutes 1996, section 353B.11, subdivision 3, is amended to read:

Subd. 3. [AMOUNT; SURVIVING SPOUSE BENEFIT.] (a) The surviving spouse benefit shall be 30 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association;
- (3) Anoka police relief association;
- (4) Austin police relief association;
- (5) Brainerd police benefit association;
- (6) Crookston police relief association;
- (7) Faribault fire department relief association; and
- (8) West St. Paul firefighters relief association.

(b) The surviving spouse benefit shall be 25 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Chisholm police relief association;
- (2) Duluth firefighters relief association;
- (3) Duluth police pension association;
- (4) Fairmont police benefit association;
- (5) Red Wing fire department relief association;
- (6) South St. Paul police relief association; and
- (7) West St. Paul police relief association.

(c) The surviving spouse benefit shall be 24 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;
- (2) Richfield police relief association;
- (3) Rochester fire department relief association;
- (4) Rochester police relief association;
- (5) Winona fire department relief association; and
- (6) Winona police relief association.

(d) The surviving spouse benefit shall be 40 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Columbia Heights fire department relief association, paid division; and
- (2) New Ulm police relief association; ~~and~~
- ~~(3) Richfield fire department relief association.~~

(e) The surviving spouse benefit shall be \$250 per month for the former members of the following consolidating relief associations:

- (1) Hibbing firefighters relief association; and
- (2) Hibbing police relief association.

(f) The surviving spouse benefit shall be 23.75 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Crystal police relief associations; and
- (2) Minneapolis police relief association.

(g) The surviving spouse benefit shall be 32 percent of the salary base for the former members of the following consolidating relief associations:

- (1) St. Cloud fire department relief association; and
- (2) St. Cloud police relief association.

(h) The surviving spouse benefit shall be one-half of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, for the former members of the following consolidating relief associations:

- (1) Virginia fire department relief association; and
- (2) Virginia police relief association.

(i) The surviving spouse benefit shall be the following for the former members of the consolidating relief associations as indicated:

(1) 30 percent of the salary base, reduced by any amount awarded or payable from the service pension or disability benefit of the deceased former firefighter to a former spouse of the member by virtue of the legal dissolution of the member's marriage to the former spouse if the surviving spouse married the member after the time of separation from active service, Austin firefighters relief association;

(2) 27.333 percent of the salary base, or one-half of the service pension payable to or accrued by the deceased former member, whichever is greater, Bloomington police relief association;

(3) 72.25 percent of the salary base, Buhl police relief association;

(4) 50 percent of the service pension which the active member would have received based on allowable service credit to the date of death and prospective service from the date of death until the date on which the person would have attained the normal retirement age, 50 percent of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or \$175 per month if the deceased member was receiving a service pension or disability benefit as of the date of death, Chisholm firefighters relief association;

(5) two-thirds of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, Columbia Heights police relief association;

(6) the greater of \$300 per month or one-half of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Crookston fire department relief association;

(7) \$100 per month, Faribault police benefit association;

(8) 60 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Mankato fire department relief association;

(9) \$175 per month, Mankato police benefit association;

(10) 26.25 percent of the salary base, Minneapolis fire department relief association;

(11) equal to the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Red Wing police relief association;

(12) 78.545 percent of the benefit amount payable prior to the death of the deceased active, disabled, deferred, or retired firefighter if that firefighter's benefit was 55 percent of salary or would have been 55 percent of salary if the firefighter had survived to begin benefit receipt; or 80 percent of the benefit amount payable prior to the death of the deceased active, disabled, deferred, or retired firefighter if that firefighter's benefit was 54 percent of salary or would have been 54 percent of salary if the firefighter had survived to begin benefit receipt, Richfield fire department relief association;

(13) 40 percent of the salary base for a surviving spouse of a deceased active member, disabled member, or retired or deferred member with at least 20 years of allowable service, or the prorated portion of 40 percent of the salary base that bears the same relationship to 40 percent that the deceased member's years of allowable service bear to 20 years of allowable service for the surviving spouse of a deceased retired or deferred member with at least ten but less than 20 years of allowable service, St. Louis Park fire department relief association;

~~(13)~~ (14) 26.6667 percent of the salary base, St. Louis Park police relief association;

~~(14)~~ (15) 27.5 percent of the salary base, St. Paul fire department relief association;

~~(15)~~ (16) 20 percent of the salary base, St. Paul police relief association; and

~~(16)~~ (17) 27 percent of the salary base, South St. Paul firefighters relief association.

Sec. 5. Minnesota Statutes 1996, section 353B.11, subdivision 4, is amended to read:

Subd. 4. [AMOUNT; SURVIVING CHILD BENEFIT.] (a) The surviving child benefit shall be eight percent of the salary base for the former members of the following consolidating relief associations:

(1) Fridley police pension association;

(2) Red Wing fire department relief association;

(3) Richfield police relief association;

(4) Rochester fire department relief association;

(5) Rochester police relief association;

(6) St. Cloud police relief association;

(7) St. Louis Park police relief association;

(8) South St. Paul firefighters relief association;

- (9) Winona fire department relief association; and
- (10) Winona police relief association.

(b) The surviving child benefit shall be \$25 per month for the former members of the following consolidating relief associations:

- (1) Anoka police relief association;
- (2) Austin firefighters relief association;
- (3) Austin police relief association;
- (4) Faribault police benefit association;
- (5) Hibbing firefighters relief association;
- (6) Mankato police benefit association;
- (7) South St. Paul police relief association; and
- (8) Virginia fire department relief association.

(c) The surviving child benefit shall be ten percent of the salary base for the former members of the following consolidating relief associations:

- (1) Albert Lea police relief association;
- (2) Crookston police relief association;
- (3) Duluth firefighters relief association;
- (4) Duluth police pension association;
- (5) Faribault fire department relief association; and
- (6) Minneapolis fire department relief association.

(d) The surviving child benefit shall be five percent of the salary base for the former members of the following consolidating relief associations:

- (1) Columbia Heights fire department relief association, paid division;
- (2) St. Paul police relief association; and
- (3) West St. Paul firefighters relief associations.

(e) The surviving child benefit shall be \$15 per month for the former members of the following consolidating relief associations:

- (1) Crookston fire department relief association;
- (2) Hibbing police relief association; and
- (3) West St. Paul police relief association.

(f) The surviving child benefit shall be 7.5 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Bloomington police relief association; and
- (2) Crystal police relief association.

(g) The surviving child benefit shall be the following for the former members of the consolidating relief associations as indicated:

(1) ten percent of the salary base if a surviving spouse benefit is also payable, that amount between ten percent of the salary base and 50 percent of the salary base as determined by the executive director of the public employees retirement association, based on the financial circumstances and need of the surviving child or surviving children, applied in a uniform manner, reflective to the extent practicable or determinable to the past administrative practices of the board of the consolidating relief association before the effective date of the consolidation if there is a surviving spouse but no surviving spouse benefit is also payable on account of the remarriage of the surviving spouse, or 50 percent of the salary base, payable in equal shares for more than one surviving child, if there is no surviving spouse, Albert Lea firefighters relief association;

(2) four percent of the salary base, Brainerd police benefit association;

(3) \$125 per month if a surviving spouse benefit is also payable or an amount equal to the surviving spouse benefit, payable in equal shares if there is more than one surviving child, if no surviving spouse benefit is payable, Buhl police relief association;

(4) \$15 per month, Chisholm firefighters relief association;

(5) \$125 per month, Chisholm police relief association;

(6) \$50 per month, Columbia Heights police relief association;

(7) 6.25 percent of the salary base, Fairmont police benefit association;

(8) 12.5 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Mankato fire department relief association;

(9) ten percent of the salary base if a surviving spouse benefit is also payable or an amount determined by the executive director of the public employees retirement association based on the financial circumstances and need of the surviving child or surviving children, applied in a uniform manner, and subject to the largest applicable amount surviving child benefit maximum if no surviving spouse benefit is also payable, Minneapolis police relief association;

(10) \$25 per month if a surviving spouse benefit is also payable or an amount equal to the surviving spouse benefit, payable in equal shares if there is more than one surviving child, New Ulm police relief association;

(11) in an amount determined by the executive director of the public employees retirement association based on the financial circumstances and need of the surviving child or surviving children, applied in a uniform manner, reflective to the extent practicable or determinable to the past administrative practices of the board of the consolidating relief association before the effective date of the consolidation and not more than the largest surviving child benefit amount prescribed for any other actual or potential consolidating relief association as provided in this section, Red Wing police relief association;

(12) five percent of the salary base if a surviving spouse benefit is also payable or 15 percent of the salary base if no surviving spouse benefit is payable, 9.818 percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death if that firefighter's benefit was or would have been 55 percent of salary and if a surviving spouse benefit is also payable or 29.454 percent if a surviving spouse benefit is not payable; or ten percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death if that firefighter's benefit was or would have been 54 percent of salary and if a surviving spouse benefit is also payable or 30 percent if a surviving spouse benefit is not payable, Richfield fire department relief association;

(13) 5.3334 percent of the salary base, St. Cloud fire department relief association;

(14) five percent of the salary base if a surviving spouse benefit is also payable or 15 percent of the salary base if no surviving spouse benefit is also payable for the surviving child or children of a deceased active member, disabled member, or retired or deferred member with at least 20 years of active service, or the prorated portion of five percent of the salary base if a surviving spouse benefit is also payable or 15 percent of the salary base if no surviving spouse benefit is also payable that bears the same relationship to five or 15 percent that the deceased member's years of allowable service bear to 20 years of allowable service for the surviving child or children of a deceased retired or deferred member with at least ten but less than 20 years of allowable service, St. Louis Park fire department relief association;

(15) ten percent of the salary base, St. Paul fire department relief association; and

(16) \$50 per month, Virginia police relief association.

Sec. 6. Minnesota Statutes 1996, section 353B.11, subdivision 5, is amended to read:

Subd. 5. [SURVIVOR BENEFIT MAXIMUM.] (a) No surviving children or surviving family maximum shall be applicable to former members of the following consolidating relief associations:

- (1) Buhl police relief association;
- (2) Chisholm firefighters relief association;
- (3) Chisholm police relief association;
- (4) Hibbing firefighters relief association;
- (5) Mankato police benefit association;
- (6) New Ulm police relief association;
- (7) Red Wing fire department relief association;
- (8) Red Wing police relief association;
- (9) St. Paul police relief association; and
- (10) South St. Paul police relief association.

(b) The surviving children maximum shall be 24 percent of the salary base, if a surviving spouse benefit is also payable or 48 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;
- (2) Richfield police relief association;
- (3) Rochester fire department relief association;
- (4) Rochester police relief association;
- (5) Winona fire department relief association; and
- (6) Winona police relief association.

(c) The surviving family maximum shall be 50 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Anoka police relief association;
- (2) Austin firefighters relief association;
- (3) Austin police relief association;



- (4) Duluth firefighters relief association; and
- (5) ~~Richfield fire department relief association; and~~
- (6) St. Louis Park fire department relief association.

(d) The surviving family maximum shall be an amount equal to the service pension which a retiring member would have received based on 20 years of allowable service credit if the member had attained the age of at least 50 years in the case of an active member, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death in the case of a deferred member, or of the service pension or disability benefit which the deceased member was receiving as of the date of death, for the former members of the following consolidating relief associations:

- (1) Columbia Heights police relief association;
- (2) Virginia fire department relief association; and
- (3) Virginia police relief association.

(e) The surviving children maximum shall be 25 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Duluth police pension association; and
- (2) Fairmont police benefit association.

(f) The surviving children maximum shall be 22.5 percent of the salary base, if a surviving spouse benefit is also payable or 45 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the Crystal police relief association.

(g) The surviving children maximum shall be 16 percent of the salary base, if a surviving spouse benefit is also payable or 48 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) St. Cloud fire department relief association; and
- (2) St. Cloud police relief association.

(h) The surviving children maximum shall be 20 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association; and
- (3) Faribault fire department relief association.

(i) The surviving family maximum shall be the following for the former members of the consolidating relief associations:

- (1) 60 percent of the salary base, Bloomington police relief association;
- (2) \$450 per month, Crookston police relief association;

(3) 80 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, Mankato fire department relief association; and

(4) 98.182 percent of the benefit amount payable or to which the firefighter was eligible prior to the death of the firefighter if that firefighter's benefit was or would have been 55 percent of salary, or 100 percent of the benefit amount payable or to which the firefighter was eligible prior to the death of the firefighter if that firefighter's benefit was or would have been 54 percent of salary, Richfield fire department relief association; and

(5) 57.5 percent of the salary base, St. Paul fire department relief association.

(j) The surviving child maximum shall be the following for the former members of the consolidating relief associations:

(1) 20 percent of the top salary payable to a patrol officer, Brainerd police benefit association;

(2) ten percent of the salary base, if a surviving spouse benefit is also payable or 15 percent of the salary base, if no surviving spouse benefit is also payable, Columbia Heights fire department relief association, paid division;

(3) \$105 per month if a surviving spouse benefit is also payable or \$90 per month if no surviving spouse benefit is also payable, Crookston fire department relief association;

(4) \$125 per month, Faribault police benefit association;

(5) \$30 per month if a surviving spouse benefit is also payable or \$180 per month if no surviving spouse benefit is also payable, Hibbing police relief association;

(6) 25 percent of the salary base, if a surviving spouse benefit is also payable or 51.25 percent of the salary base, if no surviving spouse benefit is also payable, Minneapolis fire department relief association;

(7) 17.5 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, Minneapolis police relief association;

(8) 24 percent of the salary base, St. Louis Park police relief association;

(9) 23 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, South St. Paul firefighters relief association;

(10) ten percent of the salary base, West St. Paul firefighters relief association; and

(11) \$30 per month if a surviving spouse benefit is also payable or \$75 per month if no surviving spouse benefit is also payable, West St. Paul police relief association.

Sec. 7. Laws 1943, chapter 196, section 4, as amended by Laws 1951, chapter 44, section 1, Laws 1955, chapter 88, section 1, Laws 1978, chapter 675, section 1, Laws 1991, chapter 28, section 1, and Laws 1992, chapter 428, section 1, is amended to read:

Sec. 4. [RETIREMENT AGE, PENSION.] When any member of the association reaches the age of 55 years, he may retire and then shall receive a pension as long as he lives, at the following rates:

(a) When he has served as a member of the police department for a period of 20 years or more, excluding temporary employment or probationary periods. Such retired member shall be paid each month a pension equal to one-half of his average monthly earnings during the last preceding three years of his service with said police department, plus an additional \$3 per month for each year of service not to exceed 20 years.

(b) An additional \$8 per month for each year of service over 20 that he has served as a member of such police department after the age of 55 years, not to exceed five years for purposes of pension computation,

(c) In the event he retires after reaching the age of 55 or more and after having been a member of the department for at least 15 years, but before having served 20 years in the department, the amount of pension which he received shall be that proportion of, pension equal to one-half of his average monthly earnings during the last preceding three years of his service with said police department, plus an additional \$3 per month for each year of service. Major fractions of years of service to be treated as one year and minor fractions disregarded,

(d) In no event shall temporary employment or employment for probationary period be considered in computing pension allowances hereunder,

(e) When a service pensioner or an active member of the police department who has 20 years or more of service, dies, leaving a surviving spouse or children, a pension shall be paid as follows:

1. To the surviving spouse a pension of \$375 a month for life,

2. To the child or children, if their surviving parent is living, a pension of \$10 per month for each child not over sixteen years of age, provided, the total pension hereunder for surviving spouse and children of the deceased member, shall not exceed the sum of \$395 per month,

3. A child or children of a deceased member, or after the death or remarriage of their surviving parent, be entitled to receive a pension or pensions of \$10 per month until they have reached the age of 16 years.

(f) ~~The city council may, by resolution, increase the pension payable to a surviving spouse by an amount equal to any increase in the revised consumer price index for all urban consumers for the Minneapolis-St.Paul metropolitan area prepared by the United States Department of Labor, provided that no increase may exceed five percent a year.~~

Sec. 8. Laws 1965, chapter 705, section 1, subdivision 4, is amended to read:

Subd. 4. [INDEPENDENT SCHOOL DISTRICT NO. 625; APPLICABILITY OF CERTAIN LAWS.] (a) As of July 1, 1965, the organization, operation, maintenance and conduct of the affairs of the converted district shall be governed by general laws relating to independent districts, except as otherwise provided in Extra Session Laws 1959, Chapter 71, as amended, and all special laws and charter provisions relating only to the converted district are repealed.

(b) Where an existing pension law is applicable to employees of the special district, such law shall continue to be applicable in the same manner and to the same extent to employees of the converted district. Notwithstanding this requirement, pipefitters and associated trades personnel with coverage by the pipefitters local 455 pension plan under a collective bargaining agreement who either were first employed after May 1, 1997, or, if first employed before May 2, 1997, elected exclusion from coverage under section 12 are not covered by the public employees retirement association.

(c) General laws applicable to independent school districts wholly or partly within cities of the first class shall not be applicable to the converted district.

(d) The provision of the statutes applicable only to teachers retirement fund associations in cities of the first class, limiting the amount of annuity to be paid from public funds, limiting the taxes to be levied to carry out the plan of such associations, and limiting the amount of annuities to be paid to beneficiaries, ~~all as contained in Minnesota Statutes, Section 135.24,~~ shall not be applicable to such converted district, but the statutes applicable to such special district prior to the conversion shall continue to be applicable and the pension plan in operation prior to the conversion shall continue in operation until changed in accordance with law, and the teacher tenure law applicable to the special district shall continue to apply to the converted district in the same manner and to the same extent to teachers in the converted district; provided further, where existing civil service provisions of any law or charter are applicable to special district employees, such provision shall continue to be applicable in the same manner and to the same extent to employees of the converted district. Notwithstanding any contrary provision of Extra Session Laws 1959, Chapter 71, as amended, if there was in the special district a teachers retirement fund association operating and existing under the provisions of Laws 1909, Chapter 343, and all acts

amendatory thereof, then such teachers retirement fund association shall continue to exist and operate in the converted district under and to be subject to the provisions of Laws 1909, Chapter 343, and all acts amendatory thereof, to the same extent and in the same manner as before the conversion, and, without limiting the generality of the foregoing, such teachers retirement fund association shall continue, after the conversion as before the conversion, to certify to the same authorities the amount necessary to raise by taxation in order to carry out its retirement plan, and it shall continue, after the conversion as before the conversion, to be the duty of said authorities to include in the tax levy for the ensuing year a tax in addition to all other taxes sufficient to produce so much of the sums so certified as said authorities shall approve, and such teachers retirement fund association shall not be subject after the conversion to any limitation on payments to any beneficiary from public funds or on taxes to be levied to carry out the plan of such association to which it was not subject before the conversion.

Sec. 9. Laws 1967, chapter 798, section 2, is amended to read:

Sec. 2. [RICHFIELD FIRE DEPARTMENT RELIEF ASSOCIATION; DISABILITY PENSION AMOUNT.] In lieu of the disability pension and limitation as provided for in Minnesota Statutes, Section 424.20, the ~~firemen's fire department relief association~~ in the city of Richfield may provide for disability benefits, as defined in Minnesota Statutes, Section 424.19, of ~~not more than a sum equal to one-half~~ 54 percent of the salary, as payable from time to time during the period of pension payment to ~~firemen~~ firefighters of the highest grade, not including officers of the department, in the employ of the city of Richfield, ~~such~~. The disability pension to be is payable as the bylaws of the association provide.

Sec. 10. Laws 1967, chapter 798, section 4, is amended to read:

Sec. 4. [SERVICE PENSION.]

Subdivision 1. [AGE AT WHICH SERVICE PENSION IS PAYABLE.] A member of the fire department, who enters the employment of the department on or after January 1, 1968, shall not be eligible to receive a service pension until ~~he~~ the person reaches the age of 55 years, in lieu of the eligibility requirement pertaining to age provided in Minnesota Statutes, Sections 424.21 and 424.22.

Subd. 2. [SERVICE PENSION AMOUNT.] (a) If its bylaws so provide, in lieu of the service pension amount set forth in Minnesota Statutes, section 424.21, the Richfield fire department relief association may provide a service pension, as specified in paragraph (b) or (c), as applicable, to a retiring firefighter with at least 20 years of service, based on a percentage of the salary as payable from time to time during the period of pension payment to firefighters of the highest grade, not including officers of the department, in the employ of the city of Richfield.

(b) If the eligible firefighter terminated service before the effective date of the alternative benefit improvement authorized by Minnesota Statutes, section 423A.04, the service pension is 54 percent of salary as defined in paragraph (a).

(c) If the eligible firefighter terminates service on or after the effective date of the alternative benefit improvement authorized by Minnesota Statutes, section 423A.04, the service pension is 55 percent of salary as defined in paragraph (a).

Sec. 11. Laws 1992, chapter 563, section 5, as amended by Laws 1996, chapter 448, article 2, section 1, is amended to read:

Sec. 5. [ST. PAUL POLICE AND FIRE CONSOLIDATION ACCOUNTS; LIMITATION ON POSTRETIREMENT BENEFIT REDUCTIONS.]

(a) A monthly service pension or retirement benefit payment from the St. Paul fire department consolidation account or the St. Paul police consolidation account may not be reduced in amount to an amount that is less than that received by the person for the immediately previous month.

~~(b) The service pension or retirement benefit payable from the St. Paul fire department consolidation account or from the St. Paul police consolidation account to a person who becomes~~

~~newly entitled to that service pension or retirement benefit may not be an amount that is less than the service pension or retirement benefit then payable to a comparably situated pensioner or benefit recipient of that consolidation account.~~

(e) The limitation in paragraph (a) ~~or (b)~~ may not be construed to limit the power of the executive director of the public employees retirement association to require proof of continuing eligibility for receipt of a disability benefit or a survivor benefit, or to require the reduction in amount or elimination of a disability benefit in the event of changed medical circumstances, or to require the reduction in amount or elimination of a survivor benefit in the event of changes in eligibility.

Sec. 12. [PUBLIC PENSION COVERAGE EXCLUSION FOR CERTAIN TRADES PERSONNEL.]

Subdivision 1. [EXCLUSION ELECTION.] (a) A pipefitter or an associated tradesperson who is employed by independent school district No. 625 (St. Paul) on the effective date of this section and who has pension coverage by the pipefitters local 455 pension plan under a collective bargaining agreement may elect to be excluded from pension coverage by the public employees retirement association.

(b) The exclusion election under this section must be in writing on a form prescribed by the executive director of the public employees retirement association and filed with the executive director. The exclusion election is irrevocable. Authority to make the coverage exclusion election expires on January 1, 1998.

Subd. 2. [ELIGIBILITY FOR MEMBER CONTRIBUTION REFUND.] A person who has less than three years of allowable service in the public employees retirement association and who elects the pension coverage exclusion under subdivision 1 is entitled to immediately apply for a refund under Minnesota Statutes, section 353.34, subdivisions 1 and 2, following the effective date of the exclusion election.

Subd. 3. [DEFERRED ANNUITY ELIGIBILITY.] In lieu of the refund under subdivision 2, a person who elects the pension coverage exclusion under subdivision 1 is entitled to a deferred retirement annuity under Minnesota Statutes, sections 353.34, subdivision 3, and 353.71, subdivision 2, based on any length of allowable service credit under Minnesota Statutes, section 353.01, subdivision 16, to the credit of the person as of the date of the coverage exclusion election.

Sec. 13. [RICHFIELD FIRE DEPARTMENT RELIEF ASSOCIATION; SURVIVOR BENEFIT AMOUNTS.]

Subdivision 1. [ELIGIBILITY.] The Richfield fire department relief association, if its bylaws so provide, may provide surviving spouse and surviving child benefits as specified in subdivisions 2 and 3. For purposes of this section, the definitions of surviving spouse and surviving child as defined in Minnesota Statutes, section 424.24, subdivision 2, apply. The benefits set forth in subdivisions 2 and 3 are in lieu of the survivor benefits set forth in Minnesota Statutes, section 424.24, subdivision 1.

Subd. 2. [SURVIVING SPOUSE BENEFIT AMOUNT.] (a) If the retirement benefit amount for the firefighter was computed under section 2, subdivision 2, paragraph (c), the surviving spouse benefit amount is 78.545 percent of the benefit amount payable prior to the death of the primary annuitant.

(b) If the firefighter was receiving a disability benefit under section 1, or a retirement benefit under section 2, subdivision 2, paragraph (b), the surviving spouse benefit amount is 80 percent of the benefit amount payable prior to the death of the primary annuitant.

(c) If the death of the active, disabled, deferred, or retired firefighter occurs prior to the commencement of benefit payments, the surviving spouse benefit amount is to be computed under paragraph (a) if the firefighter would have been eligible for an annuity under section 2, subdivision 2, paragraph (c), at the time of death, based on the benefit the firefighter would have received if benefits had commenced prior to death.

(d) If the death of the active, disabled, deferred, or retired firefighter occurs prior to the commencement of benefit payments, the surviving spouse benefit amount is to be computed under paragraph (b) if the firefighter would have been eligible for an annuity under section 1 or section 2, subdivision 2, paragraph (b), at the time of death, based on the benefit the firefighter would have received if benefits had commenced prior to death.

Subd. 3. [SURVIVING CHILD BENEFIT AMOUNT.] (a) If a surviving spouse benefit is payable under subdivision 2, paragraph (a) or (c), each surviving child may also receive a benefit equal to 9.818 percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death. If there is no surviving spouse, but benefits would be payable under subdivision 2, paragraph (a) or (c), if there was, each surviving child may receive a benefit of 29.454 percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death. If a surviving child benefit or benefits are paid under this paragraph, the maximum of the combination of survivor benefits under this subdivision and subdivision 2 when these benefits commence is 98.182 percent of the benefit amount payable or to which the firefighter was eligible prior to the death of the firefighter.

(b) If a surviving spouse benefit is payable under subdivision 2, paragraph (b) or (d), each surviving child may also receive a benefit equal to ten percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death. If there is no surviving spouse, but benefits would be payable under subdivision 2, paragraph (b) or (d), if there was, each surviving child may receive a benefit of 30 percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death. If a surviving child benefit or benefits are paid under this paragraph, the maximum of the combination of survivor benefits under this subdivision and subdivision 2 when these benefits commence is 100 percent of the benefit amount payable or to which the firefighter was eligible prior to the death of the firefighter.

#### Sec. 14. [SURVIVOR BENEFIT DURATION.]

Subdivision 1. [DURATION OF SURVIVING SPOUSE BENEFITS.] A surviving spouse benefit under section 3 is payable to a surviving spouse of a deceased active, disabled, deferred, or retired Richfield firefighter meeting the definition set forth in Minnesota Statutes, section 424.24, subdivision 2, paragraph (a), for the life of that person.

Subd. 2. [DURATION OF SURVIVING CHILD BENEFIT.] A surviving child benefit under section 3 is payable to a surviving child of a deceased active, disabled, deferred, or retired Richfield firefighter meeting the definition set forth in Minnesota Statutes, section 424.24, subdivision 2, paragraph (b), until the person reaches the age of 18.

#### Sec. 15. [ST. PAUL POLICE AND FIRE CONSOLIDATION ACCOUNTS; BENEFIT FLOOR FOR CERTAIN LOCAL RELIEF ASSOCIATION BENEFIT RECIPIENTS.]

(a) Notwithstanding Minnesota Statutes, chapter 353A, the benefit floor provided in paragraph (c) applies to the eligible benefit recipients specified in paragraph (b). An eligible benefit recipient is entitled to a service pension or survivor benefit, whichever applies, as calculated under the applicable relief association benefit plan provisions and the applicable provisions of Minnesota Statutes, chapter 353A, or the benefit floor amount, whichever is greater.

(b) An eligible benefit recipient is a person who is either:

(1) a vested former active member of the former St. Paul fire department relief association or the former St. Paul police relief association who terminated active service prior to the date of the consolidation of the relief association with the public employees police and fire plan; or

(2) the survivor of a vested former active member of the former St. Paul fire department relief association or the former St. Paul police relief association who terminated active service prior to the date of the consolidation of the relief association with the public employees police and fire plan.

(c) The benefit floor amount is an amount equal to the highest service pension, surviving

spouse benefit, or surviving child benefit, whichever applies, then currently payable to any comparable eligible benefit recipient.

Sec. 16. [JACKSON MEDICAL CENTER; PENSION COVERAGE FOR TRANSFERRED EMPLOYEES.]

Subdivision 1. [AUTHORIZATION.] This section applies if the Jackson medical center is sold, leased, or transferred to a private entity, nonprofit corporation, or public corporation. Notwithstanding any provision of Minnesota Statutes, sections 356.24 and 356.25 to the contrary, to facilitate the orderly transition of employees affected by the sale, lease, or transfer, the city may, at its discretion, make, from assets to be transferred to the private entity, nonprofit corporation, or public corporation, payments to a qualified pension plan established for the transferred employees by the private entity, nonprofit corporation, or public corporation, to provide benefits substantially similar to those the employees would have been entitled to under the provisions of the public employees retirement association, Minnesota Statutes 1996, sections 353.01 to 353.46.

Subd. 2. [TREATMENT OF TERMINATED, NONVESTED EMPLOYEES; ELIGIBILITY.] (a) An eligible individual is an individual who:

(1) is an employee of the Jackson medical center immediately prior to the sale, lease, or transfer of that facility to a private entity, nonprofit corporation, or public corporation;

(2) is terminated at the time of the sale, lease, or transfer; and

(3) had less than three years of service credit in the public employees retirement association plan at the date of termination.

(b) For an eligible individual under paragraph (a), the city may make a member contribution equivalent payment under subdivision 3.

Subd. 3. [ MEMBER CONTRIBUTION EQUIVALENT PAYMENT.] The member contribution equivalent payment is an amount equal to the total refund provided by Minnesota Statutes, section 353.34, subdivisions 1 and 2. To be eligible for the member contribution equivalent payment, the individual in subdivision 2, paragraph (a), must apply for a refund under Minnesota Statutes, section 353.34, subdivisions 1 and 2, within one year of termination. A member contribution equivalent amount exceeding \$200 must be made directly to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan. A member contribution equivalent amount of \$200 or less may, at the preference of the individual, be made to the individual or to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan.

Sec. 17. [MELROSE HOSPITAL AND PINE VILLA; RETIREMENT.]

Subdivision 1. [TRANSFERRED EMPLOYEES.] This section applies if the Melrose hospital and Pine Villa are sold, leased, or transferred to a private entity or public corporation. Notwithstanding any provision of Minnesota Statutes, sections 356.24 and 356.25, to the contrary, to facilitate the orderly transition of employees affected by the sale, lease, or transfer, the Melrose hospital and Pine Villa may, in their discretion, make, from assets to be transferred to the private entity or public corporation, payments to a qualified pension plan established for the transferred employees by the private entity or public corporation, to provide benefits substantially similar to those the employees would have been entitled to under the provisions of the public employees retirement association, Minnesota Statutes 1996, sections 353.01 to 353.46.

Subd. 2. [TREATMENT OF TERMINATED, NONVESTED EMPLOYEES.] (a) An eligible individual is an individual who:

(1) is an employee of the Melrose hospital and Pine Villa immediately prior to the sale, lease, or transfer of that facility to a private entity or public corporation;

(2) is terminated at the time of the sale, lease, or transfer; and

(3) had less than three years of service credit in the public employees retirement association plan at the date of termination.

(b) For an eligible individual under paragraph (a), the Melrose hospital and Pine Villa may make a member contribution equivalent payment under paragraph (c).

(c) The member contribution equivalent payment is an amount equal to the total refund provided by Minnesota Statutes, section 353.34, subdivisions 1 and 2. To be eligible for the member contribution equivalent payment, the individual in paragraph (a) must apply for a refund under Minnesota Statutes, section 353.34, subdivisions 1 and 2, within one year of termination. A member contribution equivalent amount exceeding \$200 must be made directly to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan. A member contribution equivalent amount of \$200 or less may, at the preference of the individual, be made to the individual or to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan.

Sec. 18. [TRACY MUNICIPAL HOSPITAL AND CLINIC; PENSION COVERAGE FOR TRANSFERRED EMPLOYEES.]

Subdivision 1. [AUTHORIZATION.] This section applies if the Tracy municipal hospital and clinic is sold, leased, or transferred to a private entity, nonprofit corporation, or public corporation. Notwithstanding any provision of Minnesota Statutes, sections 356.24 and 356.25 to the contrary, to facilitate the orderly transition of employees affected by the sale, lease, or transfer, the city may, at its discretion, make, from assets to be transferred to the private entity, nonprofit corporation, or public corporation, payments to a qualified pension plan established for the transferred employees by the private entity, nonprofit corporation, or public corporation, to provide benefits substantially similar to those the employees would have been entitled to under the provisions of the public employees retirement association, Minnesota Statutes 1996, sections 353.01 to 353.46.

Subd. 2. [TREATMENT OF TERMINATED, NONVESTED EMPLOYEES; ELIGIBILITY.]  
(a) An eligible individual is an individual who:

(1) is an employee of the Tracy municipal hospital and clinic immediately prior to the sale, lease, or transfer of that facility to a private entity, nonprofit corporation, or public corporation;

(2) is terminated at the time of the sale, lease, or transfer; and

(3) had less than three years of service credit in the public employees retirement association plan at the date of termination.

(b) For an eligible individual under paragraph (a), the city may make a member contribution equivalent payment under subdivision 3.

Subd. 3. [MEMBER CONTRIBUTION EQUIVALENT PAYMENT.] The member contribution equivalent payment is an amount equal to the total refund provided by Minnesota Statutes, section 353.34, subdivisions 1 and 2. To be eligible for the member contribution equivalent payment, the individual in subdivision 2, paragraph (a), must apply for a refund under Minnesota Statutes, section 353.34, subdivisions 1 and 2, within one year of termination. A member contribution equivalent amount exceeding \$200 must be made directly to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan. A member contribution equivalent amount of \$200 or less may, the preference of the individual, be made to the individual or to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan.

Sec. 19. [EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.]

Notwithstanding any general or special law to the contrary, in addition to the current pensions and other retirement benefits payable, the pensions and retirement benefits payable to retired police officers and firefighters and their surviving spouses by the Eveleth police and fire trust fund are increased by \$100 a month. Increases are retroactive to January 1, 1997.



## Sec. 20. [LEGISLATIVE INTENT.]

The revisions to the Richfield fire department relief association benefit plan in sections 2 to 6, 9, 10, 13, and 14 and the retroactive application of sections 9, 10, 13, and 14, as indicated in section 21, paragraph (b), are intended to encourage the consolidation of this relief association with the public employees retirement association, in recognition of the administrative efficiencies and potential cost savings expected to occur, and in recognition of characteristics unique to this association at no expense to the State or the public employees retirement association.

## Sec. 21. [EFFECTIVE DATE.]

(a) Sections 1, 8, and 12 are effective on the day following approval by majority vote of the board of independent school district No. 625 (St. Paul) and compliance with Minnesota Statutes, section 645.021.

(b) Sections 2 to 6, 9, 10, 13, 14 and 20 are effective on the day following approval by the Richfield city council and compliance with Minnesota Statutes, section 645.021. Sections 9, 10, 13, and 14 apply to individuals who become service pensioners, disabilitants, or survivors of firefighters who terminated service on or after the effective date of Laws 1967, chapter 798. Retroactive payments and payments to an estate are not authorized.

(c) Section 7 is effective on approval by the Nashwauk city council and compliance with Minnesota Statutes, section 645.021.

(d) Sections 11 and 15 are effective on the day following approval by the city council of the city of St. Paul and compliance with Minnesota Statutes, section 645.021, subdivision 3. Sections 11 and 15 must both be approved if either section is to be effective. Sections 11 and 15 are not intended to result in a reduction in the benefit or pension paid to any benefit recipient or service pensioner.

(e) Section 16 is effective on the day following approval by the Jackson city council and compliance with Minnesota Statutes, section 645.021.

(f) Section 17 is effective on the day following approval by the Melrose city council and compliance with Minnesota Statutes, section 645.021.

(g) Section 18 is effective on the day following approval by the Tracy city council and compliance with Minnesota Statutes, section 645.021.

(h) Section 19 is effective on the day following approval by the Eveleth city council and compliance with Minnesota Statutes, section 645.021.

## ARTICLE 3

## GENERAL EMPLOYEE RETIREMENT

## MODIFICATIONS

Section 1. Minnesota Statutes 1996, section 352.96, subdivision 2, is amended to read:

Subd. 2. [PURCHASE OF SHARES.] The amount of compensation so deferred may be used to purchase:

- (1) shares in the Minnesota supplemental investment fund established in section 11A.17;
- (2) saving accounts in federally insured financial institutions;
- (3) life insurance contracts, fixed annuity and variable annuity contracts from companies that are subject to regulation by the commissioner of commerce; or
- (4) investment options from open-end investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

(5) investment options from a firm that is a registered investment advisor under the Investment Advisors Act of 1940, United States Code, title 15, section 80b-1 to 80b-21;

(6) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph (2), or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1); or

(7) a combination of clause (1), (2), or (3), (4), (5), or (6), as provided by the plan as specified by the participant.

~~The shares accounts or contracts purchased shall stand in the name of the state or other employing unit, for the officer or employee whose deferred compensation purchased the shares, until distributed to the officer or employee in a manner agreed upon by the employee and the executive director of the Minnesota state retirement system, acting for the employer. All amounts contributed to the deferred compensation plan and all earnings on those amounts will be held for the exclusive benefit of the plan participants and beneficiaries. These amounts will be held in trust, in custodial accounts, or in qualifying annuity contracts as required by federal law and in accordance with section 356A.06, subdivision 1. This subdivision does not authorize an employer contribution, except as authorized in section 356.24, paragraph (a), clause (4). The state, political subdivision, or other employing unit is not responsible for any loss that may result from investment of the deferred compensation.~~

Sec. 2. Minnesota Statutes 1996, section 352.96, subdivision 3, is amended to read:

Subd. 3. [EXECUTIVE DIRECTOR TO ADMINISTER SECTION.] This section must be administered by the executive director of the system with the advice and consent of the board of directors under subdivision 4. Fiduciary activities of the deferred compensation plan must be undertaken in a manner consistent with chapter 356A. If the state board of investment so elects, it may solicit bids for options under subdivision 2, clauses (2) ~~and~~, (3), (4), (5), and (6). The state board of investment may retain consulting services to assist it in soliciting and evaluating bids and in the periodic review of companies offering options under subdivision 2, ~~clause~~ clauses (3), (4), (5), and (6). The periodic review must occur at least every two years. The state board of investment may annually establish a budget for its costs in the soliciting, evaluating, and periodic review processes. The state board of investment may charge a proportional share of all costs related to the periodic review to each company currently under contract and may charge a proportional share of all costs related to soliciting and evaluating bids to each company selected by the state board. All contracts must be approved before execution by the state board of investment. Contracts must provide that all options in subdivision 2 must: be presented in an unbiased manner and in a manner that conforms to rules adopted by the executive director, be reported on a periodic basis to all employees participating in the deferred compensation program, and not be the subject of unreasonable solicitation of state employees to participate in the program. The contract may not call for any person to jeopardize the tax-deferred status of money invested by state employees under this section. All costs or fees in relation to the options provided under subdivision 2, ~~clause~~ clauses (3), (4), (5), and (6), must be paid by the ~~underwriting~~ companies ultimately selected by the state board of investment.

Sec. 3. Minnesota Statutes 1996, section 352.96, subdivision 6, is amended to read:

Subd. 6. [EXEMPTION FROM PROCESS.] ~~As money to which legal title is vested in the state of Minnesota,~~ No amount of deferred compensation is assignable or subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.611.

Sec. 4. Minnesota Statutes 1996, section 354.092, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] A sabbatical leave for the purpose of this section means a sabbatical leave as defined in section 125.18 or the applicable personnel policy of the Minnesota state university and community college boards colleges and universities.

Sec. 5. Minnesota Statutes 1996, section 354.092, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER AND EMPLOYEE CONTRIBUTIONS.] Employer contributions and deductions for employee contributions at the applicable rate specified in section 354.42 must be made by the employing unit from based on the full normal base contract salary that would have been paid to the member for a if the member were not on sabbatical leave. The member may also make direct payment of employee contributions at the appropriate rates specified in section 354.42 based upon the difference between the salary received for the sabbatical leave and the salary received for a comparable period during the year immediately preceding the leave. This direct payment must be made by the end of the fiscal year following the fiscal year in which the leave of absence terminated and must be without interest. The employer must meet the reporting and remittance requirements under section 354.52.

Sec. 6. Minnesota Statutes 1996, section 354.092, subdivision 4, is amended to read:

Subd. 4. [SERVICE CREDIT.] ~~If the employee contributions made under this section are less than the employee contributions made for a comparable period during the year immediately preceding the leave, the allowable and formula service credit of the member shall be prorated according to section 354.05, subdivision 25, clause (3), except that if the member is paid full salary for any sabbatical leave of absence, either past or prospective, the allowable and formula service credit shall not be prorated. A member may not receive more than three years of allowable service credit in any ten consecutive years under this section unless the allowable service credit was paid for by the member before July 1, 1962. For sabbatical leaves that begin after June 30, 1986, the required employer contributions specified in section 354.42 must be paid by the employing unit within 30 days after the association's written notification to the employing unit of the amount due. Notwithstanding the provisions of any agreements to the contrary, employee and employer contributions may not be made to receive allowable service credit under this section if the member does not retain the right to full reinstatement both during and at the end of the sabbatical leave.~~

Sec. 7. Minnesota Statutes 1996, section 354B.25, is amended by adding a subdivision to read:

Subd. 1a. [ADVISORY COMMITTEE.] (a) A committee is created to advise the state board of investment and the board of trustees of the Minnesota state colleges and universities concerning administration of the individual retirement account plan and the supplemental retirement plan established in chapter 354C. The exclusive representatives of the state university instructional unit, the community college instructional unit, and the technical college instructional unit shall each appoint two members to the committee. The exclusive representatives of the general professional unit, the supervisory employees unit and the state university administrative unit shall each appoint one member to the committee. The chancellor of the Minnesota state colleges and universities shall appoint three members, at least one of whom shall be a personnel administrator. No member of the committee shall be retired. Members serve at the pleasure of the applicable appointing authority, but no member shall serve for more than a total of five years. Members shall be reimbursed from the administrative expense account of the individual retirement account plan for expenses as provided in section 15.059, subdivision 3.

(b) The committee shall:

(1) advise the board of trustees of the Minnesota state colleges and universities on the structure and operation of the individual retirement account plan and the supplemental retirement plan;

(2) along with any other consultants selected by the board, advise the state board of investment on selection of financial institutions and on the type of investment products to be offered by these institutions for the plans;

(3) advise the board of trustees of the Minnesota state colleges and universities on administration of the plans, including selection of a third-party plan administrator, if any, for the individual retirement account plan.

(c) The board of trustees of the Minnesota state colleges and universities shall provide the advisory committee with meeting space and other administrative support.

(d) Expenses of the advisory committee are considered administrative expenses of the plans under subdivision 5 and section 354C.12, subdivision 4, and must be allocated between the two plans in proportion to the market value of the total assets of the plans as of the most recent prior audited annual financial report.

Sec. 8. Minnesota Statutes 1996, section 354B.25, subdivision 5, is amended to read:

Subd. 5. [INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATIVE EXPENSES.] (a) The reasonable and necessary administrative expenses of the individual retirement account plan must be paid by plan participants in the following manner:

(1) from plan participants with amounts invested in the Minnesota supplemental investment fund, the plan administrator may charge an administrative expense assessment as provided in section 11A.17, subdivisions 10a and 14; and

(2) from plan participants with amounts through annuity contracts and custodial accounts purchased under subdivision 2, paragraph (a), the plan administrator may charge an administrative expense assessment of a designated amount, not to exceed two percent of member and employer contributions, as those contributions are made.

(b) Any administrative expense charge that is not actually needed for the administrative expenses of the individual retirement account plan must be refunded to member accounts.

(c) The board of trustees shall report annually, before October 1, to the advisory committee created in subdivision 1a on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 9. Minnesota Statutes 1996, section 354C.12, subdivision 1, is amended to read:

Subdivision 1. [BASIC CONTRIBUTIONS AND DEDUCTIONS.] (a) The employer of personnel covered by the supplemental retirement plan as provided in section 354C.11 shall deduct a sum equal to five percent of the annual salary of the person between \$6,000 and \$15,000. The employer may accomplish this deduction by making equal deductions each payroll period, based on anticipated annual salary. The employer may adjust these deductions as necessary to deduct the correct amount annually. Deductions cease upon termination of employment covered by the supplemental retirement plan.

(b) The basic contribution deduction must be made in the same manner as other retirement deductions are made from the salary of the person under section 352.04, subdivision 4; 352D.04, subdivision 2; 354.42, subdivision 2; or 354A.12, whichever applies.

(c) The employer shall also make a contribution to the supplemental retirement plan on behalf of covered personnel equal to the salary deduction made under paragraph (a).

Sec. 10. Minnesota Statutes 1996, section 354C.12, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE EXPENSES.] The board of trustees of the Minnesota state colleges and universities is authorized to pay the necessary and reasonable administrative expenses of the supplemental retirement plan. The administrative fees or charges must be paid by participants in the following manner:

(1) from participants whose contributions are invested with the state board of investment, the plan administrator may recover administrative expenses in the manner provided by section 11A.17, subdivisions 10a and 14; or

(2) from participants where contributions are invested through contracts purchased from any other authorized source, the plan administrator may assess an amount of up to two percent of the employee and employer contributions.

Any recovered or assessed amounts that are not needed for the necessary and reasonable administrative expenses of the plan must be refunded to member accounts.

The board of trustees shall report annually, before October 1, to the advisory committee created in section 354B.25, subdivision 1a, on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 11. Minnesota Statutes 1996, section 354D.02, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Eligible employees are:

- (1) any supervisory or professional employee of the state arts board;
- (2) any supervisory or professional employee of the Minnesota humanities commission; ~~or~~
- (3) any employee of the Minnesota historical society;
- (4) any employee of the Minnesota state academy for the deaf;
- (5) any employee of the Minnesota state academy for the blind;
- (6) any employee of the Minnesota zoological garden; or
- (7) any employee of the Lola and Rudy Perpich Minnesota center for arts education.

Sec. 12. Minnesota Statutes 1996, section 354D.06, is amended to read:

354D.06 [ADMINISTRATION.]

(a) The Minnesota state university system or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clauses (1) and (2), in accordance with sections 354B.20 to 354B.30.

(b) The Minnesota historical society or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clause (3), in accordance with section 354D.08.

(c) The Minnesota state academy for the deaf or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clause (4), in accordance with section 354D.08.

(d) The Minnesota state academy for the blind or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clause (5), in accordance with section 354D.08.

(e) The Minnesota zoological board or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clause (6), in accordance with section 354D.08.

(f) The Lola and Rudy Perpich Minnesota center for arts education or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clause (7), in accordance with section 354D.08.

Sec. 13. Minnesota Statutes 1996, section 354D.07, is amended to read:

354D.07 [TRANSFER OF CERTAIN MSRS MEMBER CONTRIBUTION REFUND AMOUNTS TO PLAN.]

- (a) Notwithstanding any provision of law to the contrary, a former member of the general state

employees retirement plan of the Minnesota state retirement system or of the teachers retirement association, who has less than three years of allowable service credit as of the election date, and who is a member of the individual retirement account plan under this chapter may elect to transfer to the individual retirement account plan an amount equal to the refund under section 352.22, subdivision 2, or 354.49, subdivisions 1 and 2, whichever applies, that the member could otherwise receive. The transfer must be made from the general state employees retirement fund or the teachers retirement association directly to the individual retirement account plan and credited by the plan appropriately. No amount under this section is payable directly to any individual.

(b) The election must be made on a form prescribed by the executive director of the Minnesota state retirement system or the teachers retirement association, whichever applies, after consultation with the administrators of the plan.

Sec. 14. Minnesota Statutes 1996, section 354D.08, subdivision 1, is amended to read:

Subdivision 1. [GENERAL GOVERNANCE.] (a) The Minnesota historical society is the plan administrator and has the administrative responsibility for the individual retirement account plan for those eligible employees listed in section 354D.02, subdivision 2, clause (3).

(b) The Minnesota state academy for the deaf is the plan administrator and has the administrative responsibility for the individual retirement account plan for those eligible employees listed in section 354D.02, subdivision 2, clause (4).

(c) The Minnesota state academy for the blind is the plan administrator and has the administrative responsibility for the individual retirement account plan for those eligible employees listed in section 354D.02, subdivision 2, clause (5).

(d) The Minnesota zoological board is the plan administrator and has the administrative responsibility for the individual retirement account plan for those eligible employees listed in section 354D.02, subdivision 2, clause (6).

(e) The Lola and Rudy Perpich Minnesota center for arts education is the plan administrator and has the administrative responsibility for the individual retirement account plan for those eligible employees listed in section 354D.02, subdivision 2, clause (7).

Sec. 15. Minnesota Statutes 1996, section 354D.08, subdivision 2, is amended to read:

Subd. 2. [ANNUITY CONTRACTS AND CUSTODIAL ACCOUNTS.] (a) The plan administrator shall arrange for the purchase of fixed annuity contracts, variable annuity contracts, a combination of fixed and variable annuity contracts, or custodial accounts from financial institutions which have been selected by the state board of investment and approved by the plan administrator under subdivision 3, as the investment vehicle for the retirement coverage of plan participants and to provide retirement benefits to plan participants. Custodial accounts from financial institutions shall include open-end investment companies registered under the federal Investment Company Act of 1940, as amended.

(b) The annuity contracts or accounts must be purchased with contributions under section 354D.05, or with money or assets otherwise provided by law by authority of the Minnesota historical society, the Minnesota state academy for the deaf, the Minnesota state academy for the blind, the Minnesota zoological board, or the Lola and Rudy Perpich Minnesota center for arts education, and deemed acceptable by the applicable financial institution.

Sec. 16. Minnesota Statutes 1996, section 354D.08, subdivision 3, is amended to read:

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] The applicable plan administrator may approve up to two financial institutions selected by the state board of investment under section 354B.25, subdivision 3, to provide annuity products and custodial accounts for those employees listed in section 354D.02, subdivision 2, ~~clause~~ clauses (3), (4), (5), (6), and (7). Only those financial institutions selected by the state board of investment and approved by the applicable plan administrator may provide annuity products and custodial accounts for those employees listed in section 354D.02, subdivision 2, ~~clause~~ clauses (3), (4), (5), (6), and (7).

The state board of investment must periodically review at least every three years each financial institution selected. The state board of investment may retain consulting services to assist in the periodic review, may establish a budget for its costs in the periodic review process, and may charge a proportional share of those costs to each financial institution selected. All contracts must be approved by the state board of investment before execution by the Minnesota historical society, the Minnesota state academy for the deaf, the Minnesota state academy for the blind, the Minnesota zoological board, or the Lola and Rudy Perpich Minnesota center for arts education, as applicable. The state board of investment shall also establish policies and procedures under section IIA.04, clause (2), to carry out this subdivision.

Sec. 17. Minnesota Statutes 1996, section 354D.08, subdivision 5, is amended to read:

Subd. 5. [INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATIVE EXPENSES; ~~MINNESOTA HISTORICAL SOCIETY.~~] (a) The reasonable and necessary administrative expenses of the applicable individual retirement account plan for those employees enumerated in section 354D.02, subdivision 2, ~~clause clauses~~ (3), (4), (5), (6), and (7), must be paid by plan participants. The plan administrator may charge to plan participants purchasing annuity contracts and custodial accounts pursuant to subdivision 2, paragraph (a), an administrative expenses assessment of a designated amount, not to exceed two percent of member and employer contributions, as those contributions are made.

(b) Any administrative expense charge that is not actually needed for the administrative expenses of the applicable individual retirement account plan must be refunded to member accounts.

Sec. 18. [EFFECTIVE DATE.]

(a) Sections 1, 2, 3, 11, 12, 13, 14, 15, 16, and 17 are effective on the day following enactment.

(b) Sections 4, 5, and 6 are effective on July 1, 1997, and apply to sabbatical leaves that begin on or after that date.

(c) Sections 7, 8, 9, and 10 are effective on July 1, 1997.

ARTICLE 4

ACTUARIAL ASSUMPTION MODIFICATIONS

Section 1. Minnesota Statutes 1996, section 356.215, subdivision 4d, is amended to read:

Subd. 4d. [INTEREST AND SALARY ASSUMPTIONS.] (a) ~~For funds governed by chapters 352B, 353C, and by sections 352.90 through 352.951 and 353.63 through 353.68, The actuarial valuation must use a the applicable following preretirement interest assumption of 8.5 percent, a and the applicable following postretirement interest assumption of five percent, and a future salary increase assumption of 6.5 percent.:~~

<u>plan</u>	<u>preretirement interest rate assumption</u>	<u>postretirement interest rate assumption</u>
<u>general state employees</u>		
<u>retirement plan</u>	8.5%	5.0%
<u>correctional state employees</u>		
<u>retirement plan</u>	8.5	5.0
<u>state patrol retirement plan</u>	8.5	5.0
<u>legislators retirement plan</u>	8.5	5.0
<u>elective state officers</u>		

<u>retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>judges retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>general public employees</u>		
<u>retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>public employees police and fire</u>		
<u>retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>local government correctional</u>		
<u>service retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>teachers retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>Minneapolis employees</u>		
<u>retirement plan</u>	<u>6.0</u>	<u>5.0</u>
<u>Duluth teachers retirement plan</u>	<u>8.5</u>	<u>8.5</u>
<u>Minneapolis teachers retirement</u>		
<u>plan</u>	<u>8.5</u>	<u>8.5</u>
<u>St. Paul teachers retirement</u>		
<u>plan</u>	<u>8.5</u>	<u>7.5</u>
<u>Minneapolis police relief</u>		
<u>association</u>	<u>6.0</u>	<u>6.0</u>
<u>other local police relief</u>		
<u>associations</u>	<u>5.0</u>	<u>5.0</u>
<u>Minneapolis fire department</u>		
<u>relief association</u>	<u>6.0</u>	<u>6.0</u>
<u>other local salaried firefighter</u>		
<u>relief associations</u>	<u>5.0</u>	<u>5.0</u>
<u>local monthly benefit volunteer</u>		
<u>firefighter relief associations</u>	<u>5.0</u>	<u>5.0</u>

(b) For funds governed by chapter 354A, The actuarial valuation must use preretirement and postretirement assumptions of 8.5 percent and a the applicable following single rate future salary increase assumption of 6.5 percent, but the actuarial valuation must reflect the payment of postretirement adjustments to retirees, based on the methods specified in the bylaws of the fund as approved by the legislature. For a fund governed by chapter 422A, the actuarial valuation shall use a preretirement interest assumption of six percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.04 multiplied by the salary for the preceding year.

(c) For all other funds not specified in paragraph (a), (b), (d), or (e), the actuarial valuation must use a preretirement interest assumption of five percent, a postretirement interest assumption of five percent, and a future salary increase assumption of 3.5 percent.

(d) For funds governed by chapters 3A, 352C, and 490, the actuarial valuation must use a preretirement interest assumption of 8.5 percent, a postretirement interest assumption of five percent, and a future salary increase assumption of 6.5 percent in each future year in which the salary amount payable is not determinable from section 3.099, 15A.081, subdivision 6, or 15A.083, subdivision 1, whichever applies, or from applicable compensation council recommendations under section 15A.082.



(e) For funds governed by sections 352.01 through 352.86, 353.01 through 353.46, and chapter 354, the actuarial valuation must use a preretirement interest assumption of 8.5, a postretirement interest assumption of five percent, and a or the applicable following graded rate future salary increase assumption as follows:

General state employees retirement plan	General public employees retirement plan	Teachers retirement plan
<u>(1) single rate future salary increase assumption</u>		<u>future salary increase assumption</u>
<u>legislators retirement plan</u>		<u>5.0%</u>
<u>elective state officers retirement plan</u>		<u>5.0</u>
<u>judges retirement plan</u>		<u>5.0</u>
<u>Minneapolis employees retirement plan</u>		<u>4.0</u>
<u>Minneapolis police relief association</u>		<u>4.0</u>
<u>other local police relief associations</u>		<u>3.5</u>
<u>Minneapolis fire department relief association</u>		<u>4.0</u>
<u>other local salaried firefighter relief associations</u>		<u>3.5</u>
<u>(2) graded rate future salary increase assumption</u>		<u>future salary increase assumption</u>
<u>general state employees retirement plan</u>		<u>assumption A</u>
<u>correctional state employees retirement plan</u>		<u>assumption A</u>
<u>state patrol retirement plan</u>		<u>assumption A</u>
<u>general public employees retirement plan</u>		<u>assumption B</u>
<u>public employees police and fire fund retirement plan</u>		<u>assumption C</u>
<u>local government correctional service retirement plan</u>		<u>assumption C</u>
<u>teachers retirement plan</u>		<u>assumption D</u>
<u>Duluth teachers retirement plan</u>		<u>assumption E</u>
<u>Minneapolis teachers retirement plan</u>		<u>assumption F</u>

<u>St. Paul teachers retirement plan</u>				<u>assumption G</u>			
<u>age</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
16	7.2500%	8.71%	<u>11.50%</u>	7.25%	<u>8.00%</u>	<u>7.50%</u>	<u>7.25%</u>
17	7.2500	8.71	<u>11.50</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>
18	7.2500	8.70	<u>11.50</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>
19	7.2500	8.70	<u>11.50</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>
20	7.2500	7.70	<u>11.50</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>
21	7.1454	7.70	<u>11.50</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>
22	7.1094	7.70	<u>11.00</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>
23	7.0725	7.70	<u>10.50</u>	7.20	<u>7.90</u>	<u>7.40</u>	<u>7.25</u>
24	7.0363	7.70	<u>10.00</u>	7.15	<u>7.80</u>	<u>7.30</u>	<u>7.20</u>
25	7.0000	7.60	<u>9.50</u>	7.10	<u>7.70</u>	<u>7.20</u>	<u>7.15</u>
26	7.0000	7.51	<u>9.20</u>	7.05	<u>7.60</u>	<u>7.10</u>	<u>7.10</u>
27	7.0000	7.39	<u>8.90</u>	7.00	<u>7.50</u>	<u>7.00</u>	<u>7.05</u>
28	7.0000	7.30	<u>8.60</u>	7.00	<u>7.40</u>	<u>6.90</u>	<u>7.00</u>
29	7.0000	7.20	<u>8.30</u>	7.00	<u>7.30</u>	<u>6.80</u>	<u>6.95</u>
30	7.0000	7.20	<u>8.00</u>	7.00	<u>7.20</u>	<u>6.70</u>	<u>6.90</u>
31	7.0000	7.10	<u>7.80</u>	7.00	<u>7.10</u>	<u>6.60</u>	<u>6.85</u>
32	7.0000	7.10	<u>7.60</u>	7.00	<u>7.00</u>	<u>6.50</u>	<u>6.80</u>
33	7.0000	7.00	<u>7.40</u>	7.00	<u>6.90</u>	<u>6.40</u>	<u>6.75</u>
34	7.0000	7.00	<u>7.20</u>	7.00	<u>6.80</u>	<u>6.30</u>	<u>6.70</u>
35	7.0000	6.90	<u>7.00</u>	7.00	<u>6.70</u>	<u>6.20</u>	<u>6.65</u>
36	6.9019	6.80	<u>6.80</u>	7.00	<u>6.60</u>	<u>6.10</u>	<u>6.60</u>
37	6.8074	6.70	<u>6.60</u>	7.00	<u>6.50</u>	<u>6.00</u>	<u>6.55</u>
38	6.7125	6.60	<u>6.40</u>	6.90	<u>6.40</u>	<u>5.90</u>	<u>6.50</u>
39	6.6054	6.50	<u>6.20</u>	6.80	<u>6.30</u>	<u>5.80</u>	<u>6.40</u>
40	6.5000	6.40	<u>6.00</u>	6.70	<u>6.20</u>	<u>5.70</u>	<u>6.30</u>
41	6.3540	6.30	<u>5.90</u>	6.60	<u>6.10</u>	<u>5.60</u>	<u>6.20</u>
42	6.2087	6.30	<u>5.80</u>	6.50	<u>6.00</u>	<u>5.50</u>	<u>6.10</u>
43	6.0622	6.30	<u>5.70</u>	6.35	<u>5.90</u>	<u>5.45</u>	<u>6.00</u>
44	5.9048	6.20	<u>5.60</u>	6.20	<u>5.80</u>	<u>5.40</u>	<u>5.90</u>
45	5.7500	6.20	<u>5.50</u>	6.05	<u>5.70</u>	<u>5.35</u>	<u>5.80</u>
46	5.6940	6.09	<u>5.45</u>	5.90	<u>5.60</u>	<u>5.30</u>	<u>5.70</u>
47	5.6375	6.00	<u>5.40</u>	5.75	<u>5.50</u>	<u>5.25</u>	<u>5.65</u>
48	5.5822	5.90	<u>5.35</u>	5.70	<u>5.45</u>	<u>5.20</u>	<u>5.60</u>
49	5.5405	5.80	<u>5.30</u>	5.65	<u>5.40</u>	<u>5.15</u>	<u>5.55</u>
50	5.5000	5.70	<u>5.25</u>	5.60	<u>5.35</u>	<u>5.10</u>	<u>5.50</u>
51	5.4384	5.70	<u>5.25</u>	5.55	<u>5.30</u>	<u>5.05</u>	<u>5.45</u>

52 5.3776	5.70	<u>5.25</u>	5.50	<u>5.25</u>	<u>5.00</u>	<u>5.40</u>
53 5.3167	5.70	<u>5.25</u>	5.45	<u>5.25</u>	<u>5.00</u>	<u>5.35</u>
54 5.2826	5.70	<u>5.25</u>	5.40	<u>5.25</u>	<u>5.00</u>	<u>5.30</u>
55 5.2500	5.70	<u>5.25</u>	5.35	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
56 5.2500	5.70	<u>5.25</u>	5.30	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
57 5.2500	5.70	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
58 5.2500	5.70	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
59 5.2500	5.70	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
60 5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
61 5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
62 5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
63 5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
64 5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
65 5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
66 5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
67 5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
68 5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
69 5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
70 5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>

(c) The actuarial valuation must use the applicable following payroll growth assumption for calculating the amortization requirement for the unfunded actuarial accrued liability where the amortization retirement is calculated as a level percentage of an increasing payroll:

<u>plan</u>	<u>payroll growth assumption</u>
<u>general state employees retirement plan</u>	<u>5.00%</u>
<u>correctional state employees retirement plan</u>	<u>5.00</u>
<u>state patrol retirement plan</u>	<u>5.00</u>
<u>legislators retirement plan</u>	<u>5.00</u>
<u>elective state officers retirement plan</u>	<u>5.00</u>
<u>judges retirement plan</u>	<u>5.00</u>
<u>general public employees retirement plan</u>	<u>6.00</u>
<u>public employees police and fire retirement plan</u>	<u>6.00</u>
<u>local government correctional service retirement plan</u>	<u>6.00</u>
<u>teachers retirement plan</u>	<u>5.00</u>
<u>Duluth teachers retirement plan</u>	<u>5.00</u>
<u>Minneapolis teachers retirement plan</u>	<u>5.00</u>
<u>St. Paul teachers retirement plan</u>	<u>5.00</u>

## Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1997, and applies to actuarial valuations prepared on or after that date.

## ARTICLE 5

## MISCELLANEOUS PROVISIONS

## Section 1. [CLARIFICATION OF RETIREMENT ELIGIBILITY FOR CERTAIN PERA-P&amp;F RETIREE.]

(a) Notwithstanding any provision of Minnesota Statutes 1996, section 353.01, subdivision 28, to the contrary, a person described in paragraph (b) must be considered by the public employees police and fire to have retired on October 31, 1996, even though the person may have rendered occasional employment services during November and December, 1996, for a governmental subdivision other than the governmental subdivision that employed the person immediately before October 31, 1996.

(b) A person to whom paragraph (a) applies is a person who:

- (1) was born on October 11, 1943;
- (2) was hired as a police officer by the city of Rochester on February 16, 1971; and
- (3) terminated employment as a Rochester police officer on October 31, 1996.

(c) A person described in paragraph (b) must not be required to repay any public employees police and fire plan retirement annuity amount received before the date of enactment, but the amount of the employment earnings paid to the person by the applicable governmental unit for November and December, 1996, must be deducted by the public employees retirement association from a subsequent retirement annuity payment.

## Sec. 2. [RETIREMENT COVERAGE FOR CERTAIN PART-TIME TEACHERS.]

Subdivision 1. [ELIGIBLE PART-TIME TEACHER.] (a) A part-time teacher described in paragraph (b) is eligible for the retirement coverage specified in subdivision 2.

(b) An eligible part-time teacher is a person who:

(1) was a part-time hourly teacher of nursing employed by special school district No. 1 at the Minneapolis area vocational-technical institute and the Minneapolis technical college during the period April 7, 1975, to June 23, 1990;

(2) was not provided Minnesota public employee retirement plan pension coverage under Minnesota Statutes, chapter 354A for the employment period April 7, 1975, to March 7, 1986;

(3) was not included in coverage by the federal old age, survivors, disability and health insurance program (social security) for the employment period July 1, 1978, to March 7, 1986; and

(4) was a member of the Minneapolis teachers retirement fund association for the employment period March 7, 1986, to June 28, 1991.

Subd. 2. [RETIREMENT COVERAGE.] An eligible part-time teacher under subdivision 1 is entitled to service credit in the applicable program of the Minneapolis teachers retirement fund association for the person's period of part-time teaching employment by special school district No. 1, April 7, 1975, to March 7, 1986, upon the payment of the amount specified in subdivision 3, paragraph (a).

Subd. 3. [AMOUNT.] (a) The payment amount is an amount equal to the actuarial present value, on the date of payment, as calculated by the actuary retained by the legislative commission on pensions and retirement, of the amount of the additional retirement annuity obtained by the

acquisition of the additional service credit in this section. Calculation of this amount must be made using the preretirement interest rate applicable to the Minneapolis teachers retirement fund association specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the pension plan.

The calculation must assume continuous future service in the association until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased. The calculation must also assume a full-time equivalent salary, or actual salary, whichever is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in Minnesota Statutes, section 356.215, subdivision 4d.

(b) Payment must be made in one lump sum before July 1, 1998.

(c) Payment of the amount calculated under this subdivision must be made by the eligible teacher. However, special school district No. 1, Minneapolis, may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of 8-1/2 percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made. If the school district agrees to payments under this paragraph, the eligible teacher must make the employee payments required under this paragraph before July 1, 1998. If that employee payment is made, the school district payment under this paragraph must be remitted to the executive secretary of the Minneapolis teachers retirement fund association within 60 days of receipt by the executive secretary of the employee payments specified under this paragraph.

Subd. 4. [SERVICE CREDIT GRANT.] Service credit for the purchase period must be granted by the Minneapolis teachers retirement fund association to the account of the eligible teacher upon receipt of the purchase payment amount specified in subdivision 3.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective on the day following final enactment.

#### ARTICLE 6

#### VOLUNTEER FIREFIGHTER SERVICE

#### PENSION MAXIMUMS

Section 1. Minnesota Statutes 1996, section 424A.02, subdivision 3, is amended to read:

Subd. 3. [FLEXIBLE SERVICE PENSION MAXIMUMS.] (a) On or before August 1 of each year as part of the certification of the financial requirements and minimum municipal obligation made pursuant to section 69.772, subdivision 4, or 69.773, subdivision 5, the secretary or some other official of the relief association designated in the bylaws of each relief association shall calculate and certify to the governing body of the applicable qualified municipality the average amount of available financing per active covered firefighter for the most recent three-year period. The amount of available financing shall include any amounts of fire state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated pursuant to sections 69.772, subdivision 2; 69.773, subdivisions 2 and 4; or 69.774, subdivision 2, if any.

(b) The maximum service pension which the relief association has authority to provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met must be determined using the table in paragraph (c) or (d), whichever applies.

(c) For a relief association where the governing bylaws provide for a monthly service pension to a retiring member, the maximum monthly service pension amount per month for each year of service credited that may be provided for in the bylaws is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
\$...	\$.25
42	.50
84	1.00
126	1.50
168	2.00
209	2.50
252	3.00
294	3.50
335	4.00
378	4.50
420	5.00
503	6.00
587	7.00
672	8.00
755	9.00
839	10.00
923	11.00
1007	12.00
1090	13.00
1175	14.00
1259	15.00
1342	16.00
1427	17.00
1510	18.00
1594	19.00
1677	20.00
1762	21.00
1845	22.00
1888	22.50
1929	23.00
2014	24.00
2098	25.00
2183	26.00
2267	27.00
2351	28.00
2436	29.00
2520	30.00
any amount more than 2520	30.00
2604	31.00
2689	32.00
2773	33.00
2857	34.00
2942	35.00
3026	36.00
3110	37.00
3963	38.00

4047	39.00
<u>4137</u>	<u>40.00</u>
any amount more than 4137	<u>40.00</u>

(d) For a relief association in which the governing bylaws provide for a lump sum service pension to a retiring member, the maximum lump sum service pension amount for each year of service credited that may be provided for in the bylaws is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service
---	--

(1) for service pensions payable before January 1, 1994

\$..	\$10
11	20
16	30
23	40
27	50
32	60
43	80
54	100
65	120
77	140
86	160
97	180
108	200
131	240
151	280
173	320
194	360
216	400
239	440
259	480
281	520
302	560
324	600
347	640
367	680
389	720
410	760
432	800
486	900
540	1000
594	1100
648	1200
702	1300
756	1400
810	1500
864	1600
918	1700
972	1800
1026	1900
1080	2000

1134	2100
1188	2200
1242	2300
1296	2400
1350	2500
1404	2600
1458	2700
1512	2800
1566	2900
1620	3000
1672	3100
1726	3200
1753	3250
1780	3300
1820	3375
any amount more than 1820	3375

(2) in addition to the service pension maximum under clause (1), for service pensions payable after December 31, 1993, and before January 1, 1995

1834	3400
1888	3500
any amount more than 1888	3500

(3) in addition to the service pension maximum under clauses (1) and (2), for service pensions payable after December 31, 1994, and before January 1, 1996

1942	3600
1996	3700
2023	3750
any amount more than 2023	3750

(4) in addition to the service pension maximum under clauses (1) to (3), for service pensions payable after December 31, 1995

2050	3800
2104	3900
2158	4000
any amount more than 2158	4000
2212	4100
2265	4200
2319	4300
2373	4400
2427	4500
2481	4600
2535	4700
2589	4800
2643	4900
2697	5000
2751	5100
2805	5200
2859	5300
2913	5400
2967	5500
any amount more than 2967	5500

(e) For a relief association in which the governing bylaws provide for a monthly benefit service



pension as an alternative form of service pension payment to a lump sum service pension, the maximum service pension amount for each pension payment type must be determined using the applicable table contained in this subdivision.

(f) If a relief association establishes a service pension in compliance with the applicable maximum contained in paragraph (c) or (d) and the minimum average amount of available financing per active covered firefighter is subsequently reduced because of a reduction in fire state aid or because of an increase in the number of active firefighters, the relief association may continue to provide the prior service pension amount specified in its bylaws, but may not increase the service pension amount until the minimum average amount of available financing per firefighter under the table in paragraph (c) or (d), whichever applies, permits.

(g) No relief association is authorized to provide a service pension in an amount greater than ~~\$30~~ \$40 per month per year of service credit or in an amount greater than ~~\$3,375~~ \$5,500 lump sum per year of service credit before January 1, 1994, ~~\$3,500~~ lump sum per year of service credit before January 1, 1995, ~~\$3,750~~ lump sum per year of service credit before January 1, 1996, and ~~\$4,000~~ lump sum per year of service credit after December 31, 1995, even if the minimum average amount of available financing per firefighter for a relief association providing a monthly benefit service pension is greater than ~~\$2,240~~ \$4,137, or, for a relief association providing a lump sum service pension, is greater than ~~\$1,753~~ before January 1, 1994, ~~\$1,888~~ before January 1, 1995, ~~\$2,023~~ before January 1, 1996, or ~~\$2,158~~ after December 31, 1995 \$2,967.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for pensions payable after December 31, 1997.

#### ARTICLE 7

### RETIREMENT COVERAGE MODIFICATIONS FOR TRANSFERRED UNIVERSITY OF MINNESOTA ACADEMIC HEALTH CENTER EMPLOYEES

Section 1. Minnesota Statutes 1996, section 352F.02, subdivision 3, is amended to read:

Subd. 3. [EFFECTIVE DATE.] "Effective date" is the date terminated hospital employees transfer employment to Fairview under a definitive integration agreement between the University of Minnesota and Fairview or the date terminated academic health center employees are transferred to the University of Minnesota Physicians or University Affiliated Family Physicians, whichever is applicable.

Sec. 2. Minnesota Statutes 1996, section 352F.02, subdivision 6, is amended to read:

Subd. 6. [TERMINATED HOSPITAL EMPLOYEE.] "Terminated hospital employee" means a person who:

(1) was employed on the day before the effective date by the University of Minnesota at the University of Minnesota hospital and clinics or the academic health center and was paid on a biweekly payroll;

(2) terminated employment with the University of Minnesota on the day before the effective date or in the case of employees of the academic health center, terminated employment with the University of Minnesota after the effective date but immediately transferred employment to the University of Minnesota Physicians or University Affiliated Family Physicians; and

(3) was a participant in the general state employees retirement plan of the Minnesota state retirement system at the time of termination of employment with the University of Minnesota.

Sec. 3. Minnesota Statutes 1996, section 352F.02, is amended by adding a subdivision to read:

Subd. 9. [ACADEMIC HEALTH CENTER.] "Academic health center" means the seven professional schools in health care related disciplines at the University of Minnesota.

Sec. 4. Minnesota Statutes 1996, section 352F.02, is amended by adding a subdivision to read:

Subd. 10. [UNIVERSITY OF MINNESOTA PHYSICIANS.] "University of Minnesota Physicians" means the multi-specialty single group medical practice group in which medical school faculty will practice medicine beginning in 1997.

Sec. 5. Minnesota Statutes 1996, section 352F.02, is amended by adding a subdivision to read:

Subd. 11. [UNIVERSITY AFFILIATED FAMILY PHYSICIANS.] "University affiliated family physicians" means the private practice group of the department of family practice in the university's medical school.

Sec. 6. Minnesota Statutes 1996, section 352F.03, is amended to read:

352F.03 [VESTING RULE FOR CERTAIN EMPLOYEES.]

Notwithstanding any provision of chapter 352 to the contrary, a terminated hospital employee or academic health center employee is eligible to receive a retirement annuity under Minnesota Statutes 1994, section 352.115, without regard to the requirement for three years of allowable service.

Sec. 7. Minnesota Statutes 1996, section 352F.04, is amended to read:

352F.04 [AUGMENTATION INTEREST RATE FOR TERMINATED UNIVERSITY HOSPITAL EMPLOYEES.]

The deferred annuity of a terminated hospital employee is subject to augmentation in accordance with Minnesota Statutes 1994, section 352.72, subdivision 2, except that the rate of interest for this purpose is 5.5 percent compounded annually until January 1 following the year in which such person attains age 55. From that date to the effective date of retirement, the rate is 7.5 percent. These increased augmentation rates are no longer applicable for any time after the terminated hospital employee or academic health center employee becomes covered again by a retirement fund enumerated in section 356.30, subdivision 3. These increased deferred annuity augmentation rates do not apply to a terminated transferred hospital employee or academic health center employee who begins receipt of a retirement annuity while employed by Fairview.

Sec. 8. Minnesota Statutes 1996, section 352F.05, is amended to read:

352F.05 [AUTHORIZATION FOR ADDITIONAL ALLOWABLE SERVICE FOR CERTAIN EARLY RETIREMENT PURPOSES.]

For purpose of determining eligibility for early retirement benefits provided under Minnesota Statutes 1994, section 352.116, subdivision 1, paragraphs (a) and (b), and notwithstanding any provision of chapter 352 to the contrary, the years of allowable service for a terminated hospital employee who transfers to employment at Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians on the effective date and does not apply for a refund of contributions under Minnesota Statutes 1994, section 352.22, subdivision 2, or any similar provision in future Minnesota Statutes, includes service with Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians following the effective date. Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians shall provide any reports that the executive director of the Minnesota state retirement system may reasonably request to permit calculation of benefits.

To be eligible for early retirement benefits under this section, the individual must separate from service with Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians. The terminated eligible individual, or an individual authorized to act on behalf of that individual, may apply for an annuity following application procedures under section 352.115, subdivision 7.

Sec. 9. Minnesota Statutes 1996, section 352F.06, is amended to read:

352F.06 [APPLICATION OF REEMPLOYED ANNUITANT EARNINGS LIMITATIONS.]

The reemployed annuitant earnings limitations of section 352.115, subdivision 10, apply to any service by a terminated hospital employee as an employee of Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians.

Sec. 10. Minnesota Statutes 1996, section 352F.07, is amended to read:

352F.07 [EFFECT ON REFUND.]

Notwithstanding any provision of chapter 352 to the contrary, terminated hospital employees may receive a refund of employee accumulated contributions plus interest at the rate of six percent per year compounded annually in accordance with Minnesota Statutes 1994, section 352.22, subdivision 2, at any time after the transfer of employment to Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians. If a terminated hospital employee has received a refund from a pension plan enumerated in section 356.30, subdivision 3, the person may not repay that refund unless the person again becomes a member of one of those enumerated plans and complies with section 356.30, subdivision 2.

Sec. 11. Minnesota Statutes 1996, section 352F.08, is amended to read:

352F.08 [COUNSELING SERVICES.]

The University of Minnesota hospital and clinics or the academic health center, whichever is applicable and the Minnesota state retirement system shall provide terminated hospital employees with counseling on their benefits available under the general state employees retirement plan of the Minnesota state retirement system.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; revising various police state aid provisions to fully implement intended 1996 modifications; ratifying the calculation of certain 1996 police state aid amounts; modifying various fire state aid provisions; authorizing the exclusion of certain pipefitters from public employee retirement association membership; authorizing benefit increases for the Richfield fire department relief association; providing postretirement adjustments for retirees and benefit recipients of the Nashwauk police pension plan and the Eveleth police and fire retirement trust fund; clarifying the benefit floor for certain benefit recipients of the St. Paul police and fire consolidation accounts; providing alternative retirement coverage for transferred employees of the Jackson medical center, the Melrose hospital, and the Tracy municipal hospital; creating a trust for the state deferred compensation program; modifying the handling of sabbatical leave contributions by the teachers retirement association; modifying the timing of higher education supplemental retirement plan contributions; making administrative changes in the higher education individual retirement account plan and supplemental retirement plan; authorizing additional individual retirement account plans; modifying various economic actuarial assumptions; clarifying certain retirement dates; authorizing certain purchases of prior service credit; extending the volunteer firefighter flexible service pension maximums; modifying retirement coverage for transferred university academic health center employees; amending Minnesota Statutes 1996, sections 69.021, subdivisions 4, 5, 6, 7a, 8, 9, 10, and 11; 69.031, subdivisions 1, 3, and 5; 352.96, subdivisions 2, 3, and 6; 352F.02, subdivisions 3, 6, and by adding subdivisions; 352F.03; 352F.04; 352F.05; 352F.06; 352F.07; 352F.08; 353.01, subdivision 2b; 353B.07, subdivision 3; 353B.08, subdivision 6; 353B.11, subdivisions 3, 4, and 5; 354.092, subdivisions 1, 3, and 4; 354B.25, subdivision 5, and by adding a subdivision; 354C.12, subdivisions 1 and 4; 354D.02, subdivision 2; 354D.06; 354D.07; 354D.08, subdivisions 1, 2, 3, and 5; 356.215, subdivision 4d; and 424A.02, subdivision 3; Laws 1943, chapter 196, section 4, as amended; Laws 1965, chapter 705, section 1, subdivision 4; Laws 1967, chapter 798, sections 2 and 4; and Laws 1992, chapter 563, section 5, as amended."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 635:** A bill for an act relating to highways; exempting town roads, city streets, and county highways from noise abatement standards; amending Minnesota Statutes 1996, sections 116.07, subdivision 2a; and 161.125, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after "(2)" insert "except for controlled access roadways regardless of jurisdiction,"

Page 2, delete section 2

Page 2, line 21, delete "Sections 1 and 2 are" and insert "Section 1 is"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "sections" and insert "section"

Page 1, line 5, delete "; and 161.125, subdivision 1"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 1096:** A bill for an act relating to motor carriers; allowing personnel of departments of transportation and public safety to conduct joint or combined audits of motor carrier records; requiring commissioner of public safety to provide commissioner of transportation information on traffic accidents involving commercial motor vehicles; providing for enforcement authority of personnel of departments of transportation and public safety relating to motor carriers; conforming state statutes to federal motor carrier safety regulations; providing for the reauthorization of the uniform hazardous materials registration and permit program for an additional year; authorizing administrative penalties for violations of federal motor carrier safety regulations; authorizing commissioner of transportation to accept electronic signatures for electronically transmitted motor carrier documents; providing immunity from civil liability for certain disclosures by motor carrier employers; amending Minnesota Statutes 1996, sections 168.187, subdivision 20; 169.09, subdivision 13; 169.85; 169.871, subdivisions 1 and 1a; 221.0314, subdivisions 2, 6, 7, 9, 10, and 11; 221.0355, subdivisions 5 and 15; 221.221, subdivisions 2 and 4; 296.17, subdivision 18; 296.171, subdivision 4; and 299D.06; Laws 1994, chapter 589, section 8, as amended; proposing coding for new law in Minnesota Statutes, chapter 221.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, after line 30, insert:

"Sec. 6. Minnesota Statutes 1996, section 221.0314, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] (a) ~~Intrastate motor carriers, private carriers, and persons providing intrastate transportation described in section 221.025,~~ must comply with the rules federal regulations incorporated in this section. Private carriers and persons providing intrastate transportation described in section 221.025, must comply with the federal regulations incorporated in this section to the extent required by section 221.031. Every carrier and its officers, agents, representatives, and employees responsible for managing, maintaining, equipping, operating, or driving motor vehicles, or hiring, supervising, training, assigning, or dispatching drivers, must be instructed in and comply with the rules incorporated in this section and shall require that its agents, representatives, drivers, and employees comply.

(b) In the rules incorporated in subdivisions 2 to 11:

(1) the term "motor carrier" means a carrier required to comply with this section by section 221.031;

(2) a reference to a federal agency or office means the Minnesota department of transportation; and

(3) a reference to a federal administrative officer means the commissioner of the Minnesota department of transportation."

Pages 10 to 12, delete section 14

Page 13, line 18, delete "section"

Page 13, line 19, delete "221.0314 or"

Page 13, line 20, delete "391.23" and insert "382.413"

Page 14, line 32, delete everything after "(1)"

Page 14, delete lines 33 to 36

Page 15, delete line 1

Page 15, line 2, delete the paragraph coding and delete "(2)"

Page 15, line 4, delete "(3)" and insert "(2)"

Page 15, after line 16, insert:

"Sec. 23. [HAZARDOUS WASTE TRANSPORTER LICENSING.]

Unless, before November 1, 1997, Congress specifically reauthorizes the uniform hazardous materials permit program created in the Hazardous Materials Transportation Uniform Safety Act of 1990, United States Code, title 49 appendix, sections 18-19, subsection (c), the commissioner shall stop registering and permitting hazardous material and hazardous waste transporters under November 1, 1997, and shall revert to licensing hazardous waste transporters under Minnesota Statutes, section 221.0335. A permit under Minnesota Statutes, section 221.0355, becomes a hazardous waste transporter license under Minnesota Statutes, section 221.0335."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, delete from "authorizing" through page 1, line 16, to "regulations;"

Page 1, line 20, after the semicolon, insert "providing for hazardous waste transporter licensing under state law;"

Page 1, line 23, before "2," insert "1,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1328:** A bill for an act relating to renewable energy; permitting certain municipalities in the upper Minnesota river valley region to establish a rural development financing authority and establishing the Minnesota alternative energy development authority; proposing coding for new law as Minnesota Statutes, chapter 41D.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [216B.1645] [POWER PURCHASE CONTRACTS OR INVESTMENTS.]

Upon the petition of a public utility, the public utilities commission shall approve or disapprove power purchase contracts or investments entered into or made by the utility to satisfy the wind and biomass mandates contained in sections 216B.2423 and 216B.2424. The contract expenses incurred and investments made by a public utility with the approval of the commission must be included by the commission in its determination of just and reasonable rates. The commission shall permit a public utility to file rate schedules providing for recovery of the costs of the wind and biomass mandates.

Sec. 2. [EVALUATION OF BIOMASS FACILITIES.]

The commissioners of finance, agriculture, public service, and trade and economic development shall evaluate alternative financing mechanisms for the incremental development and construction of alfalfa processing facilities and farm grown closed-loop biomass energy facilities.

The analysis must include, at a minimum, the following:

- (1) state financing of biomass energy facilities;
- (2) private financing of biomass energy facilities; and
- (3) production credit payments for biomass energy production.

The analysis with recommendations must be submitted to the legislature by November 15, 1997."

Delete the title and insert:

"A bill for an act relating to renewable energy; providing for action by the public utilities commission on purchases of wind and biomass power; requiring a study; proposing coding for new law in Minnesota Statutes, chapter 216B."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Ranum from the Committee on Judiciary, to which was referred**

**S.F. No. 1513:** A bill for an act relating to civil actions; modifying and expanding provisions for sanctions in civil actions; amending Minnesota Statutes 1996, sections 336.2A-108; 566.25; 570.041, subdivision 1; 571.932, subdivision 6; and 609.5314, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 549; repealing Minnesota Statutes 1996, section 549.21.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Ms. Ranum from the Committee on Judiciary, to which was referred**

**S.F. No. 117:** A bill for an act relating to the military; adding an exclusion to the tort claims act; amending Minnesota Statutes 1996, section 3.736, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Ms. Ranum from the Committee on Judiciary, to which was re-referred**

**S.F. No. 813:** A bill for an act relating to children; providing for transfer of custody of a child to a relative by a consent decree; authorizing communication or contact agreements between adoptive parents and birth relatives; providing for a relative conference and relative care agreement following a report of child abuse or neglect; creating a pilot project; appropriating money; amending Minnesota Statutes 1996, sections 257.02; 259.59 by adding a subdivision; 260.191, subdivision 3b; 260.241, subdivision 1; and 518.158; proposing coding for new law in Minnesota Statutes, chapters 257; 259; and 626.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 10 to 12, delete sections 9 and 10

Page 12, line 9, delete "9" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete everything after "neglect;"

Page 1, line 9, delete "money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Ranum from the Committee on Judiciary, to which was re-referred**

**S.F. No. 747:** A bill for an act relating to children; child protection; providing a uniform process for children in need of protection or services petitions; providing certain notice in voluntary placements; providing for access to certain data on children; providing for contact and communication agreements in adoption; modifying the reasonable efforts requirement when a child has been placed outside the home; clarifying and modifying time requirements for permanency planning; providing earlier notice to relatives of permanency planning for a child; modifying grounds for termination of parental rights; appropriating money; amending Minnesota Statutes 1996, sections 256E.03, subdivision 2; 257.071, subdivisions 3, 4, and by adding subdivisions; 257.072, subdivision 1; 259.41; 259.59, by adding a subdivision; 259.67, subdivision 2; 260.012; 260.015, subdivisions 2a and 29; 260.131, subdivisions 1 and 2; 260.155, subdivisions 1a, 2, 3, 4, and 8; 260.161, by adding a subdivision; 260.165, subdivision 3; 260.191, subdivisions 3a, 3b, and 4; 260.192; 260.221, subdivisions 1 and 5; and 260.241, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 257; and 259; repealing Minnesota Statutes 1996, section 259.33.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 27, delete "counsel and"

Page 6, lines 19 to 22, delete the new language

Page 18, line 31, delete "The"

Page 18, delete lines 32 to 36

Page 19, delete line 1

Page 19, line 16, reinstate the stricken "or"

Page 19, lines 18 to 23, delete the new language

Page 35, delete section 37

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, delete "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Ranum from the Committee on Judiciary, to which was referred**

**S.F. No. 727:** A bill for an act relating to adoption; providing for release of birth information to

adopted persons; appropriating money; amending Minnesota Statutes 1996, section 259.89, subdivisions 1, 4, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 259; repealing Minnesota Statutes 1996, section 259.89, subdivisions 2 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1996, section 259.24, is amended by adding a subdivision to read:

Subd. 5a. [NOTICE REGARDING ACCESS TO BIRTH INFORMATION.] At the time a consent is executed under this section, section 259.25, subdivision 1, or 259.47, subdivision 7, the person before whom the consent is executed shall notify the parent that:

(1) the parent may file an affidavit with the commissioner of health objecting to the release of information regarding the parent's identity to the child; and

(2) if the parent does not file the affidavit, an adopted person who is 19 years of age or older will have access to information on the parent's identity in the original birth certificate.

Failure to provide this notice does not affect the validity of the consent.

Sec. 2. Minnesota Statutes 1996, section 259.83, subdivision 2, is amended to read:

Subd. 2. [HEALTH OR MEDICAL HISTORY INFORMATION.] When the agency receives information about a medical or genetic condition which has affected or may affect the physical or mental health of genetically related persons or receives a request for information regarding their medical history, the agency shall make a diligent effort to contact those persons in order to transmit or request the health or medical history information."

Pages 3 and 4, delete section 5 and insert:

"Sec. 7. [NOTICE TO THE PUBLIC.]

(a) From August 1, 1997, to July 31, 1999, the commissioner of health shall conduct an adoption records public awareness campaign. The purpose of the campaign is to notify persons who placed their children for adoption prior to August 1, 1982, of their rights to file affidavits of disclosure of the records of the adoption under Minnesota Statutes, section 259.89, notwithstanding any decision they made at the time of the adoption, and of the provisions of sections 1 to 6 that will take effect on August 1, 2000. The campaign must stress the value of family wholeness and healing that may result from openness in adoptions. The campaign must encourage affirmative decision-making about signing affidavits of disclosure or nondisclosure, and provide for assistance as far as practicable in the filing of affidavits. The campaign must be conducted entirely in the public and may not involve notifying or contacting individual parents, except at the parent's request, of the right to file an affidavit of disclosure or nondisclosure.

(b) The commissioner shall appoint an advisory committee of 11 persons broadly representative of the interests of the adoption community and of the geography of the state to assist in planning the campaign. The commissioner may contract with any public or private organization or agency with the knowledge and expertise to conduct the campaign. The campaign must use materials authorized by the commissioner and seek to maximize donations of advertising space and time. The commissioner may establish a telephone hotline or other electronic means to receive requests for information or to provide information to persons seeking it.

(c) Every licensed adoption agency shall cooperate with the commissioner in carrying out the purposes and activities of this campaign, whether or not they were involved in adoption actions prior to August 1, 1982.

(d) By January 1, 2000, the commissioner shall report to the chairs of the senate committee on health and human services and the house committee on health and human services on the activities



and results of the campaign, along with recommendations on activity necessary to further the goals of this section."

Page 4, line 8, delete "5" and insert "7"

Page 4, line 9, delete "1998" and insert "1999"

Page 4, line 11, delete "to 4 and 6" and insert "and 3 to 6 and 8" and delete "1998" and insert "2000"

Page 4, line 12, delete "5 and 7" and insert "7 and 9"

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 259.24, by adding a subdivision; 259.83, subdivision 2; and"

Page 1, delete line 6

Page 1, line 7, delete "chapter 259;"

And when so amended the bill do pass and be re-referred to the Committee on Health and Family Security. Amendments adopted. Report adopted.

#### **Ms. Ranum from the Committee on Judiciary, to which was re-referred**

**S.F. No. 756:** A bill for an act relating to landlord and tenant; prohibiting landlords from penalizing tenants solely for seeking police or emergency assistance; superseding inconsistent local regulation; authorizing the attorney general to investigate and prosecute violations; providing civil penalties; proposing coding for new law in Minnesota Statutes, chapter 504.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, after "penalty" insert ", including eviction,"

Page 2, line 15, delete "treble damages or \$500" and insert "\$250 or actual damages"

Page 2, line 21, delete "the day following final enactment" and insert "July 1, 1997,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

#### **Ms. Ranum from the Committee on Judiciary, to which was referred**

**S.F. No. 627:** A bill for an act relating to civil actions; requiring certification of expert review in actions against certain professionals; proposing coding for new law in Minnesota Statutes, chapter 544.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [544.50] [ACTIONS AGAINST PROFESSIONALS; CERTIFICATION OF EXPERT REVIEW.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "professional" means a licensed attorney or an architect, certified public accountant, engineer, land surveyor, or landscape architect licensed or certified under sections 326.02 to 326.229; and

(2) "action" includes an original claim, cross-claim, counterclaim, or third-party claim. An action does not include a claim for damages requiring notice pursuant to section 604.04.

Subd. 2. [REQUIREMENT.] In an action against a professional alleging negligence or malpractice in rendering a professional service where expert testimony is to be used by a party to establish a prima facie case, the party must:

(1) unless otherwise provided in subdivision 3, paragraph (a), clause (2) or (3), serve upon the opponent with the pleadings an affidavit as provided in subdivision 3; and

(2) serve upon the opponent within 180 days an affidavit as provided in subdivision 4.

Subd. 3. [AFFIDAVIT OF EXPERT REVIEW.] (a) The affidavit required by subdivision 2, clause (1), must be drafted by the party's attorney and state that:

(1) the facts of the case have been reviewed by the party's attorney with an expert whose qualifications provide a reasonable expectation that the expert's opinions could be admissible at trial and that, in the opinion of this expert, the defendant deviated from the applicable standard of care and by that action caused injury to the plaintiff;

(2) the expert review required by clause (1) could not reasonably be obtained before the action was commenced because of the applicable statute of limitations; or

(3) the parties have agreed to a waiver of the expert review required by clause (1) or the party has applied for a waiver or modification by the court under paragraph (c).

(b) If an affidavit is executed under paragraph (a), clause (2), the affidavit in paragraph (a), clause (1), must be served on the defendant or the defendant's counsel within 90 days after service of the summons and complaint.

(c) The certification of expert review required under this section may be waived or modified if the court where the matter will be venued determines, upon an application served with commencement of the action, that good cause exists for not requiring the certification. Good cause includes, but is not limited to, a showing that the action requires discovery to provide a reasonable basis for the expert's opinion or the unavailability, after a good faith effort, of a qualified expert at reasonable cost. If the court waives or modifies the expert review requirements, the court shall establish a scheduling order for compliance or discovery. If the court denies a request for a waiver under this subdivision, the plaintiff must serve on the defendant the affidavit required under subdivision 2, clause (1), within 60 days, and the affidavit required under subdivision 2, clause (2), within 180 days.

Subd. 4. [IDENTIFICATION OF EXPERTS TO BE CALLED.] (a) The affidavit required by subdivision 2, clause (2), must be signed by the party's attorney and state the identity of each person whom the attorney expects to call as an expert witness at trial to testify with respect to the issues of negligence, malpractice, or causation, the substance of the facts and opinions to which the expert is expected to testify, and a summary of the grounds for each opinion. Answers to interrogatories that state the information required by this subdivision satisfy the requirements of this subdivision if they are signed by the party's attorney and served upon the opponent within 180 days after commencement of the action against the defendant or within 180 days after service of the affidavit required by subdivision 3, paragraph (a), clause (2) or (3).

(b) The parties by agreement, or the court for good cause shown, may provide for extensions of the time limits specified in subdivision 2, 3, or this subdivision. Nothing in this subdivision prevents any party from calling additional expert witnesses or substituting other expert witnesses.

Subd. 5. [RESPONSIBILITIES OF PARTY AS ATTORNEY.] If a party is acting pro se, the party shall sign the affidavit or answers to interrogatories referred to in this section and is bound by those provisions as if represented by an attorney.

Subd. 6. [PENALTY FOR NONCOMPLIANCE.] (a) Failure to comply with subdivision 2, clause (1), within 60 days after demand for the affidavit results, upon motion, in mandatory

dismissal of each cause of action with prejudice as to which expert testimony is necessary to establish a prima facie case.

(b) Failure to comply with subdivision 2, clause (2), results, upon motion, in mandatory dismissal of each cause of action with prejudice as to which expert testimony is necessary to establish a prima facie case.

(c) Failure to comply with subdivision 4 results, upon motion, in mandatory dismissal of each action with prejudice as to which expert testimony is necessary to establish a prima facie case, provided that an initial motion to dismiss an action under this paragraph based upon claimed deficiencies of the affidavit or answers to interrogatories shall not be granted unless, after notice by the court, the nonmoving party is given 60 days to satisfy the disclosure requirements in subdivision 4. In providing its notice, the court shall issue specific findings as to the deficiencies of the affidavit or answers to interrogatories.

Subd. 7. [CONSEQUENCES OF SIGNING AFFIDAVIT.] The signature of the party or the party's attorney constitutes a certification that the person has read the affidavit or answers to interrogatories, and that to the best of the person's knowledge, information, and belief formed after a reasonable inquiry, it is true, accurate, and made in good faith. A certification made in violation of this subdivision subjects the attorney or party responsible for that conduct to reasonable attorney's fees, costs, disbursements, and other damages that may be determined by the court.

Sec. 2. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective August 1, 1997, and applies to causes of action arising from incidents occurring on or after that date and to actions commenced on or after August 1, 1998."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Ranum from the Committee on Judiciary, to which was referred**

**S.F. No. 1114:** A bill for an act relating to tort liability; municipalities; clarifying the liability for torts of officers, employees, and agents; amending Minnesota Statutes 1996, sections 466.02; and 466.04, subdivisions 1 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 3.736, subdivision 4, is amended to read:

Subd. 4. [LIMITS.] The total liability of the state and its employees acting within the scope of their employment on any tort claim shall not exceed:

(a) ~~\$200,000~~ \$300,000 when the claim is one for death by wrongful act or omission and ~~\$200,000~~ \$300,000 to any claimant in any other case;

(b) ~~\$600,000~~ \$750,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 1998, and before January 1, 2000; or

(c) \$1,000,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2000.

If the amount awarded to or settled upon multiple claimants exceeds ~~\$600,000~~ the applicable limit under clause (b) or (c), any party may apply to the district court to apportion to each claimant a proper share of the ~~\$600,000~~ amount available under the applicable limit under clause (b) or (c). The share apportioned to each claimant shall be in the proportion that the ratio of the award or settlement bears to the aggregate awards and settlements for all claims arising out of the occurrence.

The limitation imposed by this subdivision on individual claimants includes damages claimed for loss of services or loss of support arising out of the same tort.

Sec. 2. Minnesota Statutes 1996, section 466.04, subdivision 1, is amended to read:

Subdivision 1. [LIMITS; PUNITIVE DAMAGES.] (a) Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed:

(1) ~~\$200,000~~ \$300,000 when the claim is one for death by wrongful act or omission and ~~\$200,000~~ \$300,000 to any claimant in any other case;

(2) ~~\$600,000~~ \$750,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 1998, and before January 1, 2000; ~~or~~

(3) \$1,000,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2000; or

(4) twice the limits provided in clauses (1) and (2) to (3) when the claim arises out of the release or threatened release of a hazardous substance, whether the claim is brought under sections 115B.01 to 115B.15 or under any other law.

(b) No award for damages on any such claim shall include punitive damages.

Sec. 3. Minnesota Statutes 1996, section 466.04, subdivision 3, is amended to read:

Subd. 3. [DISPOSITION OF MULTIPLE CLAIMS.] Where the amount awarded to or settled upon multiple claimants exceeds ~~\$600,000~~ the applicable limit under subdivision 1, paragraph (a), clauses (2) to (4), any party may apply to any district court to apportion to each claimant a proper share of the total amount limited by subdivision 1. The share apportioned each claimant shall be in the proportion that the ratio of the award or settlement made to each bears to the aggregate awards and settlements for all claims arising out of the occurrence.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective January 1, 1998, for claims arising from acts or omissions taking place on or after that date."

Delete the title and insert:

"A bill for an act relating to claims against governmental units; increasing tort liability limits; amending Minnesota Statutes 1996, sections 3.736, subdivision 4; and 466.04, subdivisions 1 and 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Local and Metropolitan Government, to which was re-referred**

**S.F. No. 441:** A bill for an act relating to taxation; sales; exempting sales of lottery tickets from sales tax; amending Minnesota Statutes 1996, sections 297A.259; 349A.01, subdivision 7; and 349A.10, subdivision 7.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

**Mr. Vickerman from the Committee on Local and Metropolitan Government, to which was referred**

**S.F. No. 1306:** A bill for an act relating to the city of Buffalo Lake; authorizing the city to negotiate contracts for a specific project without competitive bids.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Vickerman from the Committee on Local and Metropolitan Government, to which was referred**

**S.F. No. 1720:** A bill for an act relating to local government; permitting the cities of Bloomington, Chanhassen, Eden Prairie, Edina, and Richfield to issue general obligation bonds for a joint training facility.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Vickerman from the Committee on Local and Metropolitan Government, to which was referred**

**S.F. No. 1218:** A bill for an act relating to parks; funding the operation and maintenance of parks in the metropolitan area; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Report adopted.

**Mr. Vickerman from the Committee on Local and Metropolitan Government, to which was referred**

**S.F. No. 1195:** A bill for an act relating to community development; appropriating money for specified projects in the city of St. Paul; providing for a comprehensive planning process.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, delete "shall" and insert "may"

Pages 1 and 2, delete section 3

Amend the title as follows:

Page 1, lines 3 and 4, delete "; providing for a comprehensive planning process"

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Local and Metropolitan Government, to which was referred**

**S.F. No. 1037:** A bill for an act relating to Scott county; permitting the appointment of the auditor, recorder, and treasurer.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 12, insert:

"Sec. 2. [PUBLISHING RESOLUTION, PETITION, REFERENDUM.]

The Scott county board, after adopting a resolution permitted by section 1, must publish the resolution once each week for two consecutive weeks in the official publication of the county. The resolution may be implemented without the submission of the question to the voters of the county, unless within 21 days after the second publication of the resolution, a petition requesting a referendum, signed by at least ten percent of the registered voters of the county, is filed with the county auditor. If a petition is filed, the resolution may be implemented, unless disapproved by a majority of the voters of the county, voting on the question at a regular or special election.

Sec. 3. [INCUMBENTS TO COMPLETE TERMS.]

Persons elected at the November 1994 general election to the positions of auditor, recorder, and treasurer shall serve in those capacities and perform the duties, functions, and responsibilities required by statute, until the completion of the term of office to which each was elected, or until a vacancy occurs in the office, whichever occurs earlier."

Page 1, line 13, delete "2" and insert "4"

Page 1, line 14, delete "Section 1 is" and insert "Sections 1 to 3 are"

Amend the title as follows:

Page 1, line 3, before the period, insert "; providing for a reverse referendum"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Local and Metropolitan Government, to which was referred**

**S.F. No. 566:** A bill for an act relating to lawful gambling; increasing percentages of gross profit from lawful gambling that may be expended on expenses directly related to lawful gambling; placing restrictions on rules of the gambling control board relating to illegal gambling on premises where lawful gambling is permitted; removing limits on number of paddletickets that may be included in a sealed grouping; removing certain restrictions on bingo prizes; amending Minnesota Statutes 1996, sections 349.15, subdivision 1; 349.151, subdivision 13; 349.163, subdivision 8; and 349.211, subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 297E.04, subdivision 3, is amended to read:

Subd. 3. [PADDLETICKET CARD MASTER FLARES.] Each sealed grouping of 100 or fewer paddleticket cards must have its own individual master flare. The manufacturer of the paddleticket cards must affix to or imprint at the bottom of each master flare a bar code that provides:

- (1) the name of the manufacturer;
- (2) the first paddleticket card number in the group;
- (3) the number of paddletickets attached to each paddleticket card in the group; and

(4) all other information required by the commissioner. ~~This subdivision applies to paddleticket cards (i) sold by a manufacturer after June 30, 1995, for use or resale in Minnesota or (ii) shipped into or caused to be shipped into Minnesota by a manufacturer after June 30, 1995. Paddleticket cards that are subject to this subdivision may not have a registration stamp affixed to the master flare.~~

Sec. 2. Minnesota Statutes 1996, section 349.12, subdivision 26a, is amended to read:

Subd. 26a. [MASTER FLARE.] "Master flare" is the posted display, with registration stamp affixed or bar code imprinted or affixed, that is used in conjunction with sealed groupings of 100 or fewer sequentially numbered paddleticket cards.

Sec. 3. Minnesota Statutes 1996, section 349.15, subdivision 1, is amended to read:

Subdivision 1. [EXPENDITURE RESTRICTIONS.] Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership. Provided that no more than ~~60~~ 65 percent of the gross profit less the tax imposed under section 297E.02, subdivision 1, from bingo, and no more than ~~50~~ 55 percent of the gross profit from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling.

Sec. 4. Minnesota Statutes 1996, section 349.155, is amended by adding a subdivision to read:

Subd. 4a. [ILLEGAL GAMBLING.] The board may not deny, suspend, revoke, or refuse to renew an organization's premises permit because illegal gambling occurred at the site for which the premises permit was issued, unless the board determines that: (1) the organization knowingly participated in the illegal gambling; or (2) the organization or any of its agents knew or reasonably should have known of the illegal gambling and the organization did not notify the lessor of the premises, in writing and with specificity, that illegal gambling was being conducted on the premises and requesting that the lessor take appropriate action.

Sec. 5. Minnesota Statutes 1996, section 349.16, is amended by adding a subdivision to read:

Subd. 10. [LICENSE RENEWAL TO MERGED FIRE RELIEF ASSOCIATIONS.] A new relief association formed from the merger of the relief associations of two separate city fire departments, mandated under Laws 1995, chapter 262, article 11, may apply for a license renewal under this section. The board shall consider the application as a license renewal of one of the relief associations that is a licensed organization and was merged to form the new relief association.

Sec. 6. Minnesota Statutes 1996, section 349.163, subdivision 8, is amended to read:

Subd. 8. [PADDLETICKET CARD MASTER FLARES.] Each sealed grouping of 100 or fewer paddleticket cards must have its own individual master flare. The manufacturer must affix to or imprint at the bottom of the master flare a bar code that provides all information required by the commissioner of revenue under section 297E.04, subdivision 3.

~~This subdivision applies to paddleticket cards sold by a manufacturer after June 30, 1995, for use or resale in Minnesota or shipped into or caused to be shipped into Minnesota by a manufacturer after June 30, 1995. Paddleticket cards which are subject to this subdivision shall not have a registration stamp affixed to the master flare.~~

Sec. 7. Minnesota Statutes 1996, section 349.211, subdivision 1, is amended to read:

Subdivision 1. [BINGO.] Except as provided in subdivision 2, prizes for a single bingo game may not exceed \$100 \$200 except prizes for a cover-all game, which may exceed \$100 \$200 if the aggregate value of all cover-all prizes in a bingo occasion does not exceed \$1,000. Total prizes awarded at a bingo occasion may not exceed \$2,500, unless a cover-all game is played in which case the limit is \$3,500. A prize may be determined based on the value of the bingo packet sold to the player. For purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win.

Sec. 8. Minnesota Statutes 1996, section 349.211, subdivision 2, is amended to read:

Subd. 2. [PROGRESSIVE BINGO GAMES.] A prize of up to \$1,000 \$2,000 may be awarded for a progressive bingo game, including a cover-all game. The prize for a progressive bingo game may start at \$300 and be increased by up to \$100 for each occasion during which the progressive bingo game is played. A consolation prize of up to \$100 for a progressive bingo game may be awarded in each occasion during which the progressive bingo game is played and the accumulated prize is not won. The total amount awarded in progressive bingo game prizes in any calendar year may not exceed \$36,000.

Sec. 9. Minnesota Statutes 1996, section 609.761, is amended by adding a subdivision to read:

Subd. 3. [SOCIAL SKILL GAME.] Sections 609.755 and 609.76 do not prohibit tournaments or contests that satisfy all of the following requirements:

(1) the tournament or contest consists of the card games of chance commonly known as cribbage, skat, sheephead, bridge, euchre, pinochle, gin, 500, smear, or whist;

(2) the tournament or contest does not provide any direct financial benefit to the promoter or organizer; and

(3) the sum of all prizes awarded for each tournament or contest does not exceed \$200.

Sec. 10. [DEREGULATION REPORT.]

The senate local and metropolitan government and house regulated industries committees, in consultation with the lawful gambling control board, the lawful gambling industry, the department of revenue, the gambling enforcement division of the department of public safety, and the office of the attorney general shall study the feasibility of creating a deregulated environment for the conduct of lawful gambling. The study shall consider, among other possibilities, adopting a Nebraska model for lawful gambling regulation. The study shall examine the reporting and compliance requirements currently used in this state, and recommend changes to streamline reporting requirements, reduce paperwork, and lessen the regulatory burden on gambling organizations.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 7, 9, and 10 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to lawful gambling; authorizing certain groupings of paddleticket cards; increasing percentage of lawful gambling gross profits that may be spent for expenses; restricting authority of gambling control board to impose sanctions against lawful gambling premises permits for illegal gambling; increasing maximum bingo prices; amending Minnesota Statutes 1996, sections 297E.04, subdivision 3; 349.12, subdivision 26a; 349.15, subdivision 1; 349.155, by adding a subdivision; 349.16, by adding a subdivision; 349.163, subdivision 8; 349.211, subdivisions 1 and 2; and 609.761, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Local and Metropolitan Government, to which was referred**

**S.F. No. 1278:** A bill for an act relating to the city of St. Paul; appropriating money to fund the Harriet Island Redevelopment.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Report adopted.

**Ms. Ranum from the Committee on Judiciary, to which was referred**

**S.F. No. 1401:** A bill for an act relating to domestic abuse; establishing a pilot program regulating domestic abuse perpetrated by minors; amending Minnesota Statutes 1996, sections 260.015, subdivision 2a; 260.165, subdivision 1; 260.171, subdivision 2; and 609.748, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 11 to 26

Page 2, delete lines 1 to 4

Page 2, line 5, delete "(b)"

Page 2, line 29, after the period, insert "Minnesota Statutes, sections 245A.01 to 245A.16, do not apply to an alternative safe living arrangement."

Pages 14 to 17, delete section 19 and insert:

"Sec. 19. [VIOLATION OF AN ORDER FOR PROTECTION/MINOR RESPONDENT.]



Subdivision 1. [AFFIDAVIT; ORDER TO SHOW CAUSE.] The petitioner, a peace officer, or an interested party designated by the court may file an affidavit with the court alleging that a minor respondent has violated an order for protection/minor respondent under sections 2 to 26. The court may order the minor respondent to appear and show cause within 14 days why the minor respondent should not be found in contempt of court and punished for the contempt. The court may also order the minor to participate in counseling or other appropriate programs selected by the court. The hearing may be held by the court in any county in which the petitioner or minor respondent temporarily or permanently resides at the time of the alleged violation.

Subd. 2. [EXTENSION OF PROTECTION ORDER.] If it is alleged that a minor respondent has violated an order for protection/minor respondent issued under sections 2 to 26 and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection/minor respondent based solely on the minor respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. The relief granted in the new order for protection/minor respondent must be extended for a fixed period, not to exceed one year, except when the court determines a longer fixed period is appropriate.

Subd. 3. [ADMITTANCE INTO DWELLING.] Admittance into the petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection/minor respondent is not a violation by the petitioner of the order."

Page 18, line 13, delete "is a misdemeanor that"

Page 18, line 14, delete everything after "and"

Page 18, delete lines 15 to 17 and insert "constitutes contempt of court; and"

Page 18, line 21, delete "; and" and insert a period

Page 18, delete lines 22 to 25

Page 21, line 4, delete "and" and insert "or"

Page 23, after line 28, insert:

"Sec. 4. Minnesota Statutes 1996, section 260.191, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITIONS.] (a) If the court finds that the child is in need of protection or services or neglected and in foster care, it shall enter an order making any of the following dispositions of the case:

(1) place the child under the protective supervision of the local social services agency or child-placing agency in the child's own home under conditions prescribed by the court directed to the correction of the child's need for protection or services;

(2) transfer legal custody to one of the following:

(i) a child-placing agency; or

(ii) the local social services agency.

In placing a child whose custody has been transferred under this paragraph, the agencies shall follow the order of preference stated in section 260.181, subdivision 3;

(3) if the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. The court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(4) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child; or with the consent of the commissioner of corrections, place the child in a group foster care facility which is under the commissioner's management and supervision;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to \$100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child and of public safety that the child's driver's license or instruction permit be canceled, the court may order the commissioner of public safety to cancel the child's license or permit for any period up to the child's 18th birthday. If the child does not have a driver's license or permit, the court may order a denial of driving privileges for any period up to the child's 18th birthday. The court shall forward an order issued under this clause to the commissioner, who shall cancel the license or permit or deny driving privileges without a hearing for the period specified by the court. At any time before the expiration of the period of cancellation or denial, the court may, for good cause, order the commissioner of public safety to allow the child to apply for a license or permit, and the commissioner shall so authorize;

(8) order that the child's parent or legal guardian deliver the child to school at the beginning of each school day for a period of time specified by the court; or

(9) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

(c) If a child who is 14 years of age or older is adjudicated in need of protection or services because the child is a habitual truant and truancy procedures involving the child were previously dealt with by a school attendance review board or county attorney mediation program under section 260A.06 or 260A.07, the court shall order a cancellation or denial of driving privileges under paragraph (b), clause (7), for any period up to the child's 18th birthday.

(d) In the case of a child adjudicated in need of protection or services because the child has

committed domestic abuse and been ordered excluded from the child's parent's home, the court shall dismiss jurisdiction if the court, at any time, finds the parent is able or willing to provide an alternative safe living arrangement for the child, as defined in article 1, section 2."

Page 24, after line 19, insert:

"ARTICLE 3

FAMILY VIOLENCE COORDINATING COUNCILS

Section 1. [FAMILY VIOLENCE COORDINATING COUNCILS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A judicial district may establish a family violence coordinating council for the purpose of promoting innovative efforts to deal with family violence issues. A coordinating council shall establish and promote interdisciplinary programs and initiatives to coordinate public and private legal and social services and law enforcement, prosecutorial, and judicial activities.

Subd. 2. [MEMBERSHIP.] The chief judge shall appoint the members of a family violence coordinating council. Members must include representatives of the following groups:

- (1) judges, court administrators, and probation authorities;
- (2) domestic abuse advocates and others who provide social services to adult and child victims of domestic abuse and perpetrators of domestic abuse;
- (3) health care and mental health providers;
- (4) law enforcement and prosecutors;
- (5) public defenders and legal aid;
- (6) educators and child protection workers; and
- (7) public officials.

Subd. 3. [PLAN.] A family violence coordinating council shall develop a plan for coordinating activities of its membership relating to family violence issues and improving activities and services, including:

- (1) interdisciplinary training and systemic approaches to family violence issues;
- (2) identification of current weaknesses in the system and areas where additional resources are needed, and ways to improve those components;
- (3) promoting public and private partnerships in the delivery of services and the use of volunteer services;
- (4) identification of differences in approaches and needs in different demographic populations;
- (5) developing protocols for investigation and prosecution of domestic abuse, including issues related to victim cooperation and interviewing and investigative techniques;
- (6) coordination of city and county prosecutorial efforts, including standards for referral of cases, coordinated prosecutions, and cross-deputization of prosecutors;
- (7) evaluation of dismissal, conviction, and sentencing levels and practices and relationship to reported incidences of domestic abuse, cases investigated and prosecuted, and severity of abuse; and
- (8) coordination of family, juvenile, and criminal court proceedings involving family violence issues.

Subd. 4. [EVALUATION.] A family violence coordinating council shall develop a system for

evaluating the effectiveness of its initiatives and programs in improving the coordination of activities and delivery of services and shall focus on identifiable goals and outcomes. An evaluation must include data components as well as input from individuals involved in family violence activities and services, victims, and perpetrators."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for the creation of family violence coordinating councils;"

Page 1, line 6, after the semicolon, insert "260.191, subdivision 1;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Sams from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 338:** A bill for an act relating to agriculture; changing limitations on ownership of agricultural land by corporations, limited liability companies, pension or investment funds, and limited partnerships; amending Minnesota Statutes 1996, section 500.24, subdivisions 2, 3, 3a, 3b, and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 500.24, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] ~~For the purposes of this section, the terms defined~~ The definitions in this subdivision have the meanings here given them: apply to this section.

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining, or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products ~~or~~, the production of poultry or poultry products, or the feeding and caring for livestock that are delivered to a corporation for slaughter or processing for up to 20 days before slaughter or processing.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) "Authorized farm corporation" means a corporation meeting the following standards ~~under~~ clause (1) or (2):

(1)(i) ~~its~~ it has no more than five shareholders do not exceed five in number;

(ii) (2) all its shareholders, other than any estate, are natural persons;

(iii) (3) it does not have more than one class of shares; and

(iv) (4) its revenues revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts; and

~~(v) (5) shareholders holding 51 percent or more of the interest in the corporation must be residing~~ reside on the farm or are actively engaging in farming;

~~(vi) the authorized farm corporation (6) it does not, directly or indirectly, owns own or otherwise has have an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state agricultural land; and~~

~~(vii) a shareholder of the authorized farm corporation is not a shareholder (7) none of its shareholders are shareholders in other authorized farm corporations that directly or indirectly in combination with the authorized farm corporation own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; or agricultural land.~~

~~(2)(i) the corporation (e) "Authorized livestock farm corporation" means a corporation formed for the production of livestock and meeting the following standards:~~

~~(1) it is engaged in the production of livestock other than dairy cattle; and not engaged in farming activities otherwise prohibited under this section;~~

~~(ii) (2) all its shareholders, other than an any estate, are natural persons or a family farm corporation corporations;~~

~~(iii) (3) it does not have more than one class of shares;~~

~~(iv) (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;~~

~~(v) (5) shareholders holding 75 percent or more of the control and, financial, and capital investment in the corporation must be are farmers residing in Minnesota and at least 51 percent of the required percentage of farmers must be are actively engaged in livestock production;~~

~~(vi) the authorized farm corporation (6) it does not, directly or indirectly, owns own or otherwise has have an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state agricultural land; and~~

~~(vii) a shareholder of the authorized farm corporation is not a shareholder (7) none of its shareholders are shareholders in other authorized farm corporations that directly or indirectly in combination with the authorized farm corporation own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and~~

~~(viii) the corporation was formed for the production of livestock other than dairy cattle by natural persons or family farm corporations that provide 75 percent or more of the capital investment agricultural land.~~

~~(e) (f) "Agricultural land" means land real estate used for farming or capable of being used for farming in this state.~~

~~(f) (g) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3. "Pension or investment fund" does not include a benevolent trust established by the owners of a family farm, authorized farm corporation or family farm corporation.~~

~~(g) (h) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.~~

~~(h) (i) "Family farm partnership" means a limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are persons or the spouses of persons related~~

to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on or actively operating the farm, and none of the partners are corporations. A family farm partnership does not cease to qualify as a family farm partnership because of a devise or bequest of interest in the partnership.

(j) "Authorized farm partnership" means a limited partnership meeting the following standards:

(1) it has been issued a certificate from the secretary of state or is registered with the county recorder and farming and ownership of agricultural land is stated as a purpose or character of the business;

(2) its no more than five partners ~~do not exceed five in number~~;

(3) all its partners, other than ~~an~~ any estate, are natural persons;

(4) its ~~revenues~~ revenue from rent, royalties, dividends, interest, and annuities do not exceed 20 percent of its gross receipts;

(5) its general partners hold at least 51 percent of the interest in the land assets of the partnership and reside on the farm or are actively engaging in farming not more than 1,500 acres as a general partner in an authorized limited partnership;

(6) its limited partners do not participate in the business of the limited partnership including operating, managing, or directing management of farming operations;

(7) ~~the authorized farm partnership it does not, directly or indirectly, does not own or otherwise have an interest, whether legal, beneficial, or otherwise, in a~~ any title to more than 1,500 acres of real estate used for farming or capable of being used for farming in this state agricultural land; and

(8) ~~a limited partner of the authorized farm partnership is not a~~ none of its limited partners are limited partner partners in other authorized farm partnerships that directly or indirectly in combination with the ~~authorized farm partnership own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state~~ agricultural land.

(k) "Farmer" means a natural person who regularly participates in physical labor or operations management in the ~~farmer's~~ person's farming operation and files "Schedule F" as part of the person's annual Form 1040 filing with the United States Internal Revenue Service.

(l) "Actively engaged in livestock production" means ~~that a person performs~~ performing day-to-day physical labor or day-to-day operations management that significantly contributes to livestock production and the functioning of a livestock operation.

(m) "Research or experimental farm" means a corporation, limited partnership, or pension or investment fund that owns or operates agricultural land for research or experimental purposes, provided that any commercial sales from the operation are incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, or pension or investment fund seeking initial approval by the commissioner to operate agricultural land for research or experimental purposes must first submit to the commissioner a prospectus or proposal of the intended method of operation containing information required by the commissioner including a copy of any operational contract with individual participants.

(n) "Breeding stock farm" means a corporation or limited partnership that owns land for the purpose of raising breeding stock, including embryos, for resale to farmers or for the purpose of growing seed, wild rice, nursery plants, or sod. An entity that is organized to raise livestock other than dairy cattle under this paragraph that does not qualify as an authorized farm corporation must:

(1) sell all castrated animals to be fed out or finished to farming operations that are neither directly nor indirectly owned by the business entity operating the breeding stock operation; and

(2) report its total production and sales annually to the commissioner.

(o) "Aquatic farm" means a corporation or limited partnership that owns or leases agricultural land as a necessary part of an aquatic farm as defined in section 17.47, subdivision 3.

(p) "Religious farm" means a corporation formed primarily for religious purposes whose sole income is derived from agriculture.

(q) "Utility corporation" means a corporation regulated under Minnesota Statutes 1974, chapter 216B, that owns agricultural land for purposes described in that chapter, or an electric generation or transmission cooperative that owns agricultural land for use in its business if the land is not used for farming except under lease to a family farm unit, a family farm corporation, or a family farm partnership.

(r) "Benevolent trust" means a pension fund or family trust established by the owners of a family farm, authorized farm corporation, authorized livestock farm corporation, or family farm corporation that holds an interest in title to agricultural land on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by paragraph (b), (c), (d), or (e).

(s) "Development organization" means a corporation, limited partnership, or pension or investment fund that owns agricultural land for which the corporation, limited partnership, or pension or investment fund has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A corporation, limited partnership, or pension or investment fund may hold agricultural land in the amount necessary for its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, the land may not be used for farming except under lease to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, or an authorized farm partnership, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation that has entered into an agreement with the United States under the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation.

(t) "Exempt land" means agricultural land owned or leased by a corporation as of May 20, 1973, agricultural land owned or leased by a pension or investment fund as of May 12, 1981, or agricultural land owned or leased by a limited partnership as of May 1, 1988, including the normal expansion of that ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, for a corporation; May 12, 1981, for a pension or investment fund; or May 1, 1988, for a limited partnership, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules. A corporation, limited partnership, or pension or investment fund that is eligible to own or lease agricultural land under this section prior to May 1997 may continue to own or lease agricultural land subject to the same conditions and limitations as previously allowed.

(u) "Gifted land" means agricultural land acquired as a gift, either by grant or devise, by an educational, religious, or charitable nonprofit corporation, limited partnership, or pension or investment fund if all land so acquired is disposed of within ten years after acquiring the title.

(v) "Repossessed land" means agricultural land acquired by a corporation, limited partnership, or pension or investment fund by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim on the land, whether created by mortgage or otherwise if all land so acquired is disposed of within five years after acquiring the title. The five-year limitation is a covenant running with the title to the land against any grantee, assignee, or successor of the pension or investment fund, corporation, or limited partnership. The land so acquired must not be used for farming during the five-year period, except under a lease to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, or an authorized farm partnership. Notwithstanding the five-year divestiture requirement under this paragraph, a financial institution may continue to own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must dispose of the agricultural land within ten years of acquiring the title. Livestock acquired by

a pension or investment fund, corporation, or limited partnership in the collection of debts, or by a procedure for the enforcement of lien or claim on the livestock whether created by security agreement or otherwise after August 1, 1994, must be sold or disposed of within one full production cycle for the type of livestock acquired or 18 months after the livestock is acquired, whichever is later.

(w) "Commissioner" means the commissioner of agriculture.

Sec. 2. Minnesota Statutes 1996, section 500.24, subdivision 3, is amended to read:

Subd. 3. [FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED.] No corporation, limited liability company, pension or investment fund, or limited partnership shall engage in farming; nor shall any corporation, limited liability company, pension or investment fund, or limited partnership, directly or indirectly, own, acquire, or otherwise obtain an any interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Livestock that are delivered for slaughter or processing may be fed and cared for by a corporation up to 20 days prior to slaughter or processing. Provided, however, that the restrictions in this subdivision do not apply to corporations or partnerships in clause (b) and do not apply to corporations, limited partnerships, and pension or investment funds that record its name and the particular exception under clauses (a) to (s) under which the agricultural land is owned or farmed, have a conservation plan prepared for the agricultural land, report as required under subdivision 4, and satisfy one of the following conditions under clauses (a) to (s): in agricultural land other than a bona fide encumbrance taken for purposes of security. This subdivision does not apply to general partnerships. This subdivision does not apply to any agricultural land, corporation, limited partnership, or pension or investment fund that meet any of the definitions in subdivision 2, paragraphs (b) to (e), (i), (j), and (m) to (v), has a conservation plan prepared for the agricultural land, and reports as required under subdivision 4.

(a) a bona fide encumbrance taken for purposes of security;

(b) a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership as defined in subdivision 2 or a general partnership;

(c) agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973, or a pension or investment fund as of May 12, 1981, including the normal expansion of such ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, or, in the case of a pension or investment fund, as of May 12, 1981, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(d) agricultural land operated for research or experimental purposes with the approval of the commissioner of agriculture, provided that any commercial sales from the operation must be incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, or pension or investment fund seeking to operate agricultural land for research or experimental purposes must submit to the commissioner a prospectus or proposal of the intended method of operation, containing information required by the commissioner including a copy of any operational contract with individual participants, prior to initial approval of an operation. A corporation, limited partnership, or pension or investment fund operating agricultural land for research or experimental purposes prior to May 1, 1988, must comply with all requirements of this clause except the requirement for initial approval of the project;

(e) agricultural land operated by a corporation or limited partnership for the purpose of raising breeding stock, including embryos, for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod. An entity that is organized to raise livestock other than dairy cattle under this clause that does not meet the definition requirement for an authorized farm corporation must:

(1) sell all castrated animals to be fed out or finished to farming operations that are neither directly nor indirectly owned by the business entity operating the breeding stock operation; and



(2) report its total production and sales annually to the commissioner of agriculture;

(f) agricultural land and land capable of being used for farming leased by a corporation or limited partnership in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of May 20, 1973, or to the limited partnership as of May 1, 1988, and the additional acreage required for normal expansion at a rate not to exceed 20 percent of the amount of land leased as of May 20, 1973, for a corporation or May 1, 1988, for a limited partnership in any five-year period, and the additional acreage reasonably necessary to meet the requirements of pollution control rules;

(g) agricultural land when acquired as a gift (either by grant or a devise) by an educational, religious, or charitable nonprofit corporation or by a pension or investment fund or limited partnership; provided that all lands so acquired by a pension or investment fund, and all lands so acquired by a corporation or limited partnership which are not operated for research or experimental purposes, or are not operated for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod must be disposed of within ten years after acquiring title thereto;

(h) agricultural land acquired by a pension or investment fund or a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 2, or a limited partnership other than a family farm partnership or authorized farm partnership as defined in subdivision 2, for which the corporation or limited partnership has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A pension or investment fund or a corporation or limited partnership may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation;

(i) agricultural lands acquired by a pension or investment fund or a corporation or limited partnership by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten years after acquiring the title if acquired before May 1, 1988, and five years after acquiring the title if acquired on or after May 1, 1988, acquiring the title thereto, and further provided that the land so acquired shall not be used for farming during the ten-year or five-year period except under a lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership. The aforementioned ten-year or five-year limitation period shall be deemed a covenant running with the title to the land against any grantee, assignee, or successor of the pension or investment fund, corporation, or limited partnership. Notwithstanding the five-year divestiture requirement under this clause, a financial institution may continue to own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must divest of the agricultural land within the ten-year period. Livestock acquired by a pension or investment fund, corporation, or limited partnership in the collection of debts, or by a procedure for the enforcement of lien or claim on the livestock whether created by security agreement or otherwise after August 1, 1994, must be sold or disposed of within one full production cycle for the type of livestock acquired or 18 months after the livestock is acquired, whichever is later;

(j) agricultural land acquired by a corporation regulated under the provisions of Minnesota Statutes 1974, chapter 216B, for purposes described in that chapter or by an electric generation or transmission cooperative for use in its business, provided, however, that such land may not be used for farming except under lease to a family farm unit, a family farm corporation, or a family farm partnership;

~~(k) agricultural land, either leased or owned, totaling no more than 2,700 acres, acquired after May 20, 1973, for the purpose of replacing or expanding asparagus growing operations, provided that such corporation had established 2,000 acres of asparagus production;~~

~~(l) all agricultural land or land capable of being used for farming which was owned or leased by an authorized farm corporation as defined in Minnesota Statutes 1974, section 500.24, subdivision 1, clause (d), but which does not qualify as an authorized farm corporation as defined in subdivision 2, clause (d);~~

~~(m) a corporation formed primarily for religious purposes whose sole income is derived from agriculture;~~

~~(n) agricultural land owned or leased by a corporation prior to August 1, 1975, which was exempted from the restriction of this subdivision under the provisions of Laws 1973, chapter 427, including normal expansion of such ownership or leasehold interest to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1975, in any five-year period and the additional ownership reasonably necessary to meet requirements of pollution control rules;~~

~~(o) agricultural land owned or leased by a corporation prior to August 1, 1978, including normal expansion of such ownership or leasehold interest, to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1978, and the additional ownership reasonably necessary to meet requirements of pollution control rules, provided that nothing herein shall reduce any exemption contained under the provisions of Laws 1975, chapter 324, section 1, subdivision 2;~~

~~(p) an interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d);~~

~~(q) agricultural land owned by a nursing home located in a city with a population, according to the state demographer's 1985 estimate, between 900 and 1,000, in a county with a population, according to the state demographer's 1985 estimate, between 18,000 and 19,000, if the land was given to the nursing home as a gift with the expectation that it would not be sold during the donor's lifetime. This exemption is available until July 1, 1995;~~

~~(r) the acreage of agricultural land and land capable of being used for farming owned and recorded by an authorized farm corporation as defined in Minnesota Statutes 1986, section 500.24, subdivision 2, paragraph (d), or a limited partnership as of May 1, 1988, including the normal expansion of the ownership at a rate not to exceed 20 percent of the land owned and recorded as of May 1, 1988, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;~~

~~(s) agricultural land owned or leased as a necessary part of an aquatic farm as defined in section 17.47, subdivision 3.~~

Sec. 3. Minnesota Statutes 1996, section 500.24, subdivision 3a, is amended to read:

Subd. 3a. [LEASE AGREEMENT; CONSERVATION PRACTICE PROTECTION CLAUSE.] A corporation, pension or investment fund, or limited partnership, other than a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, or an authorized farm partnership, when leasing farm land to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, or an authorized farm partnership under provisions of subdivision 3, clause (i) 2, paragraph (v), must include within the lease agreement a provision prohibiting intentional damage or destruction to a conservation practice on the agricultural land.

Sec. 4. Minnesota Statutes 1996, section 500.24, subdivision 3b, is amended to read:

Subd. 3b. [PROTECTION OF CONSERVATION PRACTICES.] If A corporation, pension or investment fund, or limited partnership, other than a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, or authorized farm partnership, ~~which, during the period of time it holds agricultural land under subdivision 3, clause (i) 2, paragraph (v), intentionally destroys a conservation practice as defined in section 103F.401, subdivision 3, to which the state has made a financial contribution, the corporation, pension or investment fund, or limited partnership must pay the commissioner of agriculture, for deposit in the general fund, an amount equal to the state's total contributions to that conservation practice plus interest from the time of investment in the conservation practice. Interest must be calculated at an annual percentage rate of 12 percent.~~

Sec. 5. Minnesota Statutes 1996, section 500.24, subdivision 4, is amended to read:

Subd. 4. [REPORTS.] (a) The chief executive officer of every pension or investment fund, corporation, or limited partnership, ~~except a family farm corporation or a family farm limited partnership,~~ that holds any interest in agricultural land or land used for the breeding, feeding, pasturing, growing, or raising of livestock, dairy or poultry, or products thereof, or land used for the production of agricultural crops or fruit or other horticultural products, other than a bona fide encumbrance taken for purposes of security, or which is engaged in farming or proposing to commence farming in this state after May 20, 1973, shall file with the commissioner of agriculture a report containing the following information and documents:

(1) the name of the pension or investment fund, corporation, or limited partnership and its place of incorporation, certification, or registration;

(2) the address of the pension or investment plan headquarters or of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation or limited partnership, the address of its principal office in its place of incorporation, certification, or registration;

(3) the acreage and location listed by quarter-quarter section, township, and county of each lot or parcel of agricultural land or land used for the keeping or feeding of poultry in this state owned or leased by the pension or investment fund, limited partnership, or corporation ~~and used for the growing of crops or the keeping or feeding of poultry or livestock;~~

(4) the names and addresses of the officers, administrators, directors, or trustees of the pension or investment fund, or of the officers, shareholders owning more than ten percent of the stock, including the percent of stock owned by each such shareholder, and the members of the board of directors of the corporation, and the general and limited partners and the percentage of interest in the partnership by each partner;

(5) the farm products which the pension or investment fund, limited partnership, or corporation produces or intends to produce on its agricultural land;

(6) with the first report, a copy of the title to the property where the farming operations are or will occur indicating the particular exception claimed under subdivision 3, ~~clauses (a) to (f);~~ and

(7) with the first or second report, a copy of the conservation plan proposed by the soil and water conservation district, and with subsequent reports a statement of whether the conservation plan was implemented.

The report of a corporation seeking to qualify hereunder as a family farm corporation, an authorized farm corporation, ~~an authorized livestock farm corporation,~~ a family farm partnership, or authorized farm partnership shall contain the following additional information: the number of shares or the partnership interests owned by persons residing on the farm or actively engaged in farming, or their relatives within the third degree of kindred according to the rules of the civil law or their spouses; the name, address, and number of shares owned by each shareholder or partnership interests owned by each partner; and a statement as to percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest, and annuities. No pension or investment fund, limited partnership, or corporation shall commence farming in this state until the

commissioner of agriculture has inspected the report and certified that its proposed operations comply with the provisions of this section.

(b) Every pension or investment fund, limited partnership, or corporation as described in clause paragraph (a) shall, prior to April 15 of each year, file with the commissioner of agriculture a report containing the information required in clause paragraph (a), based on its operations in the preceding calendar year and its status at the end of the year. A pension or investment fund, limited partnership, or corporation that does not file the report by April 15 must pay a \$500 civil penalty. The penalty is a lien on the land being farmed under subdivision 3 until the penalty is paid.

(c) The commissioner or the commissioner's authorized representative may enter into a written agreement with a person required to file a report under this subdivision who, for good cause shown, has failed issue a written waiver or reduction of the civil penalty for failure to make a timely filing of the annual report required by this subdivision. An agreement must be construed as a "no contest" pleading and may encompass a reduction or waiver of the civil penalty for late filing. The agreement waiver or reduction is final and conclusive with respect to the civil penalty, and may not be reopened or modified by an officer, employee, or agent of the state, except upon a showing of fraud or malfeasance or misrepresentation of a material fact. The matter agreed upon in the agreement may not be reopened or modified by an officer, employee, or agent of the state. The report required under paragraph (b) must be completed prior to a reduction or waiver under this paragraph. The commissioner may enter into an agreement under this paragraph only once for each person required to file under this subdivision. The commissioner may enter into an agreement under this paragraph only once for each corporation or partnership.

(d) Failure to file a required report, or the willful filing of false information, shall constitute is a gross misdemeanor.

#### Sec. 6. [RENUMBERING INSTRUCTION.]

The revisor of statutes shall renumber Minnesota Statutes, section 500.24, subdivisions 6, 7, and 8 to be subdivisions 1, 2, and 3 of a new section 500.245 with the section heading "RIGHT OF FIRST REFUSAL FOR AGRICULTURAL LAND" and correct all references to those subdivisions in Minnesota Statutes and Minnesota Rules.

#### Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day after final enactment.

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Sams from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1630:** A bill for an act relating to agriculture; agricultural marketing and bargaining; requiring mediation and binding arbitration between agricultural processors and accredited agricultural producer associations; requiring checkoff fee collections by the processors; ensuring full payment for all acres contracted by processors; amending Minnesota Statutes 1996, sections 17.693, by adding a subdivision; 17.696, subdivision 1; 17.698; and 27.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1996, section 17.697.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 2, insert:

"Sec. 2. Minnesota Statutes 1996, section 17.693, subdivision 5, is amended to read:

Subd. 5. "Agricultural commodity" includes all agricultural goods produced under contract for marketing as defined by the commissioner of agriculture. It does not include any commodity sold by a producer to another producer for the other's own exclusive use and not for resale. The kinds,

~~types and subtypes of products to be classed together as an agricultural commodity for the purposes of sections 17.691 to 17.701 shall be determined by the commissioner on the basis of common usage and practice means fruits and vegetables."~~

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the first comma, insert "subdivision 5, and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Ranum from the Committee on Judiciary, to which was referred**

**S.F. No. 912:** A bill for an act relating to marriage dissolution; providing for parent education and cooperation for the children program pilot projects; changing certain visitation dispute resolution procedures; changing certain terminology; requiring a notice; appropriating money; amending Minnesota Statutes 1996, sections 518.157; 518.175, subdivision 6; 518.1751; 518.18; 518.68, subdivision 2; and 626.556, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, after the period, insert "The chief judge of each judicial district or a designee may require that children attend a separate education program designed to deal with the impact of divorce upon children, as part of the parent education program."

Pages 3 to 14, delete sections 2 to 4

Pages 18 to 20, delete section 6

Page 22, delete sections 9 and 10 and insert:

"Sec. 10. [REPEALER.]

Minnesota Statutes 1996, section 256.996, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

Page 1, line 6, delete "appropriating money;"

Page 1, lines 7 and 8, delete "518.175, subdivision 6; 518.1751; 518.18;" and insert "and"

Page 1, line 9, delete "and 626.556, subdivision 2" and insert "repealing Minnesota Statutes 1996, section 256.996"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Ranum from the Committee on Judiciary, to which was referred**

**S.F. No. 432:** A bill for an act relating to children; modifying execution and consent requirements for designated parent agreements; amending Minnesota Statutes 1996, sections 171.07, subdivision 11; and 257A.01, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, strike "PARENT" and insert "CAREGIVER"

Page 1, lines 16, 19, and 23, strike "parent" and insert "caregiver"

Page 1, line 22, strike "parent's" and insert "caregiver's"

Page 2, lines 3, 15, 21, 23, 24, 32, and 35, strike "parent" and insert "caregiver"

Page 2, line 25, strike the second "parent" and insert "caregiver" and strike the third "parent" and insert "caregiver"

Page 2, line 27, delete "whose parental rights to the"

Page 2, line 28, delete "child have not been terminated" and insert "who have court-ordered visitation rights to the child"

Page 3, lines 6 and 10, strike "parents" and insert "caregivers"

Page 3, lines 12 and 14, strike "parent" and insert "caregiver"

Page 3, line 32, delete "whose parental rights are not terminated" and insert "who have court-ordered visitation rights to the child"

Page 4, line 1, delete "whose parental rights were not terminated" and insert "who has court-ordered visitation rights to the child"

Page 4, line 14, delete "whose"

Page 4, line 15, delete everything before the period and insert "who has court-ordered visitation rights to the child" and strike "The"

Page 4, strike line 16

Page 4, line 17, strike everything before "As"

Page 4, line 23, delete "parent" and insert "caregiver"

Page 4, line 25, delete the first "parent" and insert "caregiver"

Page 4, after line 29, insert:

"Sec. 3. Minnesota Statutes 1996, section 257A.01, is amended by adding a subdivision to read:

Subd. 3. [WHEN OPERATIVE.] The agreement becomes operative when none of the parents with physical custody is able to care for the child because of an emergency or temporary period of incapacitation. If the parents have joint physical custody and the parent who is caring for the child is unable to do so, a designated caregiver may provide temporary care until the other parent is able to assume care.

Sec. 4. Minnesota Statutes 1996, section 257A.03, subdivision 2, is amended to read:

Subd. 2. [NOTICE TO NONCUSTODIAL PARENT; VISITATION RIGHTS.] (a) As soon as practicable after assuming care of a child, the designated parent shall notify any noncustodial parent that the designated parent has assumed care of the child.

(b) Court-ordered visitation rights of a noncustodial parent continue while the child is in the care of the designated parent, unless otherwise modified by the court. A designated parent agreement does not affect the right of a parent without physical custody to bring a custody motion under chapter 518. If a parent with legal custody is not the designated caregiver, the parent may bring a motion for temporary physical custody, which may continue until the parent with physical custody is able to resume care of the child. The court shall award that parent temporary physical custody unless it finds it would not be in the best interests of the child.

Sec. 5. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the term "designated parent" or variations of the term to "designated caregiver" wherever they appear in Minnesota Statutes."

Amend the title as follows:

Page 1, line 3, delete "parent" and insert "caregiver"

Page 1, line 5, delete "and" and before the period, insert ", and by adding a subdivision; and 257A.03, subdivision 2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Ranum from the Committee on Judiciary, to which was referred**

**S.F. No. 1014:** A bill for an act relating to human services; establishing program integrity initiatives; providing access to child support enforcement central registry; amending Minnesota Statutes 1996, sections 13.46, subdivision 2; 13.82, subdivision 1; 13.99, by adding a subdivision; 256.01, subdivision 2; 256.017, subdivision 2; 256.019; 256.045, subdivision 3; 256.046; 256.98, subdivisions 1, 3, 4, and 8; 256.983, subdivisions 1 and 4; 256.984, subdivision 1; 256.986; 256.9861, subdivisions 1, 2, 4, and 5; 256.998, by adding subdivisions; 256B.056, subdivision 1a; 256B.057, subdivision 2a; 256D.09, subdivision 6; 270A.03, subdivision 5; 388.23, subdivision 1; and 393.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, lines 20 to 36, reinstate the stricken language

Page 4, lines 1 to 4, reinstate the stricken language

Page 4, delete lines 5 to 31

Page 4, line 32, delete the new language and reinstate the stricken language

Page 4, line 35, delete the new language and reinstate the stricken language

Page 5, lines 1, 3, and 14, delete the new language and reinstate the stricken language

Page 5, line 26, reinstate the stricken language

Page 6, delete line 7

Page 6, line 8, delete "programs" and insert "the program integrity section of, and county human service agency client and provider fraud prevention and control units"

Page 13, line 23, reinstate the stricken language and after the reinstated "children" insert "in effect until January 1, 1998,"

Page 13, line 29, strike "control" and insert "control/quality assurance"

Page 13, line 33, strike "control" and insert "control/quality assurance"

Page 13, line 34, reinstate the stricken language

Page 13, line 35, reinstate the stricken language and after the reinstated "children" insert "in effect until January 1, 1998,"

Page 14, line 8, after "MFIP-S," insert "general assistance"

Page 14, lines 12 to 14, delete the new language and strike the old language

Page 14, line 15, strike "except" and insert "the county may keep one-half of recovery made by the county agency using any method other than recoupment. For medical assistance,"

Page 16, after line 20, insert:

"(d) the commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law."

Page 16, line 24, strike "may" and insert "shall"

Page 16, line 27, after "violations" insert ", in lieu of a criminal action,"

Page 17, line 23, delete "sent" and insert "personally served upon the recipient in a manner that is sufficient under rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail, return receipt requested"

Page 17, line 30, after "been" insert "personally served on the recipient or former recipient in a manner sufficient under rule 4.03(a) of the Rules of Civil Procedure for district courts, or" and delete "debtor" and insert "recipient or former recipient"

Page 17, line 31, delete "at the last known address" and insert "certified mail return receipt requested"

Page 18, line 11, after "overpayment" insert "was served on the recipient pursuant to subdivision 3"

Page 18, after line 20, insert:

"(2) proof of service of the notice of overpayment;"

Page 18, line 21, delete "(2)" and insert "(3)"

Page 18, line 27, delete "(3)" and insert "(4)"

Page 18, line 28, delete "debtor's last" and insert "address where the debtor was served with the notice of overpayment"

Page 18, line 29, delete everything before the period

Page 19, line 7, reinstate the stricken "intentional" and delete "willful"

Page 19, line 23, reinstate the stricken period and delete "; or"

Page 19, delete lines 24 to 27

Pages 19 and 20, delete section 10

Page 20, lines 24 and 25, delete "agency error and"

Page 22, line 26, strike "three-month" and insert "three consecutive month"

Page 23, line 3, strike "during the grant year" and insert a comma

Page 23, line 5, delete "and" and insert ", or"

Page 23, line 13, delete "and" and insert "and/or" and delete "256J" and insert "MFIP-S program"

Page 24, line 21, before the period, insert "for the purpose of allocating federal and state funding and appropriations"

Page 25, line 8, after the second "of" insert "the submission of statistical"

Page 25, line 9, strike "received from prosecutors"

Page 26, line 32, delete "at less frequent intervals"



Page 27, line 27, delete "ten" and insert "three"

Page 27, line 28, delete "20" and insert "ten"

Pages 28 to 30, delete sections 25 and 26

Page 30, line 14, reinstate the stricken language and delete the new language

Page 30, line 16, delete "20" and insert "ten"

Page 30, line 17, reinstate the stricken language

Page 31, line 18, before the period, insert "where that payment is based on a client waiver or an administrative or judicial finding of an intentional program violation; or where the debt is owed to a program wherein the debtor is not a client at the time notification is provided to initiate recovery under this chapter and the debtor is not a current recipient of food stamps, transitional child care, or transitional medical assistance"

Page 35, line 18, delete "31" and insert "28"

Page 36, after line 21, insert:

"Sec. 5. [256.9981] [NOTICE TO UNDOCUMENTED PERSONS.]

County agencies, in consultation with the department of human services, shall develop a protocol regarding the release or sharing of data about undocumented persons with the Immigration and Naturalization Service (INS) as stated under sections 404, 434, and 411A of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996."

Page 36, line 23, delete "4" and insert "5"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "3,"

Page 1, line 12, delete "256B.056, subdivision 1a;"

Page 1, line 13, delete "256B.057, subdivision 2a;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Berglin from the Committee on Human Resources Finance, to which was referred**

**S.F. No. 1645:** A bill for an act relating to public safety; appropriating money for costs relating to the 1837 treaty.

Reports the same back with the recommendation that the bill do pass. Report adopted.

## SECOND READING OF SENATE BILLS

S.F. Nos. 1027, 555, 1051, 832, 1527, 1715, 1424, 385, 1350, 1599, 1402, 1250, 444, 961, 418, 1705, 1504, 1066, 1136, 1675, 1583, 1519, 880, 354, 741, 1377, 1178, 1149, 967, 1072, 1217, 193, 236, 849, 1404, 1179, 1025, 1663, 1591, 1102, 1134, 1292, 1139, 523, 599, 1363, 1614, 1431, 1097, 812, 1302, 651, 575, 1165, 63, 448, 948, 1207, 779, 512, 1316, 445, 1621, 1722, 960, 1312, 995, 635, 1096, 1328, 1513, 117, 813, 747, 756, 627, 1114, 1306, 1720, 1037, 566, 1401, 338, 1630, 912, 432, 1014 and 1645 were read the second time.

### MOTIONS AND RESOLUTIONS

Ms. Runbeck moved that her name be stricken as chief author and the name of Mr. Kelly, R.C. be shown as chief author to S.F. No. 222. The motion prevailed.

Ms. Berglin moved that the names of Ms. Junge and Mr. Marty be added as co-authors to S.F. No. 1009. The motion prevailed.

Mr. Cohen moved that the name of Mr. Wiger be added as a co-author to S.F. No. 1765. The motion prevailed.

Mr. Terwilliger moved that his name be stricken as a co-author to S.F. No. 1153. The motion prevailed.

Ms. Anderson moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 1823. The motion prevailed.

#### Mr. Metzen introduced--

**Senate Resolution No. 31:** A Senate resolution congratulating the Simley High School boys basketball team on winning the 1997 State High School Class AAA Boys Basketball tournament.

Referred to the Committee on Rules and Administration.

Mr. Sams moved that S.F. No. 439 be withdrawn from the Committee on Agriculture and Rural Development and returned to its author. The motion prevailed.

Mr. Vickerman moved that S.F. No. 768 be withdrawn from the Committee on Transportation and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Betzold moved that S.F. No. 53, No. 37 on General Orders, be stricken and re-referred to the Committee on Human Resources Finance. The motion prevailed.

Mr. Hottinger moved that S.F. No. 1250 on General Orders, be stricken and re-referred to the Committee on Health and Family Security. The motion prevailed.

### CONSENT CALENDAR

**S.F. No. 1356:** A bill for an act relating to legislative districts; changing two districts to reflect an annexation; amending Minnesota Statutes 1996, section 2.123, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Novak	Scheid
Beckman	Higgins	Laidig	Oliver	Solon
Belanger	Hottinger	Langseth	Olson	Spear
Berg	Janezich	Larson	Ourada	Stevens
Berglin	Johnson, D.E.	Lesewski	Pappas	Stumpf
Betzold	Johnson, D.H.	Lessard	Pariseau	Ten Eyck
Cohen	Johnson, D.J.	Limmer	Piper	Terwilliger
Day	Johnson, J.B.	Marty	Price	Vickerman
Dille	Junge	Metzen	Ranum	Wiener
Fischbach	Kelley, S.P.	Moe, R.D.	Robertson	Wiger
Flynn	Kelly, R.C.	Morse	Robling	
Foley	Kleis	Murphy	Sams	
Frederickson	Knutson	Neuville	Samuelson	

So the bill passed and its title was agreed to.

**H.F. No. 1088:** A bill for an act relating to elections; allowing towns to rotate names of candidates on town ballots; amending Minnesota Statutes 1996, section 205.17, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Novak	Scheevel
Beckman	Higgins	Laidig	Oliver	Scheid
Belanger	Hottinger	Langseth	Olson	Solon
Berg	Janezich	Larson	Ourada	Spear
Berglin	Johnson, D.E.	Lesewski	Pappas	Stevens
Betzold	Johnson, D.H.	Lessard	Pariseau	Stumpf
Cohen	Johnson, D.J.	Limmer	Piper	Ten Eyck
Day	Johnson, J.B.	Marty	Price	Terwilliger
Dille	Junge	Metzen	Ranum	Vickerman
Fischbach	Kelley, S.P.	Moe, R.D.	Robertson	Wiener
Flynn	Kelly, R.C.	Morse	Robling	Wiger
Foley	Kleis	Murphy	Sams	
Frederickson	Knutson	Neuville	Samuelson	

So the bill passed and its title was agreed to.

**H.F. No. 1093:** A bill for an act relating to elections; authorizing the electors of a metropolitan town to move the town election from March to November; amending Minnesota Statutes 1996, section 205.075, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Novak	Scheevel
Beckman	Higgins	Laidig	Oliver	Scheid
Belanger	Hottinger	Langseth	Olson	Solon
Berg	Janezich	Larson	Ourada	Spear
Berglin	Johnson, D.E.	Lesewski	Pappas	Stevens
Betzold	Johnson, D.H.	Lessard	Pariseau	Stumpf
Cohen	Johnson, D.J.	Limmer	Piper	Ten Eyck
Day	Johnson, J.B.	Marty	Price	Terwilliger
Dille	Junge	Metzen	Ranum	Vickerman
Fischbach	Kelley, S.P.	Moe, R.D.	Robertson	Wiener
Flynn	Kelly, R.C.	Morse	Robling	Wiger
Foley	Kleis	Murphy	Sams	
Frederickson	Knutson	Neuville	Samuelson	

So the bill passed and its title was agreed to.

**S.F. No. 1052:** A bill for an act relating to state lands; authorizing the board of trustees of Minnesota state colleges and universities to convey certain land.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Novak	Scheevel
Beckman	Higgins	Laidig	Oliver	Scheid
Belanger	Hottinger	Langseth	Olson	Solon
Berg	Janezich	Larson	Ourada	Spear
Berglin	Johnson, D.E.	Lesewski	Pappas	Stevens
Betzold	Johnson, D.H.	Lessard	Pariseau	Stumpf
Cohen	Johnson, D.J.	Limmer	Piper	Ten Eyck
Day	Johnson, J.B.	Marty	Price	Terwilliger
Dille	Junge	Metzen	Ranum	Vickerman
Fischbach	Kelley, S.P.	Moe, R.D.	Robertson	Wiener
Flynn	Kelly, R.C.	Morse	Robling	Wiger
Foley	Kleis	Murphy	Sams	
Frederickson	Knutson	Neuville	Samuelson	

So the bill passed and its title was agreed to.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

#### **Mses. Junge, Robertson and Mr. Stumpf introduced--**

**S.F. No. 1788:** A bill for an act relating to education; providing funding for the hotline for homework; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Children, Families and Learning.

#### **Mr. Limmer introduced--**

**S.F. No. 1789:** A bill for an act relating to insurance; providing that nonrenewals on homeowner's policies must be based on the total amount paid by the insurer on claims and not the number of claims; amending Minnesota Statutes 1996, section 65A.29, subdivision 8.

Referred to the Committee on Commerce.

#### **Mr. Lessard introduced--**

**S.F. No. 1790:** A bill for an act relating to local government; authorizing the city of International Falls to impose residency requirements.

Referred to the Committee on Local and Metropolitan Government.

#### **Ms. Robertson introduced--**

**S.F. No. 1791:** A bill for an act relating to education; authorizing summer school funding for elementary pupils; amending Minnesota Statutes 1996, section 124.17, subdivision 5.

Referred to the Committee on Children, Families and Learning.

#### **Mr. Betzold, Mses. Junge and Ranum introduced--**

**S.F. No. 1792:** A bill for an act relating to courts; providing a state match for a federal grant received by a nonprofit organization for the acquisition and use of interactive multimedia equipment for courtroom presentations in complex homicide and child fatality cases; appropriating money.

Referred to the Committee on Crime Prevention.

**Mr. Morse, Ms. Wiener, Messrs. Metzen, Stumpf and Stevens introduced--**

**S.F. No. 1793:** A bill for an act relating to retirement; revising investment reporting requirements; modifying penalty provisions; amending Minnesota Statutes 1996, sections 69.051, subdivisions 1, 1a, and 1b; 356.20, by adding a subdivision; 356.219; and 424A.02, subdivision 10; repealing Minnesota Statutes 1996, section 356.218.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Pappas, Mr. Pogemiller, Mses. Junge and Robertson introduced--**

**S.F. No. 1794:** A bill for an act relating to education; appropriating money for a collaborative urban educator program.

Referred to the Committee on Children, Families and Learning.

**Mr. Kelley, S.P. introduced--**

**S.F. No. 1795:** A bill for an act relating to sales tax; making certain services taxable; creating an advisory council; amending Minnesota Statutes 1996, section 297A.01, subdivision 3.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Robertson, Messrs. Terwilliger, Oliver and Kelley, S.P. introduced--**

**S.F. No. 1796:** A bill for an act relating to education; exempting independent school district No. 270, Hopkins, from certain limitations on participation and financial support.

Referred to the Committee on Children, Families and Learning.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 1797:** A bill for an act relating to the city of Cambridge; modifying a tax increment district to permit expenditures in the development district.

Referred to the Committee on Local and Metropolitan Government.

**Messrs. Price and Laidig introduced--**

**S.F. No. 1798:** A bill for an act appropriating money for Landfall housing and redevelopment.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Day introduced--**

**S.F. No. 1799:** A bill for an act relating to commerce; reducing certain fees of the department of commerce; amending Minnesota Statutes 1996, sections 80A.28, subdivision 2; 82.21, subdivision 1; 82B.09, subdivision 1; 155A.045, subdivision 1; 326.86, subdivision 1; 326.975, subdivision 1; and 359.01, subdivision 3.

Referred to the Committee on Commerce.

**Mr. Betzold introduced--**

**S.F. No. 1800:** A bill for an act relating to taxation; individual income; exempting AmeriCorp and youth works program stipends; amending Minnesota Statutes 1996, section 290.01, subdivision 19b.

Referred to the Committee on Taxes.

**Messrs. Stevens, Lessard, Laidig, Samuelson and Mrs. Lourey introduced--**

**S.F. No. 1801:** A bill for an act relating to economic development; appropriating money to reimburse resort owners for economic hardship due to enforcement of the 1837 Mille Lacs treaty.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Kelley, S.P.; Stumpf and Ten Eyck introduced--**

**S.F. No. 1802:** A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 3; changing the number of members of the University of Minnesota board of regents; amending Minnesota Statutes 1996, section 137.024.

Referred to the Committee on Children, Families and Learning.

**Mr. Pogemiller introduced--**

**S.F. No. 1803:** A bill for an act relating to education; modifying the payment of state aids to school districts; amending Minnesota Statutes 1996, sections 124.155, subdivision 1; and 124.195, subdivisions 2, 7, 10, and 11; repealing Minnesota Statutes 1996, section 121.904, subdivision 4d.

Referred to the Committee on Children, Families and Learning.

**Messrs. Johnson, D.J. and Janezich introduced--**

**S.F. No. 1804:** A bill for an act relating to taxation; imposing a sales and use tax within the tax relief area; providing for deposit of the proceeds; amending Minnesota Statutes 1996, sections 298.293; 298.294; and 298.296, subdivision 2.

Referred to the Committee on Taxes.

**Ms. Kiscaden, Mr. Betzold, Mses. Wiener, Ranum and Mr. Knutson introduced--**

**S.F. No. 1805:** A bill for an act relating to health; modifying provisions for patient consent to release of health records; amending Minnesota Statutes 1996, section 144.335, subdivision 3a.

Referred to the Committee on Judiciary.

**Ms. Kiscaden introduced--**

**S.F. No. 1806:** A bill for an act relating to local government; authorizing home rule charters to provide for recall and removal of officers; amending Minnesota Statutes 1996, section 410.20.

Referred to the Committee on Election Laws.

**Ms. Runbeck and Mr. Hottinger introduced--**

**S.F. No. 1807:** A bill for an act relating to workers' compensation; changing certain reporting deadlines; modifying certain workers' compensation procedures; adding correctional officers to the presumption of occupational disease; amending Minnesota Statutes 1996, sections 79.55, subdivisions 9 and 10; 176.011, subdivision 15; and 176.191, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Hottinger; Janezich; Johnson, D.J. and Ms. Pappas introduced--**

**S.F. No. 1808:** A bill for an act relating to education; providing for state aid adjustment to the general education formula training and experience revenue component; appropriating money.

Referred to the Committee on Children, Families and Learning.

**Messrs. Johnson, D.J.; Moe, R.D.; Murphy; Mses. Johnson, J.B. and Wiener introduced--**

**S.F. No. 1809:** A bill for an act relating to state government; requiring the commissioner of administration to place a bust of Nellie Stone Johnson in the state capitol.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Solon introduced--**

**S.F. No. 1810:** A bill for an act relating to natural resources; appropriating money to assess the health of game fish populations and residue levels in the ten major river basins.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Laidig, Price, Lessard, Frederickson and Novak introduced--**

**S.F. No. 1811:** A bill for an act relating to natural resources; specifying the disposition of interest earned on the unexpended balances of certain state accounts; modifying provisions for the computation of unrefunded gasoline tax; amending Minnesota Statutes 1996, sections 84.794, subdivision 1; 84.803, subdivision 1; 84.927, subdivision 2; 86B.415, subdivision 9; 94.165; and 296.421, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Knutson, Lessard and Laidig introduced--**

**S.F. No. 1812:** A bill for an act relating to civil actions; municipal tort liability; excluding from liability losses due to special hunting or trapping to control wildlife; amending Minnesota Statutes 1996, section 466.03, by adding a subdivision.

Referred to the Committee on Judiciary.

**Ms. Runbeck introduced--**

**S.F. No. 1813:** A bill for an act relating to reemployment insurance; modifying reemployment insurance account provisions; providing a waiting period for certain claimants; amending Minnesota Statutes 1996, sections 268.07, subdivision 2; and 268.08, by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

**Mrs. Scheid, Messrs. Solon and Metzen introduced--**

**S.F. No. 1814:** A bill for an act relating to professions; modifying provisions relating to the board of architecture, engineering, land surveying, landscape architecture, geoscience, and interior design; amending Minnesota Statutes 1996, sections 326.02, by adding a subdivision; 326.03, subdivision 1; 326.04; 326.05; 326.06; 326.07; 326.09; 326.10, subdivisions 2 and 7; 326.12, by adding a subdivision; and 326.13; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1996, section 326.08.

Referred to the Committee on Commerce.

**Ms. Piper, Mr. Janezich, Mrs. Robling and Ms. Johnson, J.B. introduced--**

**S.F. No. 1815:** A bill for an act relating to motor vehicles; directing registrar of motor vehicles to issue special Masonic license plates; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

**Ms. Berglin, Messrs. Hottinger and Johnson, D.J. introduced--**

**S.F. No. 1816:** A bill for an act relating to taxes; exempting premiums received from the federal government for Medicare-related coverage from the premium tax; amending Minnesota Statutes 1996, section 60A.15, subdivision 1.

Referred to the Committee on Taxes.

**Mr. Oliver, Ms. Wiener, Messrs. Day; Johnson, D.J. and Mrs. Scheid introduced--**

**S.F. No. 1817:** A bill for an act relating to taxation; providing that increases in property tax levies over those payable in 1997 be levied against referendum market value; providing for targeted property tax refunds for residential and farm homesteads; providing for local government aids; abolishing limited market value; amending Minnesota Statutes 1996, sections 124.2131, subdivision 1; 124A.03, subdivision 1g; 124A.0311, subdivision 1; 124A.23, subdivisions 1 and 2; 273.032; 273.11, subdivision 5; 273.121; 276.04, subdivision 2; 290A.04, subdivision 2h; 477A.011, subdivision 34, and by adding subdivisions; 477A.013, subdivisions 8 and 9; and 477A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 124; and 275; repealing Minnesota Statutes 1996, sections 124A.0311, subdivisions 2, 3, and 4; 273.11, subdivision 1a; and 477A.011, subdivisions 35, 36, and 37.

Referred to the Committee on Local and Metropolitan Government.

**Mr. Scheevel introduced--**

**S.F. No. 1818:** A bill for an act relating to education; providing for a rural school pilot program; appropriating money.

Referred to the Committee on Children, Families and Learning.

**Mr. Scheevel introduced--**

**S.F. No. 1819:** A bill for an act relating to game and fish; requiring identical smallmouth bass regulations in all regions of the state.

Referred to the Committee on Environment and Natural Resources.

**Mr. Novak introduced--**

**S.F. No. 1820:** A bill for an act relating to utilities; reorganizing and renaming the legislative electric energy task force as the legislative commission on utility competition; establishing a process for the review of electric industry restructuring; making technical change; amending Minnesota Statutes 1996, section 216B.2424, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 1996, section 216C.051.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Metzen introduced--**

**S.F. No. 1821:** A bill for an act relating to housing and redevelopment; removing a limitation on the uses of a levy by housing and redevelopment authority for certain project costs; amending Minnesota Statutes 1996, section 469.033, subdivision 6.

Referred to the Committee on Jobs, Energy and Community Development.

**Mrs. Lourey introduced--**



**S.F. No. 1822:** A bill for an act relating to appropriations; making an appropriation to the Minnesota historical society for a grant to the Minnesota center for legal education for certain programs.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Anderson introduced--**

**S.F. No. 1823:** A bill for an act relating to labor relations; requiring arbitration in certain circumstances; establishing procedures; providing penalties; amending Minnesota Statutes 1996, sections 179.06, by adding a subdivision; and 179A.16, subdivision 3, and by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Berg introduced--**

**S.F. No. 1824:** A bill for an act relating to tax increment financing; allowing use of economic development districts for certain retail facilities; amending Minnesota Statutes 1996, section 469.176, subdivision 4c.

Referred to the Committee on Local and Metropolitan Government.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:00 a.m., Thursday, April 3, 1997. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



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